



K I N N E V I K

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RESULTATRAPPORT FÖR ANDRA KVARTALET 2017 FÖR GLOBAL FASHION GROUP

Kinnevik AB (publ) ("Kinnevik") offentliggjorde idag resultatet för andra kvartalet 2017 för Global Fashion Group, vilket innefattar de regionala verksamheterna Lamoda, Dafiti, Namshi, Zalora och The Iconic.

Global Fashion Group kommer att hålla en telefonkonferens idag den 8 september 2017 kl. 10.00 CET för att presentera resultatet för andra 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 återfinns på efterföljande sidor i pressmeddelandet.

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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)

8th SEPTEMBER 2017

GLOBAL FASHION GROUP
MAINTAINS SOLID SALES GROWTH AND HALVES LOSSES IN THE SECOND
QUARTER OF 2017

Luxembourg, 8th September 2017 – Global Fashion Group (GFG), the leading online fashion destination for growth markets, today reported results for the second quarter and first half of 2017. Following the successful partnership with Emaar Malls acquiring a 51% stake in the Namshi business, the GFG figures quoted below exclude Namshi.

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

Group Net Revenue for the quarter was EUR 281.9 million representing growth of 25.6% on a Euro basis and 16.0% on a constant currency pro-forma basis. NMV, which includes Marketplace sales, reached EUR 292.1m, increasing 29.3% on a Euro basis and 18.8% on a constant currency pro-forma basis.

Continued margin improvements, driven by Gross Margin improvements and efficiency gains

Adjusted EBITDA margin improved by 6.0 percentage points to (4.3)% of Net Revenue. At EUR (12.1)m for the quarter, the Adjusted EBITDA loss nearly halved from EUR (23.1)m in Q2 2016. This was driven by a Gross Profit improvement of 0.4 percentage points, and a continued focus on technological and operational efficiency gains.

Strong financial position

GFG continues to maintain a strong cash position, with a proforma cash balance of Euro 271.3m at the end of Q2 2017, including outstanding net proceeds from the Namshi transaction, which closed in August.

Regional overview

Lamoda achieved Q2 NMV and Net Revenue growth on a Euro basis of 38.7% and 39.3%, and on a constant currency basis of 17.1% and 19.1%, respectively, despite the continued intense competition and the unseasonably cold weather impacting the launch of the Spring Summer 17 range. During the quarter, Lamoda rolled out more customer pick up points, and became the official Russian ecommerce licensee for FIFA for the 2017 Confederation Cup and the 2018 World Cup to be held in Russia.

Dafiti delivered increased Q2 NMV and Net Revenue growth on a constant currency basis of 14.4% and 7.7%, respectively, with further strong Marketplace NMV growth in all countries. On a Euro basis, Q2 NMV and Net Revenue grew by 24.3% and 17.3% respectively. Gross profit for the region also increased by 0.5 percentage points to 45.3%, driven by the continued focus on assortment and pricing strategy. During the quarter Dafiti continued its focus on cost control, securing cost reductions within fulfilment, further optimising marketing spend and delivering additional cost savings.

Zalora and The Iconic delivered accelerated Q2 growth in NMV and Net Revenue compared to Q1. On a constant currency and pro-forma basis, Q2 NMV and Net Revenue grew by of 25.4% and 22.5%, respectively and by 26.0% and 22.4% on a Euro basis. Gross profit margin increased by 3.6 percentage points to 40.5%. Zalora saw the successful launch of new brands in the quarter, including Adidas, Hollister & Co and Hugo Boss, whilst The Iconic onboarded 28 new retail brands and over 60 new marketplace brands.

Namshi Middle East and Zalora Philippines Partnerships

The partnership in the Middle East with Emaar Malls acquiring 51% of Namshi was successfully completed in August for a cash consideration of USD 151 million.

The partnership in the Philippines with Ayala acquiring a 49% of Zalora Philippines through a primary investment was also successfully completed in August.

GFG is looking forward to the strategic and operational benefits both of these partnerships will bring to the businesses in these two regions.

GLOBAL FASHION GROUP CONSOLIDATED

(EXCL. JABONG AND NAMSHI FOR ALL PRESENTED PERIODS)

GLOBAL FASHION GROUP

Key Financials (EURm)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Net Merchandise Value ¹	902.6	394.5	527.9	225.9	292.1
<i>% FX neutral proforma growth^{2,3}</i>	<i>30.5%</i>	<i>38.8%</i>	<i>18.7%</i>	<i>39.6%</i>	<i>18.8%</i>
<i>% EUR growth</i>	<i>30.3%</i>	<i>27.7%</i>	<i>33.8%</i>	<i>27.6%</i>	<i>29.3%</i>
Net revenue	886.9	388.7	510.6	224.5	281.9
<i>% FX neutral growth pro-forma^{2,3}</i>	<i>26.3%</i>	<i>33.2%</i>	<i>17.4%</i>	<i>35.9%</i>	<i>16.0%</i>
<i>% EUR growth</i>	<i>26.7%</i>	<i>23.0%</i>	<i>31.4%</i>	<i>24.4%</i>	<i>25.6%</i>
Gross profit	361.4	156.6	207.4	95.3	120.7
<i>% margin of Net revenue</i>	<i>40.7%</i>	<i>40.3%</i>	<i>40.6%</i>	<i>42.4%</i>	<i>42.8%</i>
Adjusted EBITDA ⁴	(130.7)	(69.1)	(43.9)	(23.1)	(12.1)
<i>% margin of Net revenue</i>	<i>(14.7%)</i>	<i>(17.8%)</i>	<i>(8.6%)</i>	<i>(10.3%)</i>	<i>(4.3%)</i>
Capex ⁵	36.0	19.5	16.9	8.1	6.2

Balance Sheet (EURm)	31-Dec-16	30-Jun-16	30-Jun-17	30-Jun-16	30-Jun-17
Net working capital ⁶	(0.3)	(11.6)	25.4	(11.6)	25.4
Cash position ⁹	255.0	342.6	271.3	342.6	271.3

Key Performance Indicators (m)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Total orders ⁷	23.5	11.0	12.4	6.0	6.9
<i>% growth</i>	<i>26.3%</i>	<i>37.5%</i>	<i>12.7%</i>	<i>39.5%</i>	<i>15.0%</i>
<i>% growth proforma³</i>	<i>21.8%</i>	<i>26.8%</i>	<i>14.4%</i>	<i>28.9%</i>	<i>15.0%</i>
Active customers ⁸	8.8	8.4	9.2	8.4	9.2
<i>% growth</i>	<i>8.6%</i>	<i>37.7%</i>	<i>9.5%</i>	<i>37.7%</i>	<i>9.5%</i>
<i>% growth proforma³</i>	<i>14.4%</i>	<i>26.2%</i>	<i>10.1%</i>	<i>26.2%</i>	<i>10.1%</i>

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. 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 and Namshi are 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 and the one-off benefit of Euro 7.0m provision releases in Q2 2017.
- (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 and other financial liabilities.
- (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) 2016 figures show proforma cash for all outstanding committed proceeds for the Jabong disposal. Q2 and H1 2016 are also adjusted to reflect the funding round of EUR 330m, which was fully paid by the end of 2016. Q2 and H1 2017 proforma cash includes the outstanding net proceeds from the sale of 51% stake of Namshi, which closed in August 2017.

LAMODA

Key Financials (EURm)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Net Merchandise Value ¹	300.0	123.8	189.2	71.9	99.7
<i>% FX neutral growth²</i>	<i>40.4%</i>	<i>43.0%</i>	<i>23.5%</i>	<i>49.7%</i>	<i>17.1%</i>
<i>% EUR growth</i>	<i>30.0%</i>	<i>16.6%</i>	<i>52.8%</i>	<i>16.9%</i>	<i>38.7%</i>
Net revenue	305.1	125.6	194.7	74.0	103.1
<i>% FX neutral growth²</i>	<i>39.6%</i>	<i>39.6%</i>	<i>27.0%</i>	<i>47.0%</i>	<i>19.1%</i>
<i>% EUR growth</i>	<i>29.7%</i>	<i>15.4%</i>	<i>55.0%</i>	<i>16.4%</i>	<i>39.3%</i>
Gross profit	120.5	52.1	74.7	33.6	44.5
<i>% margin of Net revenue</i>	<i>39.5%</i>	<i>41.5%</i>	<i>38.4%</i>	<i>45.4%</i>	<i>43.2%</i>

DAFITI

Key Financials (EURm)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Net Merchandise Value ¹	323.6	138.8	176.7	80.0	99.4
<i>% FX neutral proforma growth^{2,3}</i>	<i>13.5%</i>	<i>21.4%</i>	<i>10.6%</i>	<i>17.2%</i>	<i>14.4%</i>
<i>% EUR growth</i>	<i>29.4%</i>	<i>28.5%</i>	<i>27.3%</i>	<i>26.8%</i>	<i>24.3%</i>
Net revenue	315.5	135.8	164.6	78.6	92.2
<i>% FX neutral growth pro-forma^{2,3}</i>	<i>9.8%</i>	<i>17.6%</i>	<i>5.1%</i>	<i>13.8%</i>	<i>7.7%</i>
<i>% EUR growth</i>	<i>24.0%</i>	<i>22.5%</i>	<i>21.2%</i>	<i>20.7%</i>	<i>17.3%</i>
Gross profit	136.8	57.2	72.1	35.2	41.8
<i>% margin of Net revenue</i>	<i>43.4%</i>	<i>42.1%</i>	<i>43.8%</i>	<i>44.8%</i>	<i>45.3%</i>

ZALORA & THE ICONIC

Key Financials (EURm)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Net Merchandise Value ¹	278.9	131.9	162.0	73.9	93.1
<i>% FX neutral proforma growth^{2,3}</i>	<i>43.1%</i>	<i>57.6%</i>	<i>23.2%</i>	<i>60.7%</i>	<i>25.4%</i>
<i>% EUR growth</i>	<i>31.6%</i>	<i>39.1%</i>	<i>22.8%</i>	<i>40.8%</i>	<i>26.0%</i>
Net revenue	261.2	124.5	151.1	70.4	86.2
<i>% FX neutral growth pro-forma^{2,3}</i>	<i>35.6%</i>	<i>47.5%</i>	<i>21.6%</i>	<i>56.2%</i>	<i>22.5%</i>
<i>% EUR growth</i>	<i>25.8%</i>	<i>30.8%</i>	<i>21.4%</i>	<i>37.8%</i>	<i>22.4%</i>
Gross profit	103.2	46.8	61.3	26.0	34.9
<i>% margin of Net revenue</i>	<i>39.5%</i>	<i>37.6%</i>	<i>40.6%</i>	<i>36.9%</i>	<i>40.5%</i>

MEMORANDUM: NAMSHI – Not included at Group level

Key Financials (EURm)	FY 2016	H1 2016	H1 2017	Q2 2016	Q2 2017
Net Merchandise Value ¹	128.5	64.0	75.4	33.2	40.7
<i>% FX neutral growth²</i>	<i>25.8%</i>	<i>52.5%</i>	<i>14.4%</i>	<i>36.7%</i>	<i>19.5%</i>
<i>% EUR growth</i>	<i>26.1%</i>	<i>52.7%</i>	<i>17.8%</i>	<i>34.4%</i>	<i>22.6%</i>
Net revenue	136.2	67.1	80.2	34.4	43.5
<i>% FX neutral growth²</i>	<i>26.1%</i>	<i>51.8%</i>	<i>14.8%</i>	<i>36.3%</i>	<i>20.5%</i>
<i>% EUR growth</i>	<i>26.3%</i>	<i>50.1%</i>	<i>19.5%</i>	<i>30.8%</i>	<i>26.5%</i>
Gross profit	72.1	35.6	41.3	18.6	22.9
<i>% margin of Net revenue</i>	<i>52.9%</i>	<i>53.1%</i>	<i>51.5%</i>	<i>54.1%</i>	<i>52.6%</i>

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.