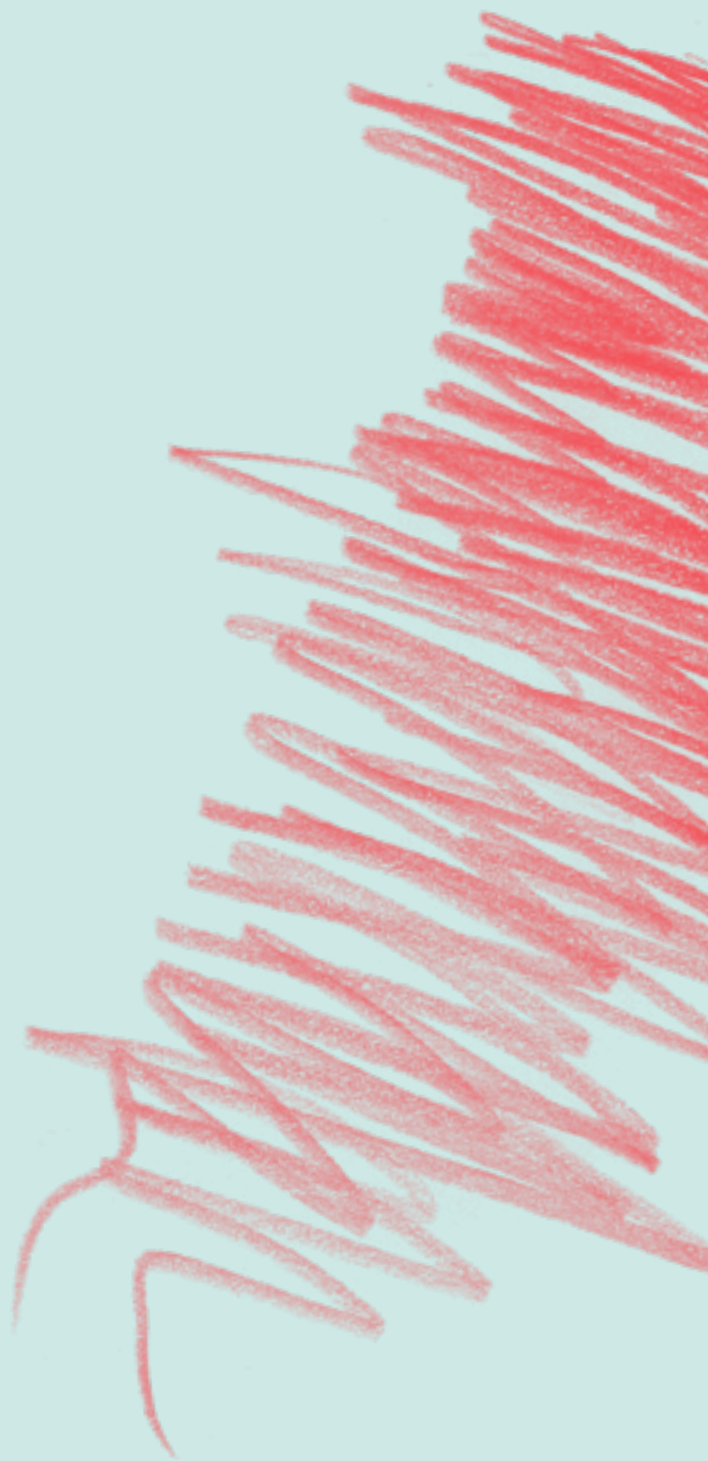


windeln



**Quarterly Statement
Q1 2021**

windeln.de Group at a glance

Performance indicators (continuing operations only)	Q1 2021	Q1 2020
Site visits (in thousands) ¹	3,724	4,299
Mobile visit share (as % of site visits)	87.3 %	84.1%
Mobile orders (as % of number of orders)	69.0 %	59.5 %
Active customers	282,105	298,578
Number of orders	115,324	124,194
Average orders per active customer (in number of orders)	1.7	1.8
Share of repeat customer orders (as % of orders of last 12 months)	63.78 %	70.96 %
Gross order intake (in kEUR)	9,466	11,597
Average order value (in EUR)	82.08	93.38
Returns (as % of gross revenues from orders)	2.3 %	4.6 %
Marketing cost ratio (as % of revenues)	3.6 %	4.3 %
Fulfilment cost ratio (as % of revenues)	8.7 %	11.0 %
Adjusted other SG&A expenses (as % of revenues)	27.4 %	27.0 %
Earnings position (continuing operations only)		
Revenues (in kEUR)	14,644	14,929
Gross profit (in kEUR)	2,360	3,892
Gross profit (as % of revenues)	16.1 %	26.1%
Operating contribution (in kEUR)	557	1,605
Operating contribution (as % of revenues)	3.8 %	10.8%
Adjusted EBIT (in kEUR)	-3,461	-2,430
Adjusted EBIT (as % of revenues)	-23.6 %	-16.3 %
Financial position		
Cash flow used in operating activities (in kEUR)	-4,759	-1,946
Cash flow from/used in investing activities (in kEUR)	-4	-63
Cash flow from/used in financing activities (in kEUR)	1,236	5,536
Net decrease in cash and cash equivalents	-3,527	3,527
Cash and cash equivalents at the end of the period (in kEUR)	5,010	11,905
Other		
Basic earnings per share (in EUR)	-0.36	-0.59
Basic earnings per share from continuing operations (in EUR)	-0.31	-0.42

All performance indicators and the section earnings position include amounts from continuing operations only. Since end of March 2020, the Southern European Bebitus business meets the requirements of a discontinued operation and is therefore presented as separate amount in the item "Profit or loss after taxes from discontinued operations" in the consolidated income statement.

¹ In Q3 2020, the method of measuring visits on Shop sites has been changed to now exclude traffic from the magazine sites. The change was necessary to accurately calculate the conversion rate on the respective shop sites. Historical data before the implemented change cannot be updated due to technical restrictions.

Material transactions in Q1 2021

Change in the Supervisory Board

On January 19, 2021, it was announced that Mr Tomasz Czechowicz had resigned as a member of the Supervisory Board of windeln.de SE. The Munich Local Court has appointed Mr. Christian Reitermann as his successor on the Supervisory Board of windeln.de SE.

Change in the Executive Board

On March 4, 2021, the Management Board contract with Matthias Peuckert was extended by three years until April 30, 2024. The contract with Dr Nikolaus Weinberger has been expired on March 31, 2021. His duties will be taken over by Matthias Peuckert.

Capital increase

On March 12, 2021, the Management Board of windeln.de SE resolved, with the approval of the Supervisory Board and making partial use of the Authorised Capital 2020, to increase the share capital by EUR 1,098,207.00 to EUR 12,080,280.00. The issue price of the new shares is EUR 1.30. The gross issue proceeds amounted to EUR 1,427,669.10. The capital increase was entered in the commercial register on March 19, 2021. In this context, a commission agreement for brokered subscription volume amounting to a maximum of 3% of the issue volume was agreed with the Chairman of the Supervisory Board, Clemens Jakopitsch, on March 5, 2021.

WeChat Mini Program

In the first quarter of 2021, windeln.de launched its own WeChat Mini Program. The WeChat Mini Program is a shopping platform of the popular messenger app WeChat, which is used by more than 900 million users in China. The WeChat Mini Program has grown tremendously in recent years. As the shopping platform is directly linked to the messenger app WeChat (App in App), users can easily and quickly share products they find in the WeChat Mini Program with their friends and family. Also, the WeChat Mini Program offers various attractive marketing tools such as live chats with customers or special promotional offers that can be shared with friends. The new sales channel is served via windeln.de's existing logistics network. Through the WeChat Mini Program, the group mainly sells baby food, drugstore items and toys.

Change of warehouse service provider

At the end of 2020, a warehouse service contract was signed with Radial GmbH („Radial“) for the site in Halle an der Saale with a term of four years. Radial is a wholly owned subsidiary of the Belgian postal service and operates fulfilment centres specialized in e-commerce worldwide. The move to the new location began at the end of the first quarter of 2021. In March, the inbound from suppliers were relocated to the new warehouse and the migration of existing stock from the previous warehouse location in Großbeeren was started. As a result, the first outbound for our Chinese web shop could already take place from the new warehouse in mid-March. The delivery of orders from our Chinese web shop was successfully switched over in March. Furthermore, the outbound to our intermediaries, the delivery to our Chinese bonded warehouse locations and the processing of returns in the new central warehouse went live in March. The outbound of orders from the German and Swiss webshops will go live at the new location at the beginning of the second quarter. The contract with the previous warehouse service provider FIEGE Logistik Stiftung & Co. KG expires at the end of April 2021.

Comments on net assets, financial position and results of operations

Effects of the COVID 19 pandemic on the first quarter of 2021

Currently, the Group is not experiencing any significant negative consequences from the COVID 19 pandemic. Employees mainly work from home and business operations are still fully maintained.

Results of operations

In the first three months of 2021, **revenues** from continuing operations decreased by EUR 285k or 2% compared to the same period of the previous year. In the first quarter of 2020, revenues included a significant amount of VAT adjustments. Adjusted for this effect, revenue increased by 3% compared to the same period of the previous year.

In Europe, revenues decreased by 7% to EUR 4,411k compared to the same period of the previous year. The decrease is mainly due to the relocation of the Group's main warehouse. Due to this, the availability of certain products was limited in March 2021. In March 2020, the Group also experienced strong order intake in Europe due to the COVID 19 pandemic. A similar effect was not observed in the first quarter of 2021.

Revenue in China of EUR 10,233k is at the same level as the same period last year. Adjusted for the effect of the VAT adjustments, revenue in China increased slightly, although effects from the warehouse relocation were also felt here, as direct deliveries from Germany to China were only possible to a limited extent at the end of March 2021.

The **margin** (gross profit to revenues) is 16.1% in the three-month period 2021, 10.0pp lower than the margin in the same period last year. 4pp of the effect is due to the VAT adjustments in the previous year. In addition, the ratio of business volume with intermediaries and business customers increased in the first quarter of 2021, which yields lower margins than the end-customer business, but in return generates significantly lower marketing and logistics expenses. Also, in the Chinese end-customer business, more orders were served from the Group's Chinese warehouses in the first quarter of 2021. The share of deliveries from our Chinese warehouses compared to direct deliveries from Germany increased from 17% in the first quarter of 2020 to 50% in the first quarter of 2021. The margin is also lower here, but the handling from the Chinese warehouses incurs significantly lower logistics costs. The margin in the European business is at a constant level compared to the same period of the previous year.

Selling and distribution expenses have decreased in the reporting period by EUR 772k or 16%. This is mainly due to the decrease of EUR 237k or 16% in logistics costs, EUR 175k or 70% in expense allowances and EUR 126k or 19% in marketing costs.

The decrease in logistics costs results from the higher share of business with intermediaries and business customers as well as from the increased deliveries from the Group's Chinese warehouses. Both lead to significantly lower shipping costs. In the first quarter of 2020, the Group had a marketing cooperation with the service provider Langtao. Marketing in China has been carried out internally since the second half of 2020. As a result, a decrease in marketing costs compared to the same period last year can be observed. The Group pays expense allowances to a service provider in connection with the VAT adjustments. These expense allowances were 70% lower in the first three months of 2021 than in the same period of the previous year.

Administrative expenses costs increased by EUR 157k or 10% in the reporting period compared to the same period of the previous year. This is mainly due to the increase in year-end closing costs by EUR 52k or 68%, personnel expenses by EUR 51k or 5% and other administrative costs by EUR 47k. The increase in personnel expenses and other administrative expenses is due to the establishment of a new team in China from the second quarter of 2020. The year-end costs for the 2020 consolidated financial statements were significantly higher than expected.

The previous year's **other operating income** includes one-off currency gains of EUR 207k from the deconsolidation of windeln.ch AG. In the previous year, the Group also had income from subletting office space in the amount of EUR 52k. There was no similar income in the three-month period of 2021. The **other operating expenses** in 2021 and in the previous year mainly include currency losses.

As a result of the above-mentioned developments, **earnings before interest and taxes (EBIT)** further deteriorated by EUR 1,192k or 53% in the three-months-period 2021.

The profit or loss from **discontinued operations** relates to Bebitus operations. The turnover of the Bebitus business unit increased by 71% to EUR 2,668k compared to the same period of the previous year. The operating result (EBIT) of Bebitus operations was minus EUR 632k in the three-month period 2021 and has improved by 32% compared to the same period of the previous year (Q1 2020: EUR 931k). The result from discontinued operations 2021 also includes income from the revaluation of assets held for sale of EUR 28k.

Financial position

In the first three months of 2021, the Group generated cash flows from **operating activities** of EUR 4,759k, which corresponds to a deterioration of 145% compared to the same period of the previous year and mainly results from the deterioration of the net loss for the year and the increase in net working capital. The net loss for the year increased by EUR 876k to EUR 4,057k. The Group built up additional net working capital of EUR 698k.

The cash outflow from **investing activities** amounts to EUR 4k and results from the purchase of fixed assets.

Cash inflows from **financing activities** of EUR 1,236k in the three months period of 2021 reflect the successfully executed capital increase, which resulted in a net cash inflow of EUR 1,352k. Furthermore, lease liabilities in the amount of EUR 83k were redeemed. In the prior year, cash inflows from financing activities amounted to EUR 5,536k. Net cash proceeds from a capital increase were EUR 5,875k, whereas only EUR 323k lease liabilities were redeemed.

Net Assets

Non-current assets decreased by 7% to EUR 3,382k compared to December 31, 2020. This is mainly due to scheduled depreciation in the amount of EUR 283k. No significant new investments were made in the three-month period of 2021.

Current assets decreased by EUR 2,038k to EUR 14,279k as of March 31, 2021 compared to December 31, 2020. This is mainly due to the decrease in cash and cash equivalents by EUR 3,520k. In this regard, we refer to the comments in the financial position. Inventories increased by EUR 1,827k to EUR 5,906k. Due to the relocation of the Group's main warehouse, stocks must be held at two warehouse locations for a short term to ensure the highest possible availability. In addition, inventories were built up in the Chinese warehouses to enable sales growth of our new distribution channels (JD.com and WeChat Mini Program). On the other hand, prepayments decreased by EUR 398k to a total of EUR 37k. The affected business with corporate customers was successfully concluded in the first quarter of 2021.

Assets held for sale include those revaluated assets which should be sold in course of the planned sale of the Bebitus business.

Equity decreased by EUR 2,750k as of March 31, 2021 compared to December 31, 2020. This is mainly due to the losses of EUR 4,057k in the first quarter of 2021. The capital increase of EUR 1,428k partially offsets these losses.

Current liabilities increased by EUR 475k to EUR 9,577k compared to December 31, 2020. This is mainly due to the increase in trade payables by EUR 1,507k, which is in line with the increase in inventories. This is offset by a decrease in deferred revenues of EUR 720k and other financial liabilities of EUR 267k. The decrease in deferred revenues is due to three

transactions with a business customer. The Group had received advance payments of EUR 403k in the fourth quarter of 2020. The products were delivered in the first quarter of 2021. The decrease in other financial liabilities is due to bonus payments to employees concerning the calendar year 2020.

We define the performance indicator **net working capital** as the total of inventories, prepayments on inventories, trade receivables, accrued advertising subsidies and supplier rebates, creditors with debit balances and VAT assets, deducted by VAT liabilities, trade payables and deferred revenues. As of March 31, 2021, net working capital² amounted to EUR 2,915k and is 31% higher than the level as of December 31, 2020 (EUR 2,228k). The increase is mainly due to the decrease of the deferred revenues. The increase in inventories in the first quarter of 2021 has no significant impact, as trade payables increased by a similar amount. These effects offset each other.

Results of operating segments

kEUR	Q1 2021	Q1 2020
Revenues		
Europe	7,079	7,220
thereof continuing operations	4,411	4,728
thereof discontinued operations	2,668	2,492
China	10,233	10,201
Operating contribution		
Europe	-238	-329
thereof continuing operations	-297	-234
thereof discontinued operations	59	-95
China	854	1,839

² Including Bebitus, without revaluation according to IFRS 5

Bridge to adjusted EBIT

kEUR	Q1 2021	Q1 2020
Earnings before interest and taxes (EBIT) from continuing operations	-3,422	-2,230
adjusted for share-based compensation	-39	7
adjusted for effects from deconsolidation of windeln.ch AG	-	-207
Adjusted EBIT from continuing operations	-3,461	-2,430

Consolidated income statement and other comprehensive income

kEUR	Q1 2021	Q1 2020
Continuing operations		
Revenues	14,644	14,929
Cost of sales	-12,284	-11,037
Gross profit	2,360	3,892
Selling and distribution expenses	-4,139	-4,911
Administrative expenses	-1,676	-1,519
Other operating income	60	365
Other operating expenses	-27	-57
Earnings before interest and taxes (EBIT)	-3,422	-2,230
Financial income	0	0
Financial expenses	-27	-15
Financial result	-27	-15
Earnings before taxes (EBT)	-3,449	-2,245
Income taxes	-2	-2
Profit or loss from continuing operations	3,451	-2,247
Profit or loss after taxes from discontinued operations	-606	-934
PROFIT OR LOSS FOR THE PERIOD	-4,057	-3,181
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	3	-209
OTHER COMPREHENSIVE INCOME OR LOSS, NET OF TAX	3	-209
TOTAL COMPREHENSIVE INCOME OR LOSS, NET OF TAX	-4,054	-3,390
Basic earnings per share (in EUR)	-0.36	-0.59
Basic earnings per share from continuing operations (in EUR)	-0.31	-0.42

Consolidated statement of financial position

Assets kEUR	March 31, 2021	December 31, 2020
NON-CURRENT ASSETS		
Intangible assets	1,862	2,017
Fixed assets	1,292	1,385
Other financial assets	108	108
Other non-financial assets	114	121
Deferred tax assets	6	6
Total non-current assets	3,382	3,637
CURRENT ASSETS		
Inventories	5,906	4,079
Prepayments	37	435
Trade receivables	576	718
Income tax receivables	2	2
Other financial assets	1,472	1,405
Other non-financial assets	1,276	1,148
Cash and cash equivalents	5,010	8,530
Total current assets	14,279	16,317
Assets held for sale	1,044	1,089
TOTAL ASSETS	18,705	21,043

Equity and liabilities kEUR	March 31, 2021	December 31, 2020
EQUITY		
Issued capital	12,080	10,982
Share premium	173,920	173,714
Accumulated loss	-178,539	-174,482
Cumulated other comprehensive income	-8	-11
Total equity	7,453	10,203
NON-CURRENT LIABILITIES		
Accrued employee benefits	53	45
Financial liabilities	1,622	1,693
Total non-current liabilities	1,675	1,738
CURRENT LIABILITIES		
Other provisions	148	138
Financial liabilities	621	603
Trade payables	4,997	3,490
Deferred revenues	1,490	2,210
Income tax payables	2	2
Other financial liabilities	1,691	1,958
Other non-financial liabilities	628	701
Total current liabilities	9,577	9,102
TOTAL EQUITY AND LIABILITIES	18,705	21,043

Consolidated statement of cash flows

kEUR	3M 2021	3M 2020
Profit or loss for the period	-4,057	-3,181
Amortization (+) / impairment (+) of intangible assets	156	261
Depreciation (+) / impairment (+) of fixed assets	127	174
Increase (+) / decrease (-) in provisions	9	118
Non-cash income (-) or expenses (+) from employee benefits	-39	7
Other non-cash expense (+) / income (-) items	35	-209
Increase (-) / decrease (+) in inventories	-1,808	-790
Increase (-) / decrease (+) in prepayments	395	-66
Increase (-) / decrease (+) in trade receivables	141	-22
Increase (-) / decrease (+) in other assets	-187	351
Increase (+) / decrease (-) in trade payables	1,508	1,560
Increase (+) / decrease (-) in deferred revenues	-720	-59
Increase (+) / decrease (-) in other liabilities	-351	-110
Gain (-) / loss (+) from disposal of intangible and fixed assets	-	-1
Interest expenses (+) / income (-)	32	16
Income tax expenses (+) / income (-)	2	2
Income tax paid (-) / received (+)	-2	3
Net cash flows used in operating activities	-4,759	-1,946
Purchase (-) of intangible assets	-	-58
Purchase (-) of fixed assets	-4	-5
Interest received (+)	0	0
Net cash flows from / used in investing activities	-4	-63
Proceeds (+) from issue of shares	1,428	6,205
Transaction cost (-) on issue of shares or capital decrease	-76	-330
Repayment (-) of lease liabilities	-83	-323
Interest paid (-)	-33	-16
Net cash flows from financing activities	1,236	5,536
Cash and cash equivalents at the beginning of the period	8,530	8,377
Net decrease in cash and cash equivalents	-3,527	3,527
Change in cash and cash equivalents due to foreign exchange rates	7	1
Cash and cash equivalents at the end of the period	5,010	11,905

Consolidated statement of changes in equity

kEUR	Issued capital	Share premium	Accumulated loss	Actuarial gains or losses from remeasurement of defined benefit pension plans	Exchange differences on translation of foreign operations	Other comprehensive income or loss	Total equity
As at January 1, 2021	10,982	173,714	-174,482	3	-14	-11	10,203
Total comprehensive income or loss of the period	-	-	-4,057	-	3	3	-4,054
Capital increase	1,098	330	-	-	-	-	1,428
Transaction costs	-	-76	-	-	-	-	-76
Share-based payments	-	-48	-	-	-	-	-48
As at March 31, 2021	12,080	173,920	-178,539	3	11	8	7,453
As at January 1, 2020	2,989	172,904	-160,734	3	197	200	15,359
Total comprehensive income or loss of the period	-	-	-3,181	-	-209	-209	-3,390
Capital increase	5,171	1,034	-	-	-	-	6,205
Transaction costs	-	-364	-	-	-	-	-364
Share-based payments	-	7	-	-	-	-	7
As at March 31, 2020	8,160	173,581	-163,915	3	-12	-9	17,817

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