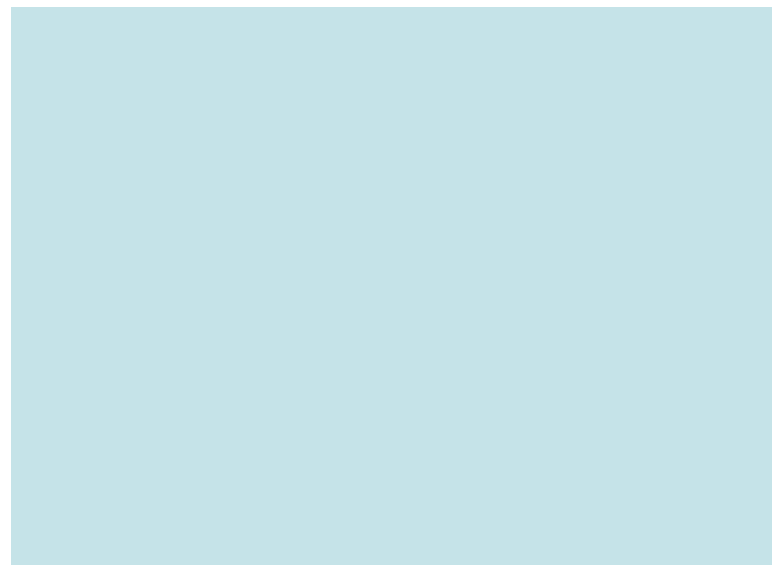
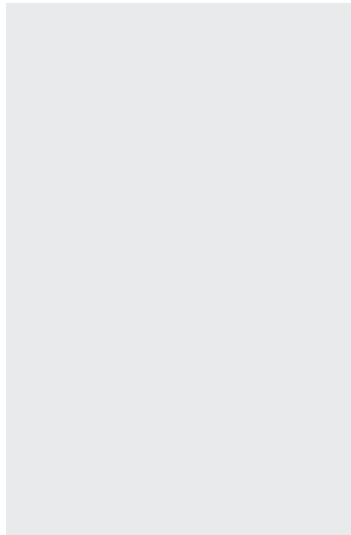


QUARTERLY STATEMENT Q1 2017



WINDELN.DE GROUP AT A GLANCE

Performance Indicators	Q1 2017	Q1 2016 R*
Site Visits	26,037,477	21,346,328
Mobile Visit Share (in % of Site Visits)	68.6%	58.6%
Mobile Orders (in % of Number of Orders)	46.3%	42.6%
Active Customers	1,073,494	928,311
Number of Orders	629,582	593,511
Average Orders per Active Customer (in number of orders)	2.22	2.36
Share of Repeat Customer Orders (in % of number of orders)	75.6%	77.4%
Gross Order Intake (in EUR)	52,209,842	54,522,386
Average Order Value (in EUR)	82.93	91.86
Returns (in % of Net Merchandise Value)	3.9%	6.3%
Marketing Cost Ratio (in % of revenues)	6.0%	6.3%
Adjusted Fulfilment Cost Ratio (in % of revenues)	15.4%	19.0%
Adjusted Other SG&A Expenses (in % of revenues)	15.8%	16.5%
Earnings Position		
Revenues (in kEUR)	51,879	47,039
Gross Profit (in kEUR)	12,100	13,231
Gross Profit (as % of revenues)	23.3%	28.1%
Operating Contribution (in kEUR)	977	1,311
Operating Contribution (as % of revenues)	1.9%	2.8%
Adjusted EBIT (in kEUR)	-7,245	-6,468
Adjusted EBIT (as % of revenues)	-14.0%	-13.8%
Financial Position		
Cash flow from operating activities (in kEUR)	-7,139	-9,033
Cash flow from investing activities (in kEUR)	-81	-896
Cash and cash equivalents at the end of the period (in kEUR)	44,112	78,730
Time deposits (in kEUR)	3,750	-
Restricted cash (in kEUR)	297	107
Total cash, time deposits and restricted cash (in kEUR)	48,159	78,837
Other		
Basic earnings per share from continuing operations (in EUR)	-0.34	-0.38
Diluted earnings per share from continuing operations (in EUR)	-0.30	-0.37

*All performance indicators as well as the section earnings position include amounts from continuing operations only.

MATERIAL TRANSACTIONS IN Q1 2017

New shop system for German windeln.de online shop

Following the successful migration of the shops for Italy (pannolini.it), Switzerland (windeln.ch, kindertraum.ch, toys.ch), China (windeln.com.cn) and nakiki.de last year, the German Shop windeln.de has now been successfully migrated to the new shop platform as well. The fact that these shops are now running on the same technical basis will help windeln.de to improve quality for customers, to further streamline its processes and to achieve technical and process-oriented synergies.

The new shop system improves the shopping experience for the customer due to faster webpage loading times on all devices as well as new features in payment and checkout. Through an optimized design and user-friendly presentation on small devices such as mobile phones, shopping on windeln.de is much easier now.

New features can be implemented much faster and can be scaled internationally due to the modern IT architecture which is based on micro services. Also, in terms of marketing, the migration offers advantages by developing campaigns solely for one particular market which can then be quickly rolled out to other markets and on all devices.

Foundation of windeln Management Consulting (Shanghai) Co., Ltd.

Effective February 21, 2017, the company windeln Management Consulting (Shanghai) Co., Ltd. with registered offices in Shanghai, China, was founded. The subsidiary operates as a service company in the Chinese market for marketing activities and for the development of further distribution channels.

Additional transport service provider for deliveries to China

At the end of Q1 2017, windeln.de contracted an additional transport service provider for deliveries to China. Favorable conditions of the new transport service provider result in cost savings in selling and distribution expenses. First improvements are already visible in Q1 2017.

Subsequent accounting of additional considerations

In connection with the acquisitions of Feedo Sp. z o.o. (hereinafter referred to as "Feedo Group") and Bebitus Retail S.L.U. (hereinafter referred to as "Bebitus"), subsequent considerations were agreed with specific sellers in 2015. These elements of the purchase price changed as follows during Q1 2017:

a) Feedo Group

The fair value of the subsequent consideration for Feedo Group amounts to EUR 5,208k as of March 31, 2017 (December 31, 2016: EUR 5,228k).

One element of the subsequent consideration is an equity-settled share-based payment award to members of the local management board. The fair value of this award amounts to EUR 2,875k (December 31, 2016: EUR 2,887k). This element of the consideration vests over a period of 36 months. In Q1 2017, personnel expenses of EUR 293k were recognized within administrative expenses. The corresponding portion within share premium increased from EUR 1,807k on December 31, 2016, to EUR 2,100k on March 31, 2017.

The other element is a contingent consideration pursuant to IFRS 3. The fair value of this element decreased from EUR 2,340k on December 31, 2016, to EUR 2,333k on March 31, 2017. Thereof, EUR 1,841k are recognized within other current financial liabilities and EUR 492k within other non-current financial liabilities. The change of fair value is recognized within financial income (EUR 7k).

The non-financial asset relating to the prepayment incurred on the acquisition date was reduced by EUR 48k in Q1 2017. As of March 31, 2017, the non-current portion amounts to EUR 48k, and the current portion amounts to EUR 192k.

b) Bebitus

The fair value of the subsequent consideration for Bebitus amounts to EUR 16,734k as of March 31, 2017 (December 31, 2016: EUR 16,684k).

One element of the subsequent consideration is an equity-settled share-based payment award to members of the local management board. The fair value of this award amounts to EUR 11,032k (December 31, 2016: EUR 10,982k). This element of the consideration vests over a period of 27 months. In Q1 2017, personnel expenses of EUR 1,253k were recognized within administrative expenses. The corresponding portion within share premium increased from EUR 6,101k on December 31, 2016, to EUR 7,354k on March 31, 2017.

The fair value of short-term employee benefits to local management, incurred in the acquisition of Bebitus, is unchanged compared to December 31, 2016. Thus, the liability amounts to EUR 2,333k on March 31, 2017, and is recognized within other current non-financial liabilities.

The fair value of contingent considerations from the acquisition of Bebitus did not change in Q1 2017 (EUR 3,369k). The amount is recognized within other current financial liabilities.

Guarantee claims from the acquisition of Bebitus

Since Q4 2016, windeln.de SE is involved in an out of court settlement with two of the sellers of Bebitus on the enforcement of guarantee claims from the share purchase agreement, and on a potential reduction of subsequent purchase price components. The settlement is ongoing in Q1 2017.

COMMENTS ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net assets and financial position

As of March 31, 2017, the assets of the windeln.de Group decreased by EUR 8,334k to EUR 113,341k compared to December 31, 2016. The decline is substantially attributable to the decline in cash and cash equivalents of EUR 7,190k as presented in the consolidated statement of cash flows, to a reduction in inventories by EUR 977k and a decline of other current financial assets by EUR 950k. windeln.de reduced inventories due to a continuing optimization process. The decrease of other current assets is mainly contributable to a reduction of receivables from advertising subsidies.

In contrast, intangible assets increased by EUR 842k to EUR 32,011k. Thereof, EUR 596k are caused by exchange rate fluctuations of Polish Zloty (PLN). At acquisition date, the domains of Feedo Group were recognized in PLN. Therefore, the domains are revaluated at each reporting date. In addition, development costs for self developed software were capitalized in Q1 2017.

In Q4 2016, windeln.de made an investment of EUR 5,000k in time deposits with varying maturities. In Q1 2017, the first time deposit amounting to EUR 625k fell due and was repaid. In addition, another time deposit amounting to EUR 625k was reclassified from other non-current financial assets to other current financial assets.

Effective January 1, 2017, windeln.de adopted IFRS 15 - Revenue from Contracts with Customers. In course of adoption, loyalty bonuses as contract liabilities were reclassified from other current provisions to deferred revenues. For reasons of comparability, the reclassification was done for the comparison period as well. As of March 31, 2017, the loyalty bonuses amount to EUR 1,035k (December 31, 2016: EUR 1,238k).

The liabilities of the windeln.de Group decreased by EUR 1,347k to EUR 40,093k. This is substantially attributable to a decline in trade payables by EUR 1,360k and a reduction in other financial liabilities, especially debtors with credit balances, by EUR 511k. By contrast, deferred revenues increased by EUR 353k to EUR 4,908k.

Earnings position

In the first quarter of 2017, the Group generated revenues of EUR 51,879k, an increase of 10% compared to prior year comparative period (EUR 47,039k).

The revenue growth was mainly generated in the geographical regions China (+9%) and rest of Europe (+36%). The region rest of Europe is mainly operated by the segment International Shops which succeeded in expanding its revenues by EUR 4,353k or 36% to a total of EUR 16,597k. Consequently, the segment's share of total Group revenues amounts to 32% compared to 26% in prior year (continuing operations only). The segment International Shops comprises the web shops in Italy and Switzerland, the web shops of Feedo Group (Czech Republic, Poland, Slovakia) and the web shops of Bebitus (Spain, France, Portugal). Especially, Feedo Group and Bebitus contributed to the growth within that segment. The adoption of IFRS 15 had no impact on the results of the Group.

The gross margin (gross profit in relation to revenues) decreased by 4.8pp compared to prior period. This development is caused by a product mix with higher sales of low-margin products compared to prior period.

At the same time, this product mix led to a decrease in logistics expenses, resulting in a significant reduction of selling and distribution expenses of 5% to the comparative period; whereas – at the same time – sales revenues increased by 10%. The relevant performance indicator “adjusted fulfilment cost ratio”, i.e. adjusted logistics and warehouse rent expenses in relation to revenues, improved significantly from 19.0% in the prior comparative period to 15.4%. Additionally, marketing cost ratio improved from 6.3% in the prior year to now 6.0%. This development also contributed to the improvement of selling expenses.

Administration expenses decreased by 19% or EUR 1,198k, mainly due to lower expenses for share-based compensation.

Other operating income and expenses mainly consist of gains and losses from foreign exchange rate differences between the date of origin and the date of payment of foreign exchange receivables and liabilities. In the course of growth in countries outside the Euro-zone, those effects become more material to windeln.de Group.

In Q1 2017, the Group entered into a foreign exchange forward agreement after the Czech National Bank announced to give up its exchange rate peg between Czech Koruna (CZK) and Euro (EUR). The agreement is accounted for as a Fair Value Hedge and incurred an unrealized foreign exchange loss of EUR 5k, recognized within the financial result. The agreement comprises 17 separate tranches with maturity dates between April 21 and December 22, 2017.

REGIONAL AND SEGMENT RESULTS OF OPERATIONS

REVENUES BY REGION

kEUR	Q1 2017	Q1 2016 R*	Change
Germany, Austria, Switzerland (GSA)	13,343	14,281	-938
China	23,640	21,766	1,874
Other/rest of Europe	14,896	10,992	3,904
Revenues	51,879	47,039	4,840

SEGMENT INFORMATION

kEUR	Q1 2017	Q1 2016 R*	Change
German Shop	35,341	34,795	546
International Shops	16,597	12,244	4,353
Reconciling item to Group revenues	-59	-	-59
Revenues from continuing operations	51,879	47,039	4,840
Shopping Clubs	-	5,093	-5,093
Total Group revenues	51,879	52,132	-253
German Shop contribution	-1,167	-297	-870
International Shops contribution	-4,085	-5,655	1,570
Reconciling item to Group EBIT	-3,686	-4,053	367
EBIT from continuing operations	-8,938	-10,005	1,067
Shopping Clubs contribution	-	-1,230	1,230
Total Group EBIT	-8,938	-11,235	2,297
German Shop contribution	-1,159	-231	-928
International Shops contribution	-2,373	-2,903	530
Reconciling item to adjusted Group EBIT	-3,713	-3,334	-379
Adjusted EBIT from continuing operations	-7,245	-6,468	-777

ADJUSTED EBIT

kEUR	Q1 2017	Q1 2016 R*	Change
Earnings before interest and taxes (EBIT)	-8,938	-10,005	1,067
adjusted for costs of acquisition, integration and expansion	118	458	-340
adjusted for share-based compensation	1,654	2,766	-1,112
adjusted for costs of reorganization	-79	248	-327
adjusted for costs of restructuring under corporate law	-	65	-65
Adjusted EBIT	-7,245	-6,468	-777

* In the comparative period Q1 2016 the consolidated income statement was restated due to the discontinued operation and a purchase price adjustment. For further information, please refer to annual report 2016.

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

kEUR	Q1 2017	Q1 2016 R*
Continuing operations		
Revenues	51,879	47,039
Cost of sales	-39,779	-33,808
Gross profit	12,100	13,231
Selling and distribution expenses	-16,124	-16,936
Administrative expenses	-5,112	-6,310
Other operating income	260	87
Other operating expenses	-62	-77
Earnings before interest and taxes (EBIT)	-8,938	-10,005
Financial income	18	110
Financial expenses	-33	-61
Financial result	-15	49
Earnings before taxes (EBT)	-8,953	-9,956
Income taxes	3	0
Profit or loss from continuing operations	-8,950	-9,956
Profit or loss from discontinued operations	-	-1,230
PROFIT OR LOSS FOR THE PERIOD	-8,950	-11,186
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	357	45
OTHER COMPREHENSIVE INCOME/LOSS, NET OF TAX	357	45
TOTAL COMPREHENSIVE INCOME, NET OF TAX	-8,593	-11,141
Basic earnings per share (in EUR)	-0.34	-0.43
Diluted earnings per share (in EUR)	-0.30	-0.42
Basic earnings per share from continuing operations (in EUR)	-0.34	-0.38
Diluted earnings per share from continuing operations (in EUR)	-0.30	-0.37

* In the comparative period Q1 2016 the consolidated income statement was restated due to the discontinued operation and a purchase price adjustment. For further information, please refer to annual report 2016.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets		
kEUR	March 31, 2017	December 31, 2016
NON-CURRENT ASSETS		
Intangible assets	32,011	31,169
Fixed assets	815	865
Other financial assets	3,044	3,146
Other non-financial assets	275	330
Deferred tax assets	10	10
Total non-current assets	36,155	35,520
CURRENT ASSETS		
Inventories	20,668	21,645
Prepayments	334	374
Trade receivables	2,199	2,508
Income tax receivables	6	6
Other financial assets	6,380	7,330
Other non-financial assets	3,487	2,990
Cash and cash equivalents	44,112	51,302
Total current assets	77,186	86,155
TOTAL ASSETS	113,341	121,675

Equity and liabilities

kEUR	March 31, 2017	December 31, 2016 R*
EQUITY		
Issued capital	26,318	26,318
Share premium	161,599	159,993
Treasury Shares	-370	-370
Accumulated loss	-114,423	-105,473
Cumulated other comprehensive income	124	-233
Total equity	73,248	80,235
NON-CURRENT LIABILITIES		
Defined benefit obligations and other accrued employee benefits	160	153
Other provisions	30	86
Financial liabilities	115	119
Other financial liabilities	582	589
Deferred tax liabilities	6,167	6,057
Total non-current liabilities	7,054	7,004
CURRENT LIABILITIES		
Other provisions	292	424
Financial liabilities	106	64
Trade payables	16,157	17,517
Deferred revenues	4,908	4,555
Income tax payables	12	12
Other financial liabilities	8,081	8,592
Other non-financial liabilities	3,483	3,272
Total current liabilities	33,039	34,436
TOTAL EQUITY AND LIABILITIES	113,341	121,675

* Due to the adoption of IRFS 15 in 2017, the comparative period was adjusted (other current provisions and deferred revenues).
For further information please refer to comments on net assets and financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

KEUR	Q1 2017	Q1 2016 R*
Profit or loss for the period	-8,950	-11,186
Amortization (+) / Impairment (+) of intangible assets	339	201
Depreciation (+) / Impairment (+) of fixed assets	119	136
Increase (+) / decrease (-) in other provisions**	-188	29
Non-cash expenses (+) from employee benefits	1,612	2,670
Other non-cash expense (+) / income (-) items	-129	-208
Increase (-) / decrease (+) in inventories	976	-1,061
Increase (-) / decrease (+) in prepayments	40	1,018
Increase (-) / decrease (+) in trade receivables	310	1,302
Increase (-) / decrease (+) in other assets	-29	171
Increase (+) / decrease (-) in trade payables	-1,285	-3,644
Increase (+) / decrease (-) in deferred revenues**	353	448
Increase (+) / decrease (-) in other liabilities	-308	1,106
Gain (-) / loss (+) from disposal of intangible and fixed assets	2	-
Interest expenses (+) / income (-)	3	-10
Income tax expenses (+) / income (-)	-3	-6
Income tax paid (-) / received (+)	-1	1
Net cash flows from / used in operating activities	-7,139	-9,033
Proceeds (+) from disposal of intangible and fixed assets	22	-
Purchase (-) of intangible assets	-649	-503
Purchase (-) of fixed assets	-80	-408
Procees (+) or payments (-) for investments in financial assets	625	-
Interest received (+)	1	15
Net cash flow from / used in investing activities	-81	-896
Repayment (-) of finance lease liabilities	-18	-11
Proceeds (+) from financial liabilities	49	-
Repayment (-) of financial liabilities	-3	-3
Interest paid (-)	-4	-5
Net cash flow from / used in financing activities	24	-19
Cash and cash equivalents at the beginning of the period	51,302	88,678
Net increase / decrease in cash and cash equivalents	-7,196	-9,948
Change in cash and cash equivalents due to foreign exchange rates	6	0
Cash and cash equivalents at the end of the period	44,112	78,730

* In the comparative period Q1 2016, retrospective changes were performed. For further information, please refer to annual report 2016.

** Due to the adoption of IRFS 15 in 2017, the comparative period was changed (other current provisions and deferred revenues). For further information please refer to comments on net assets and financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

kEUR	Issued capital	Share premium	Treasury shares	Accumulated loss
As at January 1, 2017	26,318	159,993	-370	-105,473
Total comprehensive income or loss of the period	-	-	-	-8,950
Issue of share capital	-	-	-	-
Share-based payments	-	1,606	-	-
As at March 31, 2017	26,318	161,599	-370	-114,423
As at January 1, 2016	25,746	154,570	-	-63,500
Total comprehensive income or loss of the period	-	-	-	-11,186
Issue of share capital	537	27	-	-
Share-based payments	-	2,644	-	-
As at March 31, 2016*	26,283	157,241	-	-74,686

kEUR	Actuarial gains/losses from remeasurement of defined benefit pension plans	Exchange differences on translation of foreign operations	Other comprehensive income	Total Equity
As at January 1, 2017	14	-247	-233	80,235
Total comprehensive income or loss of the period	-	357	357	-8,593
Issue of share capital	-	-	-	-
Share-based payments	-	-	-	1,606
As at March 31, 2017	14	110	124	73,248
As at January 1, 2016	-28	8	-20	116,796
Total comprehensive income or loss of the period	-	45	45	-11,141
Issue of share capital	-	-	-	564
Share-based payments	-	-	-	2,644
As at March 31, 2016*	-28	53	25	108,863

* In the comparative period Q1 2016, retrospective changes were performed. For further information, please refer to annual report 2016.

