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## GLOBAL FASHION GROUP PREPARING FOR IPO TO INVEST IN GROWTH

**Luxembourg, 3<sup>rd</sup> June 2019** – Global Fashion Group S.A. (“GFG” or the “Company”), the leading online fashion and lifestyle destination in 17 countries across Asia Pacific (“APAC”), Latin America (“LATAM”) and the Commonwealth of Independent States (“CIS”), announces its intention to conduct an initial public offering (the “Offering”) and a listing of its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The planned Offering is expected to consist only of newly issued shares.

**Christoph Barchewitz and Patrick Schmidt, Co-Chief Executive Officers, said:** *“We are excited about this next step for GFG. It is still very early days for fashion and lifestyle e-commerce in our markets. Today, most of our markets have less e-commerce adoption than Europe had 10 years ago. As consumer behaviour migrates towards e-commerce, GFG’s well-known consumer platforms, local teams, and fashion-specific operational infrastructure put us at the forefront of this growth opportunity. An IPO will allow us to keep investing in our end-to-end customer proposition, further strengthening our position as the leading fashion and lifestyle destination in growth markets.”*

### ***Established, leading position in large, high-growth markets:***

- The online and offline fashion and lifestyle market in GFG’s regions amounted to €320 billion in 2018.
- In these regions the online retail penetration of fashion and lifestyle is 6%, compared to 15% in Western Europe, 20% in the United States and 39% in China<sup>1</sup>.
- GFG’s markets are all seeing long-term structural growth in fashion and lifestyle e-commerce as they replicate the consumer trends of more advanced markets.
- GFG’s four established e-commerce platforms - THE ICONIC and ZALORA (APAC), dafiti (LatAm), and lamoda (CIS) - are all leading destinations in their respective regions.
- With a diverse team of over 10,000 people across four continents, GFG combines global expertise with deep local know-how.

### ***Inspiring and seamless customer experience:***

- GFG empowers its customers to express themselves through fashion by connecting them with a customised blend of international, local and over 40 own fashion and lifestyle brands.
- Through a mobile first approach and its own technology innovations, GFG’s apps are tailored to local market needs.

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<sup>1</sup> Based on data from Euromonitor International Ltd: Apparel and Footwear 2019 edition, Beauty and Personal Care 2018 edition, Personal Accessories and Eyewear 2019 edition.

- The assortment is carefully selected and customised to match local tastes, personal and cultural preferences, size, styles, season and weather conditions.
- 35 payment options, fast delivery including same day delivery in many cities, free returns and a 24/7 customer service in 11 languages, provides a seamless customer experience - from discovery to delivery.

***Brand partner of choice in growth markets:***

- GFG connects over 10,000 global, local and own fashion brands to a market of over 1 billion consumers.
- GFG has successfully developed strategic partnerships with 78% of the Top 50 non luxury global brands<sup>2</sup>.
- Through its established, fashion-specific operational infrastructure, which is rooted in local market insights, GFG provides a purpose-built channel for global brands to scale and develop in growth markets at their own speed and with minimal capex.
- GFG offers broad customer reach, has fashion in its DNA, and operates a flexible business model across its retail, marketplace and fashion services (fulfilment, media solutions and data analytics).

***Growth momentum and improving profitability:***

- GFG's active customer base increased from 8.9 million to 11.2 million between 2016 and 2018.
- NMV grew from €1,076 million to €1,453 million between 2016 and 2018.
- Over the same period, GFG's revenue also increased from €887 million to €1,156 million.
- In 2018, GFG reached break-even on an Adjusted EBITDA basis in its LatAm segment as well as in Australia, which is part of GFG's APAC segment.
- For the year 2018, Adjusted EBITDA margin (post the adoption of IFRS 16) was (4.3)%.
- Following a strong first quarter, GFG expects NMV to grow by 20-23% (on an organic basis) to reach €1.7bn to €1.8bn in 2019.
- Further, the Company expects to generate more than €1.3 billion in revenue and to make additional progress towards EBITDA break-even.
- Continued investments into technology and GFG's fulfilment infrastructure, including a new, automated warehouse in Brazil, are expected to result in €90 million to €95 million in capex in 2019.

***The planned Offering:***

- GFG intends to list its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.
- The Offering is expected to consist only of newly issued common shares.
- GFG will grant the underwriters a market standard primary greenshoe option.
- The Company currently intends to raise gross primary proceeds in the planned Offering of approximately €300 million.
- The Company intends to use the net proceeds from the Offering to fuel continued growth by investing in the technology platform, customer acquisition, and fulfilment and delivery infrastructure, including automation, as well as other general corporate purposes.

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<sup>2</sup>Source: Company information, Top 50 Brands taken from Fashion United Top 200 Fashion Companies.

Note: Based on GFG business with 39 of the Top 50 brands globally after excluding other third party retailers and 15 luxury brands.

- The Offering would comprise a public offer to individual and institutional investors in Germany, and to institutional investors in certain other jurisdictions.
- In connection with the IPO, the Company's existing shareholders will commit not to sell any shares during the first six months, and may only sell up to a maximum of 20% of their pre-IPO shareholdings during months seven to twelve after the first day of trading of the shares.
- Goldman Sachs International, Morgan Stanley, and Berenberg are acting as Joint Global Coordinators and, together with HSBC, as Joint Bookrunners.

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**About GFG**

Global Fashion Group ("GFG") 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 2018, GFG delivered over 28 million orders to 11.2 million active customers, generating Net Merchandise Value of approximately €1.5 billion.

For more information, visit <http://global-fashion-group.com>

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