



K I N N E V I K

PRESSMEDDELANDE

24 maj 2017

**RESULTATRAPPORT FÖR FÖRSTA KVARTALET 2017 FÖR
GLOBAL FASHION GROUP**

Kinnevik AB (publ) ("Kinnevik") offentliggjorde idag resultatet för första kvartalet 2017 för Global Fashion Group, vilket innefattar de regionala verksamheterna Lamoda, Dafiti, Namshi, Zalora och The Iconic. Därtill meddelande Global Fashion Group och Emaar Malls ett partnerskap för att utveckla Namshi.

Global Fashion Group kommer att hålla en telefonkonferens idag den 24 maj 2017 kl. 10.00 CET för att presentera resultatet för första kvartalet 2017. De som vill delta via telefon är välkomna att ringa in på nedan telefonnummer:

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Nyckeltal för Global Fashion Group och mer information om Namshis partnerskap återfinns på efterföljande sidor i pressmeddelandet.

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

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Kinnevik är ett sektorfokuserat investeringsbolag som brinner för entreprenörskap. Tillsammans med drivna grundare och företagsledare bygger vi digitala konsumentbolag som erbjuder människor fler och bättre valmöjligheter. Vi skapar, investerar i och leder snabbt växande verksamheter i både utvecklade marknader och tillväxtmarknader. Vi tror på att leverera både aktieägarvärde och socialt värde genom att bygga välstyrda bolag som bidrar positivt till samhället. Kinnevik grundades 1936 av familjerna Stenbeck, Klingspor och von Horn. Kinneviks aktier handlas på Nasdaq Stockholms lista för stora bolag under kortnamnen KINV A och KINV B.

KINNEVIK AB (PUBL)

24th MAY 2017

**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 disposa

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%

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.

GLOBAL FASHION GROUP AND EMAAR MALLS ANNOUNCE PARTNERSHIP TO DEVELOP NAMSHI, THE LEADING FASHION E-COMMERCE RETAILER IN THE MIDDLE EAST

EMAAR MALLS TO ACQUIRE 51% OF NAMSHI IN AN ALL-CASH TRANSACTION

Dubai, 24 May 2017 – The emerging markets’ leading fashion e-commerce platform Global Fashion Group (“GFG”) and Emaar Malls (DFM: EMAARMALLS), the shopping malls and retail business majority-owned by property developer Emaar Properties, have today agreed to form a strategic partnership to further the growth of Namshi, the leading online fashion retailer in the Middle East.

Under the partnership, Emaar Malls will acquire a 51% stake in Namshi for a consideration of USD 151 million including investment in the company for its future growth, and GFG retaining the remaining 49%. This partnership will accelerate Namshi’s development in the region 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 network, expertise in fashion e-commerce and shared resources, such as global brand acquisition and global IT development and innovation.

Mohamed Alabbar, Chairman of Emaar Malls and Emaar Properties, said: “The acquisition of a majority stake in Namshi underlines our digital-driven strategy to leverage the growing e-commerce market in the Middle East and North Africa region. Namshi offers a perfect fit for Emaar Malls in accelerating its focus on multi-channel retailing, and creating long-term value for its stakeholders.”

Hosam Arab, MD of Namshi, said: “We are very excited to welcome Emaar Malls as our majority shareholder. We are confident that this partnership will unlock further opportunities and help accelerate the development of Namshi for the benefit of our customers. We would like to congratulate and thank our team for their tireless efforts in making Namshi the Middle East’s premier fashion ecommerce destination and we look forward to continuing this journey together with Emaar Malls and GFG.”

Romain Voog, CEO of GFG, said: “We are proud of how Namshi contributes to the growth and vibrancy of e-commerce in the Middle East since its inception in 2012 and I would like to congratulate the management team for their great accomplishment. With the complementary strengths of Emaar Malls and GFG, Namshi is now more than ever uniquely positioned to be the best long term partner for fashion brands and customers in the region. GFG’s partnership with Emaar Malls follows the Group’s strong performance in 2016 and is another step in our journey to create sustainable, profitable fashion e-commerce leaders in each of our regions.”

Led by co-founders Hosam Arab, Faraz Khalid and Hisham Zarka, Namshi launched in 2012, and offers a wide range of over 50,000 products across more than 600 international and local fashion brands and its own private labels. The company already serves over 750,000 customers across the United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman and Bahrain. It provides a superior delivery experience with same day delivery in the UAE and express delivery to Saudi Arabia, supported by its own warehouse located in Dubai and network of proprietary and third party courier networks.

For the full year 2016, the company recorded net revenue of AED 555 million and achieved its first full-year of profitability and positive cashflow. Namshi’s continued investments in assortment, logistics, technology, and people have enabled it to develop a superior customer experience and strengthen its position as the leading fashion ecommerce player in the market.

As part of this transaction, both partners have agreed on developing jointly the company until a possible listing or full transfer of ownership.

Closing of the transaction is expected to take place within three months.

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Note to Editors

About Global Fashion Group:

Global Fashion Group (GFG) is the world's leading online fashion destination for emerging markets. GFG is dedicated to bringing fashion online in emerging markets and offers brands the chance to enter the fashion e-commerce sector in highly promising economies. We operate with five branded platforms in 24 countries and employ over 9,000 people. Working closely with our partners, we have crafted the best in-class shopping experience for our customers offering over 10,000 international and local brands to be delivered in a fast and convenient way. GFG investors include entrepreneurial investment group Kinnevik and German Internet company, Rocket Internet. For more information, visit <http://global-fashion-group.com>

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