

GLOBAL FASHION GROUP DELIVERS STRONG SECOND QUARTER

Luxembourg, 21st August 2019 – Global Fashion Group S.A. (GFG), the leading online fashion and lifestyle destination in growth markets, has delivered strong second quarter and first half results, in line with the guidance set out as part of the recent IPO.

- **Net Merchandise Value (NMV) increased 22.7% on a constant currency basis to €449m. Revenue growth was 16.5% as Marketplace share expanded to 19% of NMV.**
- **Active Customers grew by 14.6% to 12.0 million, with NMV per Active Customer up 7.1% to €131, underpinned by GFG’s leading customer experience.**
- **Number of orders grew by 25.4% to 8.9 million and customers are purchasing 8.8% more often at 2.6 times per year.**
- **Profitability is on track with Adjusted EBITDA margin of (0.9)%.**

Christoph Barchewitz and Patrick Schmidt, Co-Chief Executive Officers, said:

“We have had a strong second quarter and made good progress against our strategic priorities. Through our focus on offering inspiring and seamless customer experiences from discovery to delivery, we attracted more customers, who purchased more often, and spent more on a per customer basis. As we scale, we are using our growing operational leverage to translate this growth into improving margins and continue our path to profitability.”

GFG continues to be at the forefront of defining what an inspiring customer experience looks like in its markets. In the first half of 2019, GFG’s broad assortment strategy evolved with more exclusive global brand collaborations, further development of the modest fashion segment with another successful Hari Raya festival season in South East Asia, and the launch of a new way of shopping sustainably with THE ICONIC Considered.

Marketplace participation increased to 19% of NMV, up from 14% in Q2 last year, further cementing GFG as the strategic partner of choice for fashion and lifestyle brands in its markets. GFG’s Fashion Services business has developed rapidly, with significant uplift in the number of brands that are now provided with B2B fulfilment services.

Operational developments in the first half of 2019 have enhanced the delivery experience offered in South East Asia and CIS. ‘Zalora Now’, a subscription programme including free next day delivery, was launched in Indonesia, while the own and third party pick-up point network in CIS grew to cover over 12,000 locations. In Brazil, construction of the new fulfilment centre is well-progressed and on track to open in 2020.

Technology innovations focused on app functionality have delivered new levels of customer engagement and strengthened GFG’s app-first approach. Our apps generated 47% of NMV in Q2, up 7 percentage points compared to the same period last year.

Gross margin for Q2 was 41.3% and Adjusted EBITDA margin was (0.9)% in the Quarter. As planned, during the year GFG delivered leverage on marketing, technology and admin costs as the business grew.

GFG has €315m of cash on a pro-forma basis to invest in the business, as at 30th June 2019, including net IPO proceeds of €186m.

GFG remains confident in its outlook for the year and expects to deliver NMV constant currency growth of 20-23%, and achieving NMV of €1.7-€1.8bn. Revenue is expected to exceed €1.3bn, whilst continuing to make further progress towards Adjusted EBITDA breakeven. Having invested €25m in the first half of the year, we now expect 2019 capex to be around €80m due to phasing benefits and the results of continuously optimising our ongoing investment plans.

Key Performance Indicators

	H1 2018	H1 2019	Q2 2018	Q2 2019
NMV EURm	665	790	371	449
% Constant Currency Growth	21.9%	22.4%	23.2%	22.7%
% EUR Growth	5.9%	18.8%	6.9%	21.1%
Active Customers m	10.5	12.0	10.5	12.0
% Growth	13.8%	14.6%	13.8%	14.6%
NMV / Active Customer EUR	131	131	131	131
% Constant Currency Growth	7.5%	7.1%	7.5%	7.1%
% EUR Growth	(1.7%)	(0.2%)	(1.7%)	(0.2%)
Number of Orders m	12.5	15.8	7.1	8.9
% Growth	19.4%	26.1%	23.1%	25.4%
Order Frequency	2.4	2.6	2.4	2.6
% Growth	5.1%	8.8%	5.1%	8.8%
Average Order Value EUR	53.2	50.1	52.3	50.5
% Constant Currency Growth	2.1%	(2.9%)	0.1%	(2.2%)
% EUR Growth	(11.3%)	(5.8%)	(13.2%)	(3.5%)

Key Financials

	H1 2018	H1 2019	Q2 2018	Q2 2019
Revenue EURm	534.7	603.2	297.8	342.4
% Constant Currency Growth	19.6%	15.9%	21.1%	16.5%
% EUR Growth	4.7%	12.8%	5.6%	15.0%
Gross Profit EURm	215.3	239.4	127.7	141.3
% Margin of Revenue	40.3%	39.7%	42.9%	41.3%
Adjusted EBITDA EURm	(30.3)	(28.8)	(2.5)	(3.2)
% Margin of Revenue	(5.7%)	(4.8%)	(0.8%)	(0.9%)
Capex EURm	14.8	24.6	9.0	12.9
Balance Sheet	30-Jun-18	30-Jun-19	30-Jun-18	30-Jun-19
Net working capital EURm	29.1	19.9	29.1	19.9

Further Information

KPI and financial definitions are available in the 2019 Interim Management Report.

To read GFG's full H1 19 interim management report, please visit: <https://ir.global-fashion-group.com/websites/globalfashion/English/1030/publications.html>

The report is also available on the officially appointed mechanism for the central storage of regulated information in Luxembourg (OAM) referred to in Article 20 of the Luxembourg Transparency Law.

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Forward looking information

This announcement contains forward-looking statements. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in this announcement, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions.

About Global Fashion Group

Global Fashion Group is the leading fashion and lifestyle retail destination in Asia Pacific, Latin America and CIS. We connect over 10,000 global, local and own brands to a market of more than one billion consumers through four established e-commerce platforms: THE ICONIC, ZALORA, dafiti and lamoda. Through an inspiring and seamless customer experience enabled by our own technology ecosystem and operational infrastructure, we are dedicated to being the #1 fashion and lifestyle destination in our markets. With 17 offices and 10 fulfilment centres across four continents, GFG proudly employs a dynamic and diverse team with deep local knowledge and expertise. In the first half of 2019, GFG delivered over 15.8 million orders to 12 million active customers. ISIN: LU2010095458.