

GLOBAL FASHION GROUP
ACHIEVES SOLID SALES GROWTH AND IMPROVES PROFITABILITY IN THE FIRST
QUARTER OF 2017

Luxembourg, 24th May 2017 – Global Fashion Group (GFG), the leading online fashion destination for emerging markets, today reported results for the first quarter of 2017. GFG delivered net merchandise value (NMV) of EUR 271.7 million representing growth of 35.2% in Euro terms and 16.9% on a constant currency and pro-forma basis. The Adjusted EBITDA margin showed a year-over-year improvement of 11.1 percentage points to reach an Adjusted EBITDA margin of (12.5)% for Q1 2017 and reduced losses by nearly 30%. GFG benefits from a solid cash position with Euro 205m at the end of Q1 2017.

Continued Net Revenue and Net Merchandise Value (NMV) growth across all regions

Total Net Revenue of the Group for the quarter was EUR 265.3 million representing growth of 34.7% on a Euro basis and 17.6% on a constant currency pro-forma basis, against a back drop of challenging trading environments. NMV, which includes Marketplace sales, increased by 35.2% in Euro basis and 16.9% on a constant currency pro-forma basis to EUR 271.7 million.

Margin improvements in all regions driven by efficiency gains

Adjusted EBITDA margin improved substantially from (23.6)% in Q1 2016 to (12.5)% in Q1 2017, 11.1 percentage points. The Adjusted EBITDA loss reduced from EUR 46.5m to EUR 33.2m or by nearly 30%. The reduction of losses and improvement in Adjusted EBITDA margins were largely driven by path-to-profit initiatives below Gross Profit and include further operational efficiency gains which are in part technology enabled as well as scale benefits.

Regional overview

Lamoda achieved strong NMV and Net Revenue growth on a constant currency basis of 31.5% and 37.3%, respectively. Growth was driven by the continued roll out of the Marketplace model, further focus on broadening its reach to under-represented segments, and continued roll out of key new international and local brands.

Dafiti delivered Q1 NMV and Net Revenue growth on a constant currency basis of 5.1% and 1.8%, respectively, supported by Marketplace business consolidation in Brazil. The region also achieved a significant Q1 Gross Profit margin improvement of 3.4 percentage points to 41.9% due to continuous pricing strategy and product assortment improvements.

At Namshi, NMV and Net Revenue continue to show growth on a constant currency basis of 8.7% and 8.5% for Q1 2017, respectively. Despite a continued challenging retail environment, Namshi managed to maintain a strong Gross Profit margin of 50.1% for Q1 2017.

Zalora and The Iconic delivered positive NMV and Net Revenue growth on a constant currency and pro-forma basis of 20.3% and 20.5%, respectively in Q1, with a Gross profit margin increase of 2.3 percentage points to 40.7%. Zalora celebrated its 5-year anniversary with a coordinated campaign across the region whilst The Iconic successfully relocated their Australian fulfilment centre to larger premises which will allow for further scale and implementation of automated processes.

Namshi Partnership

Today, we announce the partnership with Emaar Malls in the Middle East, whereby Emaar has acquired 51% of Namshi for a combined primary investment and cash consideration of USD 151 million, with GFG retaining the remaining 49%.

This partnership will accelerate Namshi's development and allow it to continue to flourish as the region's pre-eminent fashion e-commerce destination. Emaar Malls will support the company to access additional fashion brands, further develop its logistics infrastructure and expand its geographical footprint in adjacent countries. Namshi will continue to benefit from GFG's global network, expertise in fashion e-commerce and shared resources, such as global brand acquisition and global IT development and innovation.

Global Fashion Group Consolidated

(EXCL. JABONG FOR ALL PRESENTED PERIODS)

Key Financials (EURm)	FY 2015	FY 2016	Q1 2016	Q1 2017
Net Merchandise Value ¹	796.9	1,038.1	200.9	271.7
<i>% FX neutral growth pro-forma^{2,3}</i>		30.3%		16.9%
<i>% EUR growth</i>		30.3%		35.2%
Net revenue	808.0	1,023.1	196.9	265.3
<i>% FX neutral growth pro-forma^{2,3}</i>		26.4%		17.6%
<i>% EUR growth</i>		26.6%		34.7%
Gross profit	326.7	433.5	78.3	105.2
<i>% margin of Net revenue</i>	40.4%	42.4%	39.8%	39.7%
Adjusted EBITDA ⁴	(217.2)	(127.9)	(46.5)	(33.2)
<i>% margin of Net revenue</i>	(26.9)%	(12.5)%	(23.6)%	(12.5)%
Capex ⁵	24.4	36.4	11.4	10.8

Balance Sheet (EURm)	31-Dec-15	31-Dec-16	31-Mar-16	31-Mar-17
Net working capital ⁶	16.4	(0.3)	11.4	23.3
Cash position	76.7	255.0 ⁹	60.9	205.4 ⁹

Key Performance Indicators (m)	FY 2015	FY 2016	Q1 2016	Q1 2017
Total orders ⁷	19.8	25.2	5.4	5.9
<i>% growth</i>		27.3%		9.3%
<i>% growth pro-forma³</i>		22.4%		13.8%
Active customers ⁸	8.6	9.5	8.8	9.6
<i>% growth</i>		10.5%		9.1%
<i>% growth pro-forma³</i>		15.4%		13.2%

Source: Company's audited consolidated financial statements based on IFRS and management reports.

Notes:

- (1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections. NMV excludes other revenue items such as delivery fees for example
- (2) Growth rate is shown on a constant currency basis and therefore excludes the effect of foreign currency movements.
- (3) For the purposes of comparison, growth rates are shown on a pro-forma basis; Dafiti includes Kanui and Tricae and excludes Mexico; Zalora excludes Thailand and Vietnam; Jabong is excluded.
- (4) Adjusted EBITDA is calculated as operating profit or loss before depreciation of property, plant and equipment, amortisation of intangible assets, impairment losses, and share-based payment expenses.
- (5) Capital expenditure represents the acquisition of property, plant and equipment and intangible assets.
- (6) Net working capital represents inventories and trade and other receivables less trade and other payables.
- (7) Total number of valid (i.e. not failed or declined) orders starting the fulfilment process less cancelled orders (before rejected and returned orders), i.e. total number of orders shipped in the period (e-commerce and marketplace).
- (8) Number of customers having made at least one order as defined in "total orders" less actual and provisioned returns and rejections within the last 12 months before the end of the period.
- (9) FY 2016 and Q1 17 show pro-forma cash position including all outstanding committed proceeds from the Jabong disposal.

LAMODA

Key Financials (EURm)	FY 2015	FY 2016	Q1 2016	Q1 2017
Net Merchandise Value ¹	230.8	299.9	51.9	89.5
<i>% FX neutral growth²</i>		40.4%		31.5%
<i>% EUR growth</i>		29.9%		72.4%
Net revenue	235.2	305.1	51.5	91.6
<i>% FX neutral growth²</i>		39.6%		37.3%
<i>% EUR growth</i>		29.7%		77.9%
Gross profit	96.5	120.5	18.4	30.2
<i>% margin of Net revenue</i>	41.0%	39.5%	35.7%	33.0%

DAFITI

Key Financials (EURm)	FY 2015	FY 2016	Q1 2016	Q1 2017
Net Merchandise Value ¹	252.2	330.8	60.2	78.7
<i>% FX neutral growth pro-forma^{2,3}</i>		15.1%		5.1%
<i>% EUR growth</i>		31.2%		30.7%
Net revenue	254.4	315.5	57.2	72.4
<i>% FX neutral growth pro-forma^{2,3}</i>		9.8%		1.8%
<i>% EUR growth</i>		24.0%		26.6%
Gross profit	99.0	136.8	22.0	30.3
<i>% margin of Net revenue</i>	38.9%	43.4%	38.5%	41.9%

NAMSHI

Key Financials (EURm)	FY 2015	FY 2016	Q1 2016	Q1 2017
Net Merchandise Value ¹	101.9	128.5	30.8	34.6
<i>% FX neutral growth²</i>		25.9%		8.7%
<i>% EUR growth</i>		26.1%		12.3%
Net revenue	107.8	136.2	32.7	36.7
<i>% FX neutral growth²</i>		26.1%		8.5%
<i>% EUR growth</i>		26.3%		12.2%
Gross profit	58.3	72.1	17.0	18.4
<i>% margin of Net revenue</i>	54.1%	52.9%	52.0%	50.1%

ZALORA & THE ICONIC

Key Financials (EURm)	FY 2015	FY 2016	Q1 2016	Q1 2017
Net Merchandise Value ¹	212.0	278.9	58.0	68.9
<i>% FX neutral growth pro-forma^{2,3}</i>		43.1%		20.3%
<i>% EUR growth</i>		31.6%		18.8%
Net revenue	207.6	261.2	54.1	64.9
<i>% FX neutral growth pro-forma^{2,3}</i>		35.6%		20.5%
<i>% EUR growth</i>		25.8%		20.0%
Gross profit	72.4	103.2	20.8	26.4
<i>% margin of Net revenue</i>	34.9%	39.5%	38.4%	40.7%

Please refer to page 2 for footnotes.

Other releases in connection with GFG's results

Shareholders of Kinnevik AB ("Kinnevik") should read this press release in conjunction with all relevant releases by Kinnevik in connection with GFG's results for the same period.

Shareholders of Rocket Internet SE ("Rocket") should read this press release in conjunction with all relevant releases by Rocket in connection with GFG's results for the same period.