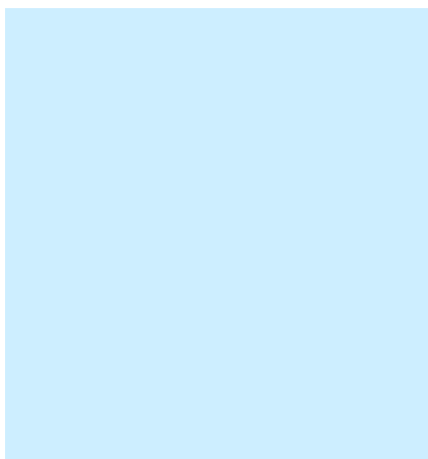
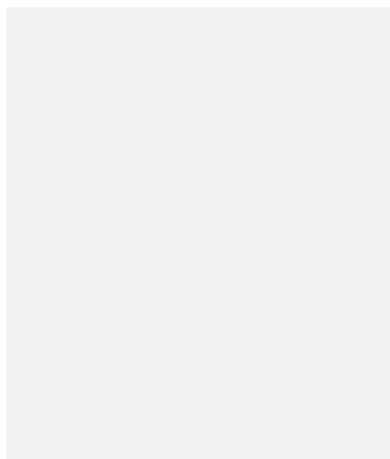


QUARTERLY STATEMENT Q1 2018



WINDELN.DE GROUP AT A GLANCE

Performance indicators (continuing operations only)	Q1 2018	Q1 2017 R
Site visits	12,255,320	22,548,520
Mobile visit share (as % of site visits)	72.3%	70.5%
Mobile orders (as % of number of orders)	53.3%	47.9%
Active customers	741,663	900,143
Number of orders	330,209	523,087
Average orders per active customer (as number of orders)	2.01	2.23
Share of repeat customer orders (as % of orders of last 12 months)	87.1%	75.7%
Gross order intake (in EUR)	29,773,801	45,165,808
Average order value (in EUR)	90.17	86.34
Returns (as % of Net revenues from orders)	3.4%	3.9%
Marketing cost ratio (as % of revenues)	4.6%	5.6%
Adjusted fulfilment cost ratio (as % of revenues)	15.9%	15.7%
Adjusted other SG&A expenses (as % of revenues)	20.3%	16.6%
Earnings position (continuing operations only)		
Revenues (in kEUR)	32,823	46,585
Gross profit (in kEUR)	7,870	11,106
Gross profit (as % of revenues)	24.0%	23.8%
Operating contribution (in kEUR)	1,322	1,180
Operating contribution (as % of revenues)	4.1%	2.5%
Adjusted EBIT (in kEUR)	-5,206	-6,562
Adjusted EBIT (as % of revenues)	-16.2%	-14.1%
Financial position		
Cash flow from operating activities (in kEUR)	-16,214	-7,139
Cash flow from investing activities (in kEUR)	503	-706
Cash and cash equivalents at the end of the period (in kEUR)	12,324	43,487
Current time deposits (in kEUR)	1,875	2,500
Non-current time deposits (in kEUR)	-	1,875
Total cash and time deposits (in kEUR)	14,199	47,862
Other		
Basic earnings per share (in EUR)	-0.53	-0.34
Diluted earnings per shares (in EUR)	-0.51	-0.31

pp = percentage points

All performance indicators and the section earnings position include amounts from continuing operations only. Since end of March 2018, the Feedo Group has been classified as held for sale. As a result, the Feedo Group is presented as discontinued operation in the consolidated income statement.

MATERIAL TRANSACTIONS IN Q3 2018

Set of measures to improve efficiency and profitability

As part of the meanwhile completed change of CEO, the management board and supervisory board of windeln.de SE authorized several measures to improve efficiency and profitability on February 6, 2018. These measures are or will be completed in the current year in order to achieve break even (on basis of adjusted EBIT) early 2019.

a) Reorganization and reduction of costs of the Group

At the German headquarter, workforce was reduced across all back-office functions, and certain departments were reorganized. Total other SG&A cost savings of approx. EUR 4m to EUR 5m p.a. are targeted.

b) Divestiture of the Feedo Group

windeln.de SE intends to sell Feedo Group, comprising the legal entities Feedo Sp. z o.o. and MyMedia s.r.o. with all their assets (including domains) and liabilities. windeln.de acquired Feedo Group in 2015. Since the acquisition, Feedo Group could improve its profitability, but is still loss-generating. In early 2018, the management board and the supervisory board of windeln.de SE decided to assess the sale of Feedo Group.

In February 2018, windeln.de got in contact with several potential purchasers to assess the chances of success of a divestiture. The result of this evaluation was positive. At the end of March 2018, the management board decided on a plan to sell the Feedo Group.

As the requirements of IFRS 5 are met, the Feedo Group was classified as a disposal group held for sale. The assets and liabilities of the Feedo Group are presented as „Assets held for sale“ and „Liabilities associated with assets held for sale“ on the face of the balance sheet of the Group. As a result, the Feedo Group was re-measured in accordance with IFRS 5, resulting in expenses amounting to EUR 7,839k in Q1 2018.

In addition, the Feedo Group meets the requirement for a discontinued operation in accordance with IFRS 5. As a result, profit or loss of the Feedo Group is presented in the separate position „Profit or loss after taxes from discontinued operations“ in the consolidated income statement.

c) Closure of local Italian business

In Q1 2018, the local Italian business was closed, including the dissolution of the local warehouse and office. Customers visiting the website pannolini.it are routed to our shop windeln.de. They can keep on receiving shipments in Italy. The employees of the local company pannolini.it S.r.l. left the Group in Q1 2018.

As a result of the divestiture of the Feedo Group and the closure of pannolini.it, windeln.de expects annual cost savings of EUR 5m to EUR 6m.

d) Optimization of assortment and reduction of marketing costs

The assortment of products in all the shops was further optimized in order to improve margins. Marketing spent was also further lowered in all the shops in Q1 2018 and managed on a more profit focussed basis.

Capital increase

On February 6, 2018, windeln.de SE successfully completed a capital increase. A total of 2,628,323 shares were issued. As a result, share capital increased by EUR 2,628,323 to EUR 31,100,743. The shares were offered at a price of EUR 1.98, leading to gross issuing proceeds of EUR 5,204,080. Shareholders' subscription rights were excluded. The new shares are entitled to dividend payments from January 1, 2018, onwards.

Management board

Konstantin Urban and Alexander Brand, both members of the management board, retired from their positions on March 31, 2018. Their successor as CEO is Matthias Peuckert since May 1, 2018.

China

On February 6, 2018, windeln.de was again awarded at the „Annual Forum“ of TMall Global (TMG). TMG honored six companies, each in a different category, for their role to build up the most popular products on its e-commerce platform in 2017. windeln.de received the award in the category „mother & baby“ for driving the growth of popular German baby milk powder brands.

COMMENTS ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net assets and financial position

The expected divestiture of the Feedo Group had significant impacts on the net assets of the Group. The assets as well as the liabilities of the Group are affected. As the sale of the Feedo Group was assessed as highly probable by the management board of windeln.de SE, a reclassification of assets and liabilities of the Feedo Group was necessary. As of March 31, 2018, the accumulated assets of the Feedo Group are presented in the position „Assets held for sale“ and the accumulated liabilities of the Feedo Group are presented in the position „Liabilities associated with assets held for sale“.

As a result of the reclassification, intangible assets decrease by EUR 8,560k and fixed assets by EUR 326k. Larger reclassifications were also necessary for inventories (EUR 1,981k) and other financial assets (EUR 416k). For the liabilities, mostly trade payables (EUR 2,455k) and deferred tax liabilities (EUR 1,626k) were reclassified. Overall, assets amounting to EUR 12,450k and liabilities amounting to EUR 4,663k were reclassified to the new positions. Pursuant to IFRS 5, a re-measurement of the Feedo Group as a whole at fair value less costs of disposal is necessary after the reclassification as „held for sale“. The re-measurement resulted in expenses amounting to EUR 7,839k in Q1 2018.

Cash and cash equivalents decreased by EUR 14,545k in Q1 2018. Please refer to the end of this section for further information.

Other current financial asset of the Group increased by EUR 2,353k in Q1 2018. As of March 31, 2018, receivables from advertising subsidies from suppliers and corresponding accrued advertising subsidies amounted to EUR 7,194k compared to EUR 4,542k (without Feedo Group EUR 3,916k) as of December 31, 2017. The increase is due to the fact that one of windeln.de's largest suppliers paid due receivables from advertising subsidies amounting to EUR 5m only in April 2018. The decrease of time deposits, however, is attributable to a repayment amounting to EUR 625k.

As a result from the first application of IFRS 9 "Financial Instruments", trade receivables as of December 31, 2017, were restated by EUR 40k. The tables in the presented quarterly statement are marked with "R" if the disclosed numbers were restated compared to the last published consolidated financial statements as of December 31, 2017.

As the development of revenues of Q1 2018 fell below prior year – especially in China – and larger inbound deliveries of baby formula occurred at the end of the quarter, inventories increased to EUR 19,663k as of March 31, 2018.

For the liabilities, mostly a decrease of trade payables by EUR 6,534k is noticeable. Thereof, EUR 2,455k are attributable to the reclassification of the Feedo Group as described above. Further decrease is attributable to recurring payment schedules in the regular business course. In addition, the Group further reduced marketing and other expenses in Q1 2018.

At the end of 2107, the Group borrowed money market loans (EUR 3,500k) for financing of inventories. These money market loans were completely repaid in Q1 2018. Financial liabilities decreased accordingly. The financing facilities were cancelled as of March 31, 2018.

Overall, total assets decreased by EUR 20,355k to EUR 61,640k in the first quarter 2018.

The decrease of cash and cash equivalents by EUR 14,545k is only partially attributable to the loss of the period (EUR 15,888k) as expenses (EUR 7,839k) relating to the expected divestiture of the Feedo Group are non-cash items. The Group reduced trade payables by EUR 4,088k in Q1 2018. At the same time, inventories – especially baby formula for the Chinese market – increased by EUR 2,460k. As of March 31, 2018, receivables from advertising subsidies from suppliers and corresponding accrued advertising subsidies amounted to EUR 7,194k compared to EUR 4,542k as of December 31, 2017. EUR 4,105k are related to business year 2017 and were mostly paid in April 2017. In addition, the Group repaid money market loans amounting to EUR 3,500k in January and February 2018. These effects are slightly balanced by incoming payments from the capital increase (EUR 5,204k) and the repayment of time deposits (EUR 625k).

Results of operations¹

In Q1 2018, the Group generated revenues amounting to EUR 32,823k corresponding to a decrease of 30% compared to Q1 2017 (EUR 46,585k). This is mainly attributable to the focussing of assortment and the reduction of marketing expenses particularly affecting the revenues of the German webshop. The Chinese Shop had noticeably lower revenues in March 2018 as there was excess supply of dairy products after Chinese New Year. The closure of the Italian webshop in mid-February also contributed to the decrease of revenues.

In Q1 2018, the margin (gross profit as % of revenues) increased by 0.2pp to 24.0% compared to the prior year period. Mainly, the improvement of the margin of particular product categories contributes to that.

In the reporting period, selling and distribution expenses decreased by EUR 2,229k or 15% respectively compared to prior period. In particular, lower logistics expenses attributable to the decline of order volume lead to a decrease of selling and distribution expenses. Also, a higher average order value, the closure of the Italian warehouse and the inclusion of PostNL as a transport service provider at the end of Q1 2017 positively affected logistics expenses. In addition, marketing expenses as % of revenues could be improved from 5.6% in Q1 2017 to 4.8% in Q1 2018, also positively affecting selling and distribution expenses. The online marketing activities for region GSA (Germany, Switzerland and Austria) focussed on the optimization of transaction costs as % of the realizable margin. Personnel expenses within selling and distribution expenses however increased by 45%. These are mainly one-time effects due to accrued severance payments and wage continuation related to the restructuring carried out in Q1 2018. In addition, the number of employees increased in certain areas compared to prior year period. The cost reduction through restructuring will only be noticeable as from the second quarter 2018.

Administrative expenses decreased by EUR 1,924k or 43% respectively compared to prior year period mostly attributable to personnel expenses within administrative expenses. In Q1 2018, windeln.de had no expenses for share-based payments in connection with the acquisition of Bebitus (prior year period: EUR 1,253k). Other personnel expenses also decreased by EUR 464k compared to the prior year period, attributable to a natural employee fluctuation in administration and not filling job vacancies.

In Q1 2018, other operating income increased by EUR 89k to EUR 162k. Time-barred obligations amounting to EUR 55k were derecognized and exchange rate gains increased by EUR 40k to EUR 78k. Other operating expenses increased by EUR 79k to EUR 105k, mostly attributable to an increase of exchange rate losses by EUR 73k to EUR 97k.

The loss from discontinued operations amounted to EUR 8,877k (prior year period: EUR 1,097k). Discontinued operations comprise the Feedo Group. The loss includes losses from regular operations in Q1 2018 (EUR 1,038k) and expenses arising from the re-measurment according to IFRS 5 (EUR 7,839k).

¹ Explanations to the results of operations refer to results from continuing operations only (without Feedo Group), except stated otherwise. Prior year numbers are modified accordingly.

REGIONAL RESULTS OF OPERATIONS

kEUR	Q1 2018	Q1 2017 R
Revenues from continuing operations	32,823	46,585
GSA	7,283	13,343
China	17,465	23,640
Other / rest of Europe	8,075	9,602

ADJUSTED EBIT

kEUR	Q1 2018	Q1 2017 R
Earnings before interests and taxes (EBIT)	-6,987	-7,914
adjusted for costs of acquisition, integration and expansion	-	118
adjusted for share based compensation	85	1,313
adjusted for reorganization	1,056	-79
adjusted for closure of pannolini.it	640	-
Adjusted EBIT	-5,206	-6,562

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

kEUR	Q1 2018	Q1 2017 R
Continuing operations		
Revenues	32,823	46,585
Cost of sales	-24,953	-35,479
Gross profit	7,870	11,106
Selling and distribution expenses	-12,330	-14,559
Administrative expenses	-2,584	-4,508
Other operating income	162	73
Other operating expenses	-105	-26
Earnings before interest and taxes (EBIT)	-6,987	-7,914
Financial income	3	2
Financial expenses	-24	-28
Financial result	-21	-26
Earnings before taxes (EBT)	-7,008	-7,940
Income taxes	-3	2
Profit or loss from continuing operations	-7,011	-7,938
Profit or loss after taxes from discontinued operations	-8,877	-1,097
PROFIT OR LOSS FOR THE PERIOD	-15,888	-9,035
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	15	357
OTHER COMPREHENSIVE INCOME OR LOSS, NET OF TAX	15	357
TOTAL COMPREHENSIVE INCOME OR LOSS, NET OF TAX	-15,873	-8,678
Basic earnings per share (in EUR)	-0.53	-0.34
Diluted earnings per share (in EUR)	-0.51	-0.31
Basic earnings per share from continuing operations (in EUR)	-0.23	-0.30
Diluted earnings per share from continuing operations (in EUR)	-0.22	-0.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets kEUR	March 31, 2018	December 31, 2017 R
NON-CURRENT ASSETS		
Intangible assets	12,130	21,002
Fixed assets	225	625
Other financial assets	289	866
Other non-financial assets	198	206
Deferred tax assets	14	15
Total non-current assets	12,856	22,714
CURRENT ASSETS		
Inventories	19,663	19,174
Prepayments	88	332
Trade receivables	1,360	2,258
Income tax receivables	4	3
Other financial assets	10,136	7,783
Other non-financial assets	2,577	3,266
Cash and cash equivalents	11,920	26,465
Total current assets	45,748	59,281
Assets held for sale	3,036	-
TOTAL ASSETS	61,640	81,995

Equity and liabilities KEUR	March 31, 2018	December 31, 2017 R
EQUITY		
Issued capital	31,101	28,472
Share premium	170,993	168,486
Accumulated loss	-159,315	-143,427
Cumulated other comprehensive income	-283	-298
Total equity	42,496	53,233
NON-CURRENT LIABILITIES		
Defined benefit obligations and other accrued employee benefits	49	51
Other provisions	5	5
Financial liabilities	33	59
Other financial liabilities	45	59
Deferred tax liabilities	475	2,115
Total non-current liabilities	607	2,289
CURRENT LIABILITIES		
Other provisions	629	315
Financial liabilities	57	3,575
Trade payables	8,245	14,779
Deferred revenues	2,390	3,057
Income tax payables	2	2
Other financial liabilities	3,170	3,055
Other non-financial liabilities	1,008	1,690
Total current liabilities	15,501	26,473
Liabilities associated with assets held for sale	3,036	-
TOTAL EQUITY AND LIABILITIES	61,640	81,995

CONSOLIDATED STATEMENT OF CASH FLOWS

kEUR	Q1 2018	Q1 2017 R
Profit or loss for the period	-15,888	-9,035
Amortization (+) / impairment (+) of intangible assets	338	339
Depreciation (+) / impairment (+) of fixed assets	81	119
Increase (+) / decrease (-) in other provisions	314	-188
Non-cash expenses (+) from employee benefits	83	1,612
Other non-cash expenses (+) / income (-)	7,876	-129
Increase (-) / decrease (+) in inventories	-2,460	976
Increase (-) / decrease (+) in prepayments	234	40
Increase (-) / decrease (+) in trade receivables	545	395
Increase (-) / decrease (+) in other assets	-2,567	-29
Increase (+) / decrease (-) in trade payables	-4,088	-1,285
Increase (+) / decrease (-) in deferred revenues	-542	353
Increase (+) / decrease (-) in other liabilities	-153	-308
Gain (-) / loss (+) from disposal of intangible and fixed assets	7	2
Interest expenses (+) / income (-)	9	3
Income tax expenses (+) / income (-)	-2	-3
Income tax paid (-) / received (+)	-1	-1
Net cash flows from / used in operating activities	-16,214	-7,139
Proceeds (+) from sales of intangible and fixed assets	4	22
Purchase (-) of intangible assets	-98	-649
Purchase (-) of fixed assets	-31	-80
Purchase (-) or proceeds (+) from financial investments	625	-
Interest received (+)	3	1
Net cash flows from / used in investing activities	503	-706
Proceeds (+) from issue of shares	5,204	-
Transaction cost (-) on issue of shares	-104	-
Repayment (-) of finance lease liabilities	-14	-18
Proceeds (+) from financial liabilities	-	49
Repayment (-) of financial liabilities	-3,503	-3
Interest paid (-)	-12	-4
Net cash flos from / used in financing activities	1,571	24
Cash and cash equivalents at the beginning of the period	26,465	51,302
Net increase / decrease in cash and cash equivalents	-14,140	-7,821
Change in cash and cash equivalents due to foreign exchange rates	-1	6
Cash and cash equivalents at the end of the period	12,324	43,487
- thereof disposal group	404	-
- thereof continuing operations	11,920	43,487

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

KEUR	Issued capital	Share premium	Treasury shares	Accumulated loss	Actuarial gains/losses from remeasurement of defined benefit plans	Exchange differences on translation of foreign operations	Other comprehensive income	Total equity
As at January 1, 2018	28,472	168,486	-	-143,427	3	-301	-298	52,233
Total comprehensive income or loss of the period	-	-	-	-15,888	-	15	15	-15,873
Issue of share capital	2,629	2,575	-	-	-	-	-	5,204
Transaction costs	-	-153	-	-	-	-	-	-153
Share-based payments	-	85	-	-	-	-	-	85
As at March 31, 2018 R	31,101	170,993	-	-159,315	3	-286	-283	42,496
As at January 1, 2017 R	26,318	159,993	-370	-105,608	14	-247	-233	80,100
Total comprehensive income or loss of the period	-	-	-	-9,035	-	357	357	-8,678
Issue of share capital	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Share-based payments	-	-1,606	-	-	-	-	-	1,606
As at March 31, 2017 R	26,318	161,599	-370	-114,643	14	110	124	73,028

