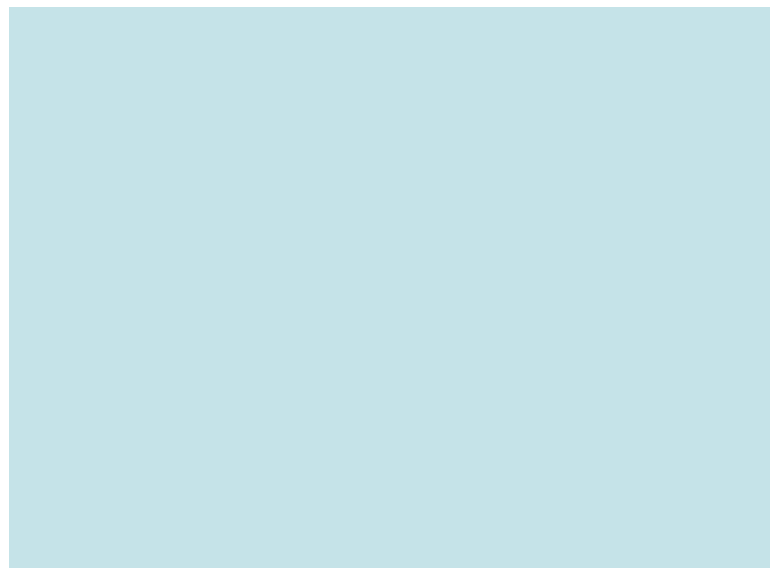
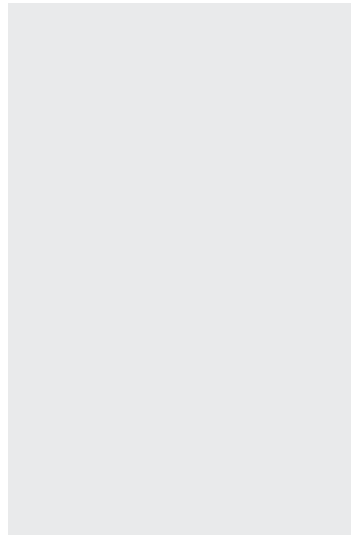


QUARTERLY STATEMENT Q3 2016



WINDELN.DE GROUP AT A GLANCE (excl. discontinued operations)

Performance Indicators	9M 2016	9M 2015 R	Q3 2016	Q3 2015 R
Site Visits	66,481,968	33,192,453	23,029,730	12,770,834
Mobile Visit Share (in % of Site Visits)	62.0%	55.5%	65.3%	54.1%
Mobile Orders (in % of Number of Orders)	44.2%	39.4%	46.2%	38.4%
Active Customers	998,358	669,630	998,358	669,630
Number of Orders	1,662,643	1,200,557	537,206	458,914
Average Orders per Active Customer (in number of orders)	2.3	2.5	2.3	2.5
Share of Repeat Customer Orders (in % of Number of Orders)	76.2%	80.7%	76.2%	80.7%
Gross Order Intake (in EUR)	149,474,795	114,772,464	47,066,350	41,649,471
Average Order Value (in EUR)	89.90	95.60	87.61	90.76
Returns (in % of Net Merchandise Value)	5.7%	4.9%	5.1%	4.8%
Marketing Cost Rate (in % of revenues)	7.2%	6.1%	7.4%	7.0%
Adjusted Fulfilment Cost Ratio (in % of revenues)	18.1%	11.1%	17.0%	13.3%
Adjusted Other SG&A Expenses (in % of revenues)	16.6%	13.6%	16.0%	14.4%
Earnings Position				
Revenues (in kEUR)	137,625	105,942	45,700	38,153
Gross Profit (in kEUR)	38,269	27,137	11,869	9,401
Gross Profit (as % of revenues)	27.8%	25.6%	26.0%	24.6%
Operating Contribution (in kEUR)	3,534	8,957	702	1,665
Operating Contribution (as % of revenues)	2.6%	8.5%	1.5%	4.4%
Adjusted EBIT (in kEUR)	-19,349	-5,404	-6,622	-3,821
Adjusted EBIT (as % of revenues)	-14.1%	-5.1%	-14.5%	-10.0%
Financial Position				
Cash flow from operating activities (in kEUR)	-20,620	-9,926	-786	-6,109
Cash flow from investing activities (in kEUR)	-2,438	-9,888	-766	-8,679
Cash and cash equivalents at the end of the period (in kEUR)	65,581	107,473	65,581	107,473
Other				
Basic earnings per share (in EUR)	-1.25	-0.80	-0.55	-0.31
Diluted earnings per share (in EUR)	-1.11	-0.78	-0.49	-0.31

MATERIAL TRANSACTIONS IN Q3 2016

With regards to material transactions in the first six months of 2016, reference is made to the Half Year Report 2016.

Legal transactions

The Annual General Meeting held on June 17, 2016, approved to change the legal structure of the company into a European Company (Societas Europaea – SE). The change in legal structure became effective by its entry in the Commercial Register on August 31, 2016.

In the course of the transition into a European Company, the supervisory board was newly elected by the Annual General Meeting on June 17, 2016. The new supervisory board commenced its function as of August 31, 2016, the effective date of the change in legal structure. The new members of the supervisory board are published on the corporate website of windeln.de SE (corporate.windeln.de).

On June 15, 2016, windeln.de SE announced the appointment of Jürgen Vedio as an additional member of the management board. Jürgen Vedio commenced his function on July 1, 2016, and is responsible for logistics, customer service and procurement activities.

Subsequent accounting of contingent considerations

In connection with the acquisitions of Feedo Sp. z o.o. and its subsidiaries (hereinafter referred to as “Feedo Group”) and Bebitus Retail S.L. (hereinafter referred to as “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 9M 2016, personnel expenses of EUR 7,302k were recognized within administrative expenses. Thereof, EUR 1,377k relate to the Feedo Group, and EUR 5,925k relate to Bebitus. The corresponding portion within share premium increased from EUR 3,102k on December 31, 2015, to EUR 10,404k on September 30, 2016. The non-financial asset relating to the prepayment incurred on the acquisition date was reduced by EUR 144k in 9M 2016. As of September 30, 2016, the non-current portion amounts to EUR 144k, and the current portion amounts to EUR 192k.

The fair value of short-term employee benefits to local management, incurred in the acquisition of Bebitus, increased by EUR 46k in 9M 2016 and is recognized as personnel expenses within administrative expenses. The liability thus amounts to EUR 2,318k as of September 30, 2016, and is recognized within other current non-financial liabilities.

As of September 30, 2016, fair values of the contingent considerations from the acquisitions of the Feedo Group and Bebitus amount to EUR 5,838k (December 31, 2015: EUR 6,856k). The change stems from a payment of EUR 281k made to the sellers of Bebitus in September 2016, and from the fair value remeasurement of EUR 737k. The fair value change is recognized within financial income. For the acquisition of the Feedo Group, EUR 1,755k is recognized within other current financial liabilities, and EUR 998k is recognized within other non-current financial liabilities, as of September 30, 2016. For the acquisition of Bebitus, EUR 3,085k is recognized within other current financial liabilities as of September 30, 2016.

China

In July 2016, windeln.de SE launched a flagship store on the Chinese platform Tmall. The Group aims at offering an additional sales channel to the current customer base of windeln.de in China as well as addressing new customers. The flagship store of windeln.de offers a range of milk formula products and child car seats as well as additional baby and toddler products.

Exit of Shopping Club operations and relaunching of Nakiki brand

On July 28, 2016, the management board with approval by the supervisory board announced a comprehensive set of measures

for a customer-focused streamlining of business activities, improvement of operational processes and cost reductions. It was announced that the business model flash sales will be discontinued. Flash sales operations were the sole business activity of the Shopping Clubs business segment and the "Shopping Clubs" operating segment. Along with the exit of flash sale activities, the Shopping Club operations are treated as discontinued operations. The brand "Nakiki" was relaunched and serves as a ready to ship platform within the operating segment "German Shop". On the website nakiki.de, a new shop is launched with the sale of clothing, toys and other accessories for children between 0 – 6 years as primary business activity. In connection with the exit of the business segment, ca. 100 employees of windeln.de SE were laid off. As of July 28, 2016, Management estimated the exit to incur one-time costs of EUR 2m (prior to impairment of inventories). With the final exit of flash sale operations by end of September 2016, the business segment qualifies as a discontinued operation under IFRS, and is therefore presented separately from continuing operations in the Group's consolidated statement of comprehensive income as of September 30, 2016. In accordance with IFRS 5, the separation in continuing and discontinued operations is also made for comparable periods. In the course of the exit, windeln.de SE also sells non-current assets. As of September 30, 2016, non-current assets held for sale are presented the consolidated statement of financial position.

COMMENTS ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net assets and financial position

As of September 30, 2016, the assets of the windeln.de Group decreased by EUR 27,583k to EUR 131,876k compared to December 31, 2015. The decline is substantially attributable to the decline in cash and cash equivalents of EUR 23,097k as presented in the consolidated statement of cash flows, to a reduction in inventories by EUR 6,385k and lower prepayments by EUR 1,177k. Inventories decrease in the course of a general consumption of merchandise on stock. As of December 31, 2015, inventories were disproportionately high due to an increased order volume. The reduction in prepayments results from the exit of the Shopping Club business as well as favourable renegotiations of purchasing conditions.

In contrast, other current financial assets increased by EUR 2,202k to EUR 4,927k. The increase results from a compensation claim in the amount of EUR 1,480k against three of the sellers of the Feedo Group and is recognized in profit or loss in Q2 2016. In addition, accrued advertising subsidies increased by EUR 1,052k compared to December 31, 2015.

The increase in non-current assets is also attributable to the compensation claim against three of the sellers of the Feedo Group. The non-current portion of the claim in the amount of EUR 585k is recognized in other non-current financial assets.

As a result of the exit of the Shopping Club business, some of the non-current assets are classified as held for sale as of September 30, 2016. Those assets mainly comprise equipment from the closed warehouse in Abensberg. The Group expects to sell assets in the amount of EUR 67k in Q4 2016.

The liabilities of the windeln.de Group decreased by EUR 2,768k to EUR 41,813k. This is substantially attributable to a decline in trade payables by EUR 1,295k as a result of reductions in inventories, to a decline in deferred revenues by EUR 1,127k and a reduction in other financial liabilities by EUR 947k. The decrease in deferred revenues results from the exit of the Shopping Club business. Remeasurements of contingent considerations for the acquisition of the Feedo Group incurred in Q2 2016, result in a decrease in other financial liabilities. In contrast, other current provisions increase by EUR 579k, mainly due to accrued restructuring costs of EUR 650k in connection with the abandonment of the Shopping Club business in Q3 2016.

Compared to December 31, 2015, EUR 2,432k were reallocated from non-current to current liabilities. This is mainly attributable to other financial liabilities in connection with contingent considerations.

Results of continuing operations

In the nine months period of 2016, the Group generated revenues of EUR 137,625k in its continuing operations, i.e. excluding the discontinued operation Shopping Clubs. This represents an increase by 30% compared to the nine months period of 2015 (EUR 105,942k).

The regions China and rest of Europe as well as the two operating segments of the Group, German Shop and International Shops, increased their revenues. Especially the operating segment International Shops significantly increased its revenues as a consequence of the acquisitions made in H2 2015. Revenues in this operating segment increased from EUR 8,769k in 9M 2015 to EUR 40,363k in 9M 2016. This represents an increase by 360%.

Compared to 9M 2015, the margin (gross profit as percentage of revenues) improved by 2.2pp. The positive development of the margin is in particular attributable to the increased sales of products with higher margins, improved purchasing conditions with suppliers as well as the introduction of direct delivery to China in the third quarter of 2015.

Compared to 9M 2015, selling and distribution expenses increased in absolute relations and also in comparison to gross profit. This can particularly be explained by the introduction of direct delivery to China.

Compared to 9M 2015, administrative expenses decreased from 53.8% to 46.2% in relation to gross profit. In 9M 2015, administrative expenses included disproportionately higher expenses for share-based payment expenses from stock option programs. Also refer to the Group Management Report 2015.

The increase in other operating income results from the compensation claim against the sellers of the Feedo Group of EUR 3,104k incurred in H1 2016. In the prior period H1 2015, other operating income mainly comprises gains of EUR 2,297k from the recharge of internal and external costs arising in connection with the IPO to investors.

Results of discontinued operations

Losses from discontinued operations represent the loss of the business segment Shopping Clubs. After the abandonment in September 2016, the business segment is presented separately from continuing operations. The loss of the business segment amounts to EUR 7,229k in 9M 2016. This represents an increase by EUR 2,761k compared to the prior year period. The loss incurred in 9M 2016 includes one-time costs of EUR 2.5m recognized in connection with the abandonment of the business segment. This number includes expenses for onerous contracts, severance and continued pay, impairment for non-current assets and impairment for inventories.

ADJUSTED OUTLOOK

The Company's financial performance in the third quarter was affected by temporary factors resulting from the focusing of its business model as well as the measures implemented with the objective to improve profitability (STAR project). The delisting of almost 400 brands resulted in a temporary decline in revenues and a correspondingly lower gross profit margin. A reduced price level in China was a further factor in the third quarter.

Based on the numbers for the third quarter and the positive fourth-quarter trend to date, windeln.de envisages revenues of between EUR 190 and 200 million which corresponds to revenues growth of approx. 20% to 25% for the fiscal year 2016. A gross profit margin of approx. 27% and an adjusted EBIT margin of between -12% and -14% is expected for the fiscal year 2016 as a whole. For 2017, windeln.de anticipates continuing growth and improved profitability based on the successful implementation of the various measures.

REGIONAL AND SEGMENT RESULTS OF OPERATIONS

REVENUES BY REGION (EXCL. DISCONTINUED OPERATIONS)

kEUR	9M 2016	9M 2015 R	Change		Q3 2016	Q3 2015 R	Change	
			absolute in kEUR	relative in %			absolute in kEUR	relative in %
Revenues	137,625	105,942	31,683	30%	45,700	38,153	7,547	20%
Germany, Austria, Switzerland (GSA)	38,897	39,171	-274	-1%	11,548	13,750	-2,202	-16%
in % of total revenues	28.3%	37.0%	-	-8.7pp	25.3%	36.0%	-	-10.7pp
China	61,847	61,309	538	1%	20,946	20,255	691	3%
in % of total revenues	44.9%	57.9%	-	-13.0pp	45.8%	53.1%	-	-7.3pp
Other/rest of Europe	36,881	5,462	31,419	>100%	13,206	4,148	9,058	>100%
in % of total revenues	26.8%	5.1%	-	21.7pp	28.9%	10.9%	-	18.0pp

SEGMENT INFORMATION

kEUR	9M 2016	9M 2015	Change		Q3 2016	Q3 2015	Change	
			absolute in kEUR	relative in %			absolute in kEUR	relative in %
German Shop	97,326	97,173	153	0%	31,368	32,739	-1,371	-4%
International Shops	40,363	8,769	31,594	>100%	14,354	5,414	8,940	>100%
Reconciling item to Group revenues	-64	-	-64		-22	-	-22	
Revenues from continuing operations	137,625	105,942	31,683	30%	45,700	38,153	7,547	20%
Shopping Clubs	14,763	12,370	2,393	19%	5,113	5,133	-20	0%
Total Group revenues	152,388	118,312	34,076	29%	50,813	43,286	7,527	17%
German Shop contribution	-1,156	3,051	-4,207	<-100%	-788	362	-1,150	<-100%
International Shops contribution	-16,639	-4,116	-12,523	>100%	-5,678	-2,593	-3,085	>100%
Reconciling item to Group EBIT	-8,366	-10,741	2,375	-22%	-3,597	-3,274	-323	10%
EBIT from continuing operations	-26,161	-11,806	-14,355	>100%	-10,063	-5,505	-4,558	83%
Shopping Clubs contribution	-7,227	-4,465	-2,762	62%	-4,336	-1,827	-2,509	>100%
Total Group EBIT	-33,388	-16,271	-17,117	>100%	-14,399	-7,332	-7,067	96%
German Shop contribution	-893	3,853	-4,746	<-100%	-756	470	-1,226	<-100%
International Shops contribution	-8,519	-2,645	-5,874	>100%	-2,563	-1,777	-786	44%
Reconciling item to adjusted Group EBIT	-9,937	-6,612	-3,325	50%	-3,303	-2,514	-789	31%
Adjusted EBIT from continuing operations	-19,349	-5,404	-13,945	>100%	-6,622	-3,821	-2,801	73%

ADJUSTED EBIT (EXCL. DISCONTINUED OPERATIONS)

kEUR	9M 2016	9M 2015 R	Change		Q3 2016	Q3 2015 R	Change	
			absolute in kEUR	relative in %			absolute in kEUR	relative in %
Earnings before interest and taxes (EBIT)	-26,161	-11,806	-14,355	>100%	-10,063	-5,505	-4,558	83%
adjusted for costs in connection with the IPO	-	-437	437	-100%	-	-121	121	-100%
thereof expenses	-	1,677	-1,677	-100%	-	116	-116	-100%
thereof income	-	-2,114	2,114	-100%	-	-237	237	-100%
adjusted for costs of acquisition, integration and expansion	-2,487	1,248	-3,735	<-100%	48	712	-664	-93%
adjusted for share-based compensation	7,921	5,591	2,330	42%	2,835	1,093	1,742	>100%
thereof cost of sales	13	5	8	>100%	5	-	5	
thereof selling and distribution expenses	-12	282	-294	<-100%	5	41	-36	-88%
thereof administrative expenses	7,920	5,304	2,616	49%	2,825	1,052	1,773	>100%
adjusted for costs of reorganization	587	-	587		236	-	236	
adjusted for costs of restructuring under corporate law	136	-	136		4	-	4	
adjusted for ERP system change	655	-	655		318	-	318	
Adjusted EBIT	-19,349	-5,404	-13,945	>100%	-6,622	-3,821	-2,801	73%

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

kEUR	9M 2016	9M 2015 R	Q3 2016	Q3 2015 R
Continuing operations				
Revenues	137,625	105,942	45,700	38,153
Cost of sales	-99,356	-78,805	-33,831	-28,752
Gross profit	38,269	27,137	11,869	9,401
Selling and distribution expenses	-49,928	-26,834	-16,234	-10,902
Administrative expenses	-17,695	-14,605	-5,778	-4,234
Other operating income	3,845	2,883	137	317
Other operating expenses	-652	-387	-57	-87
Earnings before interest and taxes (EBIT)	-26,161	-11,806	-10,063	-5,505
Financial income	773	9	-47	2
Financial expenses	-26	-512	-12	-411
Financial result	747	-503	-59	-409
Earnings before taxes (EBT)	-25,414	-12,309	-10,122	-5,914
Income taxes	-16	-1,595	-8	-67
Profit or loss from continuing operations	-25,430	-13,904	-10,130	-5,981
Profit or loss from discontinued operations	-7,229	-4,468	-4,337	-1,828
PROFIT OR LOSS FOR THE PERIOD	-32,659	-18,372	-14,467	-7,809
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	-136	22	267	-242
OTHER COMPREHENSIVE INCOME/LOSS, NET OF TAX	-136	22	267	-242
TOTAL COMPREHENSIVE INCOME, NET OF TAX	-32,795	-18,350	-14,200	-8,051
Basic earnings per share (in EUR)	-1.25	-0.80	-0.55	-0.31
Diluted earnings per share (in EUR)	-1.11	-0.78	-0.49	-0.31

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	September 30,	December 30,
kEUR	2016	2015 R
NON-CURRENT ASSETS		
Intangible assets	32,611	32,428
Fixed assets	1,013	1,334
Other financial assets	736	33
Other non-financial assets	385	289
Deferred tax assets	2	2
Total non-current assets	34,747	34,086
CURRENT ASSETS		
Inventories	20,714	27,099
Prepayments	493	1,670
Trade receivables	3,458	2,469
Income tax receivables	9	5
Other financial assets	4,927	2,725
Other non-financial assets	1,880	2,727
Cash and cash equivalents	65,581	88,678
Total current assets	97,062	125,373
Assets classified as held for sale	67	-
TOTAL ASSETS	131,876	159,459
Equity and liabilities	September 30,	December 31,
kEUR	2016	2015 R
EQUITY		
Issued capital	26,283	25,746
Share premium	162,383	154,570
Accumulated loss	-98,075	-65,416
Cumulated other comprehensive income	-158	-22
Treasury shares	-370	-
Total equity	90,063	114,878
NON-CURRENT LIABILITIES		
Defined benefit obligations and other accrued employee benefits	176	201
Other provisions	130	221
Financial liabilities	125	73
Other financial liabilities	1,110	3,542
Deferred tax liabilities	6,146	6,171
Total non-current liabilities	7,687	10,208
CURRENT LIABILITIES		
Other provisions	2,800	2,221
Financial liabilities	47	41
Trade payables	16,842	18,137
Deferred revenues	3,225	4,352
Income tax payables	1	9
Other financial liabilities	7,513	6,028
Other non-financial liabilities	3,698	3,585
Total current liabilities	34,126	34,373
TOTAL EQUITY AND LIABILITIES	131,876	159,459

CONSOLIDATED STATEMENT OF CASH FLOWS

KEUR	9M 2016	9M 2015	Q3 2016	Q3 2015
Profit or loss for the period	-32,659	-18,372	-14,467	-7,809
Amortization (+) / Impairment (+) of intangible assets	752	511	308	165
Depreciation (+) / Impairment (+) of fixed assets	981	220	722	144
Increase (+) / decrease (-) in other provisions	488	139	517	-302
Non-cash expenses (+) from employee benefits	7,783	5,282	2,819	868
Other non-cash expense (+) / income (-) items	-7	-	-235	-49
Increase (-) / decrease (+) in inventories	6,385	-6,840	8,564	-3,460
Increase (-) / decrease (+) in prepayments	1,178	-253	-181	8
Increase (-) / decrease (+) in trade receivables	-989	-1,193	2,218	-669
Increase (-) / decrease (+) in other assets	-2,048	-1,144	-86	950
Increase (-) / decrease (+) in restricted cash	-107	-	-	-
Increase (+) / decrease (-) in trade payables	-1,296	6,343	386	1,599
Increase (+) / decrease (-) in deferred revenues	-1,127	2,556	-1,383	2,449
Increase (+) / decrease (-) in other liabilities	-24	1,246	-71	-45
Gain (-) / loss (+) from disposal of intangible assets	81	-	94	-
Gain (-) / loss (+) from disposal of fixed assets	13	0	13	0
Interest expenses (+) / income (-)	-22	-9	-	-22
Income tax expenses (+) / income (-)	18	1,588	14	64
Income tax paid (-) / received (+)	-20	-	-18	-
Net cash flows from / used in operating activities	-20,620	-9,926	-786	-6,109
Purchase (-) of intangible assets	-1,213	-1,256	-413	-173
Purchase (-) of fixed assets	-607	-587	-79	-460
Additions (-) to group structure less acquired cash and cash equivalents	-653	-8,050	-281	-8,050
Interest received (+)	35	5	7	4
Net cash flows from / used in investing activities	-2,438	-9,888	-766	-8,679
Proceeds (+) from issue of shares	36	100,032	36	208
Transaction cost (-) on issue of shares	-18	-5,113	-	-583
Repayment (-) of finance lease liabilities	-38	-28	-14	-10
Proceeds (+) from financial liabilities	-	-	-	-5
Repayment (-) of financial liabilities	-7	-1,505	-2	1
Interest paid (-)	-13	-1	-7	13
Net cash flows from / used in financing activities	-40	93,385	13	-376
Cash and cash equivalents at the beginning of the period	88,678	33,830	67,116	122,565
Net increase / decrease in cash and cash equivalents	-23,098	73,571	-1,539	-15,164
Change in cash and cash equivalents due to foreign exchange rates	1	72	4	72
Cash and cash equivalents at the end of the period	65,581	107,473	65,581	107,473

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

kEUR	Issued capital	Share premium	Accumulated loss	Actuarial gains/ losses from remeasurement of defined pension plans	Exchange differences on translation of foreign operations	Other comprehensive income	Treasury shares	Total equity
As at January 1, 2016 R	25,746	154,570	-65,416	-28	6	-22	-	114,878
Total comprehensive income of the period	-	-	-32,659	-	-136	-136	-	-32,795
Issue of share capital	537	27	-	-	-	-	-	564
Repurchase of own shares	-	-	-	-	-	-	-370	-370
Transaction costs	-	-21	-	-	-	-	-	-21
Share-based payments	-	7,807	-	-	-	-	-	7,807
As at September 30, 2016	26,283	162,383	-98,075	-28	-130	-158	-370	90,063
As at January 1, 2015	163	68,911	-34,488	10	25	35	-	34,621
Total comprehensive income of the period	-	-	-18,372	-	22	22	-	-18,350
Issue of share capital	351	99,823	-	-	-	-	-	100,174
Capital increase out of reserves	25,232	-25,232	-	-	-	-	-	-
Contributions in kind	-	1,077	-	-	-	-	-	1,077
Transaction costs	-	-3,400	-	-	-	-	-	-3,400
Share-based payments	-	12,150	-	-	-	-	-	12,150
As at September 30, 2015	25,746	153,329	-52,860	10	47	57	-	126,272

