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RESULTATRAPPORT FÖR FÖRSTA HALVÅRET 2016 FÖR GLOBAL FASHION GROUP

Kinnevik AB (publ) ("Kinnevik") offentliggjorde idag resultatet för första halvåret 2016 för Global Fashion Group (inklusive de regionala verksamheterna Lamoda, Dafiti, Namshi och Zalora).

Global Fashion Group kommer att hålla en telefonkonferens idag den 15 september 2016 kl. 10.00 CET för att presentera resultatet för första halvåret 2016. De som vill delta via telefon är välkomna att ringa in på nedan telefonnummer:

DE: +49 (0) 69 2222 10633
UK: +44 (0) 20 3427 1924
USA: +1 646 254 3387
SE: +46 (0) 8 506 539 34

PIN-kod: 9689105#

Nyckeltal för Global Fashion Group (inklusive Lamoda, Dafiti, Namshi och Zalora) återfinns på de kommande sidorna i detta pressmeddelande.

För ytterligare information, besök www.kinnevik.com eller kontakta:

Torun Litzén, Informations- och IR-chef
Telefon +46 (0)8 562 000 83
Mobil +46 (0)70 762 00 83

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15 SEPTEMBER 2016

GLOBAL FASHION GROUP REPORTS STRONG RESULTS FOR THE FIRST SIX MONTHS 2016

Global Fashion Group (GFG) today reported financial results for the first six months of 2016 (H1) including the regional businesses Lamoda, Dafiti, Namshi and Zalora & The Iconic. All numbers below are excluding Jabong which was divested in July 2016. The operating momentum was strong in the second quarter, with continued growth and improving margins across all regions.

Continued solid growth across all regions
In H1 2016, Net Revenue grew 47.5% on a constant currency basis to EUR 456m. Net Merchandise Value (NMV), which includes marketplace sales, increased by 53.2% on a constant currency basis to EUR 465m. Adjusting for the inclusion of the acquired Kanui and Tricae businesses in Brazil and the disposal of several smaller markets, Net Revenue and NMV grew 36.6% and 41.3% respectively on a constant currency basis.

Improved profitability at Gross Margin and EBITDA level
The Gross Margin increased to 42.2% and the Adjusted EBITDA margin improved substantially from (33.4)% in H1 2015 to (14.8)% in H1 2016. Margin improvements were largely driven by improved inventory management on the Gross Margin side as well as meaningful efficiency gains across fulfilment and marketing operations, in addition to fixed cost optimisation as a result of GFG’s path-to-profit initiatives across all regions.

Divestment of Jabong and non-core markets
GFG sold its Indian business Jabong to Flipkart for USD 70m in cash in August. Additionally, GFG’s South-East-Asian business Zalora sold its operations in Thailand and Vietnam in April to retailer Central Group for an undisclosed amount. The transactions are a decisive step in GFG’s strategy to refocus on core markets and further accelerate the path to profitability.

EUR 330m funding round and divestments strengthen financial position
GFG secured additional funding of EUR 330m from existing shareholders led by Kinnevik and Rocket Internet during H1 2016. The funding round and divestments in India and South East Asia substantially strengthen GFG’s financial position with a pro forma cash balance of EUR 342.6m per the end of H1 2016. The strong financial position will enable continued growth, investment in technology and logistics infrastructure across all the regional businesses.

Success of Marketplace model
During the period, GFG continued the successful roll-out of Marketplace across key markets to complement the inventory-led model. The Marketplace platform is built to be highly scalable with one global platform serving all countries and led by one global team with local counterparts.

Strong brand acquisition
GFG saw continued strong progress in acquiring key international brands, resulting from the efforts of both local and international acquisition teams.

Global Fashion Group Consolidated

(EXCL. JABONG FOR H1 2015 AND H1 2016)

Key Financials (EURm)	**FY 2014**[9]	**FY 2015**[10]	**H1 2015**[10,11]	**H1 2016**[10,11]
Net Merchandise Value[1] (EURm)	645.3	952.3	353.8	464.7
% FX neutral growth[2]		*72.6%*		*53.2%*
% FX neutral growth pro-forma[2,3]		*69.0%*		*41.3%*
% EUR growth		*47.6%*		*31.3%*
Net revenue	627.5	930.1	360.7	455.8
% FX neutral growth[2]		*71.5%*		*47.5%*
% FX neutral growth pro-forma[2,3]		*68.6%*		*36.6%*
% EUR growth		*48.2%*		*26.4%*
Gross profit	186.3	318.5	146.8	192.2
% margin of Revenue	*29.7%*	*34.2%*	*40.7%*	*42.2%*
Adjusted EBITDA[4]	(238.2)	(272.8)	(120.5)	(67.6)
% margin of Revenue	*(38.0)%*	*(29.3)%*	*(33.4)%*	*(14.8)%*
Capex[5]		27.3	12.8	19.5
Balance Sheet (EURm)	**31-Dec-14**	**31-Dec-15**	**30-Jun-15**	**30-Jun-16**
Net working capital[6]		16.4	24.7	(11.6)
Cash position	223.8	76.7	75.7	342.6 PF(12)
Key Performance Indicators (m)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Total orders[7]	21.4	28.6	8.5	11.8
% growth		*33.6%*		*38.8%*
% growth pro-forma[3]				*28.4%*
Active customers (LTM)[8]	5.8	8.5	6.3	9.4
% growth		*46.6%*		*49.2%*
% growth pro-forma[3]				*35.5%*

Source: Company's unaudited 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.

(2) Growth rate is shown on a constant currency basis based on internal planning rates and therefore exclude the effect of FX movement.

(3) For the purposes of comparison, growth rates are shown on a proforma basis; Dafiti includes Kanui and Tricae and excludes Mexico; Zalora excludes Thailand and Vietnam; Jabong is excluded.

(4) Adjusted EBITDA is calculated as (i) operating profit or loss before impairment plus (ii) depreciation of property, plant and equipment plus (iii) amortization of intangible assets. Adjusted EBITDA excludes share based compensation expenses.

(5) Capital expenditure is calculated as (i) purchase of property, plant and equipment plus (ii) acquisition of intangible assets.

(6) Net working capital is calculated as (i) inventories plus (ii) trade and other receivables minus (iii) 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 (eCommerce and marketplace).

(8) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.

(9) Based on simple aggregation and not a true consolidation.

(10) Derived from unaudited consolidated financial statements of GFG. Differences relative to sum-of-the-parts are due to eliminations, holding and other.

(11) Excluding subsequently discontinued operations (i.e. Jabong). H1 2015 has been restated to exclude Jabong in line with IFRS reporting.

(12) EUR 342.6m is the pro-forma cash position adjusted for the announced funding round of EUR 330m of which the proceeds are expected to be fully paid in in Q316/ early Q416, payback of shareholder loans (including interest) and proceeds from the disposal of Jabong (USD 70m). The reported cash position as of 30 June 2016 is EUR 120.2m.

LAMODA

Financial Update

- Continued Net Revenue and NMV growth of 41.1% and 43.0% respectively on a constant currency basis despite challenging macro and retail environment.
- Significant progress on path-to-profit initiatives across fulfilment, marketing and overhead resulting in an improvement of 10.1 percentage points of Adjusted EBITDA margin to (6.1%).

Operational Update

- Several key milestones achieved to further automate warehouses and extend capacity to cater for anticipated order growth at reduced costs per shipped order.
- Increase in mobile leadership with a continuing increase in the share of traffic from mobile devices, now approaching 60%.
- Significantly expanded offline customer contact footprint through several strategic partnerships.

Key Financials (EURm)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Net Merchandise Value[1] (EURm)	180.1	230.8	106.2	123.8
% FX neutral growth[2]		*66.7%*		*43.0%*
% EUR growth		*28.2%*		*16.6%*
Net revenue	186.2	235.2	108.8	125.6
% FX neutral growth[2]		*67.9%*		*41.1%*
% EUR growth		*26.3%*		*15.4%*
Gross profit	76.0	96.5	49.6	52.1
% margin of Revenue	*40.8%*	*41.0%*	*45.6%*	*41.5%*
Adjusted EBITDA[3]	(42.3)	(34.4)	(17.6)	(7.7)
% margin of Revenue	*(22.7)%*	*(14.6)%*	*(16.2)%*	*(6.1)%*
Key Performance Indicators (m)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Total orders[4]	3.9	5.5	2.5	3.4
% growth		*41.0%*		*36.0%*
Active customers (LTM)[5]	1.7	1.9	1.6	2.5
% growth		*11.8%*		*56.3%*

Source: Company's unaudited consolidated financial statements based on IFRS and management reports
Notes: Consolidated Lamoda financial information on EUR basis is derived from unaudited GFG consolidated IFRS financial statements. Deviation from prior publication of RUB based consolidated Lamoda financial information is primarily attributable to GFG accounting policy alignments.

(1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections.
(2) Growth rate is shown on a constant currency basis based on internal planning rates and therefore exclude the effect of FX movement.
(3) Adjusted EBITDA is calculated as (i) operating profit or loss before plus (ii) depreciation of property, plant and equipment plus (iii) amortization of intangible assets. Adjusted EBITDA excludes share based compensation expenses.
(4) 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 (eCommerce and marketplace).
(5) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.

DAFITI

Financial Update

- Continued Net Revenue and NMV growth of 61.3% and 72.3% respectively on a constant currency basis despite a challenging macro and retail environment. Adjusted for acquisitions and disposals, growth would have been 17.5% and 23.8%, respectively.
- Significant progress on path-to-profit initiatives with Adjusted EBITDA margin improving by 27.4pp to (9.6)%, driven by a gross margin expansion, marketing cost reductions and G&A expense optimisation.

Operational Update

- Successful launch of Marketplace business in Brazil, Chile and Colombia which now represent nearly 10% of total NMV.
- Implementation of new proprietary inventory management, pricing and planning systems which have resulted in significant gross margin improvements and working capital optimisation.
- The integration of Kanui and Tricae has led to economies of scale and resulting operational efficiencies.

Key Financials (EURm)	**FY 2014**	**FY 2015**[7]	**H1 2015**[8]	**H1 2016**[8]
Net Merchandise Value[1] (EURm)	188.0	252.2	108.8	142.8
% FX neutral growth[2]		*52.6%*		*72.3%*
% FX neutral growth pro-forma[2,3]		*47.1%*		*23.8%*
% EUR growth		*34.1%*		*31.3%*
Net revenue	189.7	254.3	111.0	135.8
% FX neutral growth[2]		*52.8%*		*61.3%*
% FX neutral growth pro-forma[2,3]		*47.4%*		*17.5%*
% EUR growth		*34.1%*		*22.3%*
Gross profit	71.3	98.9	41.6	57.2
% margin of Revenue	*37.6%*	*38.9%*	*37.5%*	*42.1%*
Adjusted EBITDA[4]	(66.7)	(64.0)	(41.1)	(13.1)
% margin of Revenue	*(35.2)%*	*(25.2)%*	*(37.0)%*	*(9.6)%*
Key Performance Indicators (m)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Total orders[5]	4.4	6.2	2.5	4.2
% growth		*40.9%*		*68.0%*
% growth pro-forma[3]				*19.9%*
Active customers (LTM)[6]	2.1	3.5	2.2	3.8
% growth		*66.7%*		*72.7%*
% growth pro-forma[3]				*22.0%*

Source: Company's unaudited consolidated financial statements based on IFRS and management reports
Notes: Consolidated Dafiti financial information on EUR basis is derived from unaudited GFG consolidated IFRS financial statements. Deviation from prior publication of BRL based consolidated Dafiti financial information is primarily attributable to GFG accounting policy alignments.

(1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections.
(2) Growth rate is shown on a constant currency basis based on internal planning rates and therefore exclude the effect of FX movement.
(3) For the purpose of comparison, growth rate is shown on a proforma basis: Dafiti on a "proforma" basis, therefore Kanui and Tricae are included in and Mexico is excluded.
(4) Adjusted EBITDA is calculated as (i) operating profit or loss before plus (ii) depreciation of property, plant and equipment plus (iii) amortization of intangible assets. Adjusted EBITDA excludes share based compensation expenses.
(5) 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 (eCommerce and marketplace).
(6) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.
(7) Effective from September 26, 2015 Dafiti includes the two acquired Brazilian businesses, Kanui and Tricae.
(8) H1 2015 excludes Kanui and Tricae and includes Dafiti Mexico whilst H1 2016 includes Kanui and Tricae but excludes Dafiti Mexico (divested).

NAMSHI

Financial Update

- Continued Net Revenue and NMV growth of c.51% despite challenging macro and retail environment.
- Achieved profitability for the period on an Adjusted EBITDA level for the first time.

Operational Update

- Focus on path-to-profit initiatives optimization to offset increased price investment in challenging macro and retail environment.
- Investments in logistics infrastructure and tech leading to efficiencies across warehouse, customer service and logistics operations.

Key Financials (EURm)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Net Merchandise Value[1] (EURm)	33.6	102.3	44.0	66.2
% FX neutral growth[2]		*156.7%*		*50.8%*
% EUR growth		*204.5%*		*50.5%*
Net revenue	34.4	107.8	44.7	67.1
% FX neutral growth[2]		*157.6%*		*50.9%*
% EUR growth		*213.4%*		*50.1%*
Gross profit	18.7	58.3	24.2	35.6
% margin of Revenue	*54.4%*	*54.1%*	*54.1%*	*53.1%*
Adjusted EBITDA[3]	(4.5)	(1.7)	(1.1)	1.6
% margin of Revenue	*(13.1)%*	*(1.6)%*	*(2.5)%*	*2.4%*
Key Performance Indicators (m)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Total orders[4]	0.5	1.2	0.5	0.8
% growth		*140.0%*		*60.0%*
Active customers (LTM)[5]	0.2	0.5	0.3	0.6
% growth		*150.0%*		*100.0%*

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

Notes: Consolidated Namshi financial information on EUR basis is derived from unaudited GFG consolidated IFRS financial statements. Deviation from prior publication of AED based consolidated Namshi financial information is primarily attributable to GFG accounting policy alignments.

(1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections.

(2) Growth rate is shown on a constant currency basis based on internal planning rates and therefore exclude the effect of FX movement.

(3) Adjusted EBITDA is calculated as (i) operating profit or loss before plus (ii) depreciation of property, plant and equipment plus (iii) amortization of intangible assets. Adjusted EBITDA excludes share based compensation expenses.

(4) 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.

(5) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.

ZALORA & THE ICONIC

Financial Update

- Continued Net Revenue and NMV growth of 38.9% and 47.2%, respectively. Adjusted for disposals, growth would have been 49.1% and 57.6% respectively. Growth in parts driven by increase in ASP as well as new marketplace business model.
- Gross margin improved 5.5 percentage points due to improved intake margins, sell-through and growth of the marketplace model. Continued progress on path-to-profit initiatives resulted in Adjusted EBITDA margin improving by 20.7 percentage points.

Operational Update

- New management team in Zalora including CEO, CFO and Head of Buying.
- Strong brand acquisition across the region, including the launch of several new brands of which certain are exclusive for the region.
- Zalora completed the warehouse consolidation in Malaysia and commenced centralization efforts through the Finance Shared Services Centre in Malaysia.

Key Financials (EURm)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016[7]**
Net Merchandise Value[1] (EURm)	118.4	212.0	94.8	131.9
% FX neutral growth[2]		*72.4%*		*47.2%*
% FX neutral growth pro-forma[2,3]		*73.2%*		*57.6%*
% EUR growth		*79.1%*		*39.1%*
Net revenue	117.2	208.0	95.1	125.8
% FX neutral growth[2]		*65.2%*		*38.9%*
% FX neutral growth pro-forma[2,3]		*67.4%*		*49.1%*
% EUR growth		*77.5%*		*32.3%*
Gross profit	40.0	72.8	31.1	48.1
% margin of Revenue	*34.1%*	*35.0%*	*32.7%*	*38.2%*
Adjusted EBITDA[4]	(68.7)	(90.5)	(43.7)	(31.8)
% margin of Revenue	*(58.6)%*	*(43.5)%*	*(46.0)%*	*(25.3)%*
Key Performance Indicators (m)	**FY 2014**	**FY 2015**	**H1 2015**	**H1 2016**
Total orders[5]	3.9	6.9	3.0	3.5
% growth		*76.9%*		*16.7%*
% growth pro-forma[3]				*28.9%*
Active customers (LTM)[6]	1.8	2.7	2.3	2.6
% growth		*50.0%*		*13.0%*
% growth pro-forma[3]				*33.9%*

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

Notes: Consolidated Zalora financial information on EUR basis is derived from unaudited GFG consolidated IFRS financial statements. Deviation from prior publication of consolidated Zalora financial information is primarily attributable to GFG accounting policy alignments.

(1) Net Merchandise Value (NMV) is defined as the value of goods sold after actual and provisioned returns and rejections

(2) Growth rate is shown on a constant currency basis based on internal planning rates and therefore exclude the effect of FX movement.

(3) For the purpose of comparison, growth rate is shown on a proforma basis: Zalora on a "proforma" basis, therefore Thailand and Vietnam are not included.

(4) Adjusted EBITDA is calculated as (i) operating profit or loss before plus (ii) depreciation of property, plant and equipment plus (iii) amortization of intangible assets. Adjusted EBITDA excludes share based compensation expenses.

(5) 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 (eCommerce and marketplace).

(6) Number of customers having made at least one order as defined in "total orders" within the last 12 months before end of period.

(7) H1 2016 includes operations in Thailand and Vietnam which have been divested in Q2 2016.

Forward looking statements

This press release contains forward-looking statements and other statements that are not historical facts that reflect the reasonable expectations of GFG. The forward-looking statements contained in this document are not guarantees of future performance, and future results may be materially affected by many factors and are subject to risks that are beyond GFG's control, and are therefore difficult to predict. Actual results could differ materially from expectations for a variety of reasons, including but not limited to fluctuations in foreign exchange rates, changes in global economic conditions and customer spending, the rate of growth of the internet generally and online commerce specifically, GFG's investments in new business opportunities or divestitures of existing businesses and the timing of such or similar strategic transactions, the mix of products sold to customers, competition, management of growth and expansion, the outcomes of legal proceedings and claims, sortation, delivery and related risks of inventory management, seasonality, the degree to which GFG enters into, maintains, and develops commercial agreements, payments risks, and risks of fulfilment throughput and productivity. Other risks and uncertainties include, among others, risks related to new products, services, and technologies, system interruptions, government regulation and taxation, and fraud.

All forward looking statements in this press release are based on information known to GFG on the date hereof. GFG undertakes no obligation publicly to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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.