

GLOBAL FASHION GROUP BREAKS EVEN IN FOURTH QUARTER AND CONTINUES STRONG GROWTH

Luxembourg, 3rd March 2020 – Global Fashion Group S.A. (GFG), the leading online fashion and lifestyle destination in growth markets, ends 2019 with its first profitable quarter and delivers on its guidance for the year.

Q4 2019 highlights

- **The Group broke even for the first time, delivering Adjusted EBITDA of €0.7 million.**
- **Record Active Customer growth of 17.0% to 13.1 million and orders were up by 20.3% to 10.3 million.**
- **Net Merchandise Value (NMV) increased by 22.9% on a constant currency basis to €554 million, while revenue growth in the quarter was 17.7% on a constant currency basis to €417.7 million.**

Full Year 2019 highlights

- **NMV increased by 23.0% on a constant currency basis to €1,778 million, while revenue of €1,346 million was up 17.2% on a constant currency basis.**
- **Further progress to profitability, improving full year Adjusted EBITDA margin by 1.5ppt to (2.8)%, with three of four regions breaking even.**
- **Performance in line with full year guidance across NMV, revenue, Adj. EBITDA and capital expenditure.**

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

“We had a great fourth quarter, breaking even for the first time. We delivered our fastest growth in Active Customers, Orders and NMV in three years following our biggest ever seasonal events period. Our continued growth brings us closer to our vision of becoming the #1 fashion & lifestyle destination in our markets. With THE ICONIC (part of APAC), dafiti (LATAM) and lamoda (CIS) breaking even, we remain focussed on building our leadership position through ongoing investment across the entire customer experience — from discovery to delivery, and strengthening our path to profitability even further.”

GFG makes further progress on strategic priorities in becoming the #1 fashion and lifestyle destination in growth markets

The strong finish to the year was fuelled by a record seasonal events period including Black Friday and Cyber Week across all of GFG’s markets as well as 10.10, 11.11 and 12.12 in Southeast Asia specifically. With more than 70 million site visits and over 2 million processed orders, this seasonal events period generated NMV growth of 36% year on year.

In 2019, GFG continued to expand its assortment across the Group and give over 1 billion consumers in its markets exclusive access to global brands and collaborations, as well as a locally relevant assortment. Most recently, the Group provided exclusive customer access to Ralph Lauren and GAP in Latin America, and Swatch in CIS, where the company also achieved a significant milestone in the

rollout of its Beauty category through the launch of Estée Lauder. In APAC, further development of the modest fashion segment saw the launch of GFG's first male modest wear collection.

Through its focus on empowering customers to shop by their sustainability values, GFG introduced its first resale model on its ZALORA platform. It lists over 10,000 pre-loved items and gives over 200 million internet consumers across Southeast Asia the option to shop consciously. This is in addition to the launch of Considered at THE ICONIC and its first sustainable own brand, AERE earlier in 2019.

As the strategic partner of choice for fashion and lifestyle brands in its markets, GFG saw marketplace participation increase to 20.6% of NMV and gross margin continues to improve year-on-year as a result of the continued increase in marketplace share. GFG's Fashion Services continued to develop rapidly, with 60% more brand partners using GFG's B2B fulfilment services than at the end of 2018.

By addressing market specific needs through localised execution, operational developments further enhanced the delivery experience. In CIS, 35% of all orders shipped during the year were delivered through an expanded network of over 300 own pick-up points. In Brazil, construction of the new fulfilment centre is progressing well and on track to open in 2020.

Innovations in technology have continued to strengthen GFG's app-first approach, with more than 34 million downloads of GFG apps in 2019, generating over 50% of NMV. Customer purchase frequency was up by 5.1% to 2.6 times per year, with a 2.1% increase in average order value, driven by innovation and enhancements in app functionality.

In 2019, GFG invested €72 million of capex, broken down as to €49 million of property, plant & equipment addition — an elevated level as we deliver the new Brazilian fulfilment centre — and €23 million of intangible additions, including in-house technology capability.

The Group ended the year with available cash, including restricted cash and cash on deposit, of €300.8 million.

Guidance for FY 2020

In 2020 GFG aims to grow NMV between 17-20 per cent, delivering more than €2.0 billion in NMV and in the region of €1.5 billion revenue at constant currency. The impact on the Australian consumer of the bushfires, together with a warm winter in CIS means that we are expecting the year to start around the lower end of this range. GFG also plans to make significant progress on the path to profitability in 2020, with the target of being profitable at an Adjusted EBITDA level no later than 2021. Capex investment will be in the region of €55 million. This guidance excludes any potential negative impact caused by the COVID-19 outbreak.

Key Performance Indicators

	FY 2018	FY 2019	Q4 2018	Q4 2019
NMV €m	1,453.5	1,777.8	452.3	553.8
<i>% Constant Currency Growth</i>	22.5%	23.0%	22.4%	22.9%
<i>% € Growth</i>	8.2%	22.3%	12.7%	22.4%
Active Customers m	11.2	13.1	11.2	13.1
<i>% Growth</i>	13.6%	17.0%	13.6%	17.0%
NMV / Active Customer €	130.2	136.1	130.2	136.1
<i>% Constant Currency Growth</i>	7.8%	5.1%	7.8%	5.1%
<i>% € Growth</i>	(4.8%)	4.6%	(4.8%)	4.6%
Number of Orders m	28.2	34.6	8.6	10.3
<i>% Growth</i>	21.5%	23.0%	22.0%	20.3%
Order Frequency	2.5	2.6	2.5	2.6
<i>% Growth</i>	7.0%	5.1%	7.0%	5.1%
Average Order Value €	51.6	51.3	52.7	53.6
<i>% Constant Currency Growth</i>	0.8%	(0.0%)	0.4%	2.1%
<i>% € Growth</i>	(11.0%)	(0.5%)	(7.7%)	1.8%

Key Financials

	FY 2018	FY 2019	Q4 2018	Q4 2019
Revenue €m	1,155.9	1,346.0	356.6	417.7
<i>% Constant Currency Growth</i>	18.7%	17.2%	17.8%	17.7%
<i>% € Growth</i>	5.6%	16.4%	8.7%	17.1%
Gross Profit €m	449.7	539.8	138.4	168.9
<i>% Margin of Revenue</i>	38.9%	40.1%	38.8%	40.4%
Adjusted EBITDA €m	(49.8)	(37.1)	(3.8)	0.7
<i>% Margin of Revenue</i>	(4.3%)	(2.8%)	(1.1%)	0.2%
Capex €m	41.9	72.1	15.5	31.2

Further Information

Selected financial information, including KPI definitions, financial definitions and reconciliations to IFRS figures are available on the GFG website [here](#).

The 2019 Annual Report will be published on 13th March 2020 on the GFG website. The report will also be 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 ecommerce 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 2019, GFG delivered more than 34 million orders to over 13 million Active Customers.

GFG is listed on the Frankfurt Stock Exchange (GFG.DE) ISIN: LU2010095458.

For more information visit www.global-fashion-group.com