



# K I N N E V I K

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## RESULTATRAPPORT FÖR FÖRSTA KVARTALET 2018 FÖR GLOBAL FASHION GROUP

**Kinnevik AB (publ) ("Kinnevik") offentliggjorde idag resultatet för det första kvartalet 2018 för Global Fashion Group, vilket innefattar de regionala verksamheterna Lamoda, Dafiti, Zalora, The Iconic och Namshi.**

Global Fashion Group kommer att hålla en telefonkonferens idag den 25 maj 2018 kl. 10.00 CET för att presentera resultatet för det första kvartalet 2018. De som vill delta via telefon är välkomna att ringa in på nedan telefonnummer:

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Resultatet i sammandrag för Global Fashion Group återfinns på efterföljande sidor i pressmeddelandet.

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KINNEVIK AB (PUBL)

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25<sup>th</sup> MAY 2018

**GLOBAL FASHION GROUP**  
**CONTINUED REVENUE GROWTH AND IMPROVED PROFITABILITY IN THE FIRST**  
**QUARTER of 2018**

**Luxembourg, 25th May 2018** – Global Fashion Group (GFG), the leading online fashion and sports destination for growth markets, today reported results for the first quarter of 2018.

**Continued Net Revenue and Net Merchandise Value (NMV) growth**

Group Net Revenue for the quarter was Euro 236.9m, representing constant currency pro forma growth of 17.6%, translating into 3.6% growth in Euro terms. NMV, which includes Marketplace sales, for the quarter was Euro 247.0m, growing 19.9% on a constant currency pro forma basis, an acceleration on the equivalent period last year. Depreciation across all key currencies have impacted the absolute top line Euro growth of the Group, specifically the Brazilian Real, the Russian Ruble and the Australian Dollar.

**Continued operational efficiency gains and scale leading to improved profitability**

During the quarter, Adjusted EBITDA margin improved to (13.6)% of Net Revenue. Gross Profit margin declined by (1.0) percentage points from Q117, to 37.0% driven by increased price investments at Dafiti, Zalora and The Iconic. This impact was more than offset by path-to-profit initiatives and scale benefits, which delivered overall EBITDA margin improvement.

**Strong financial position**

GFG continues to maintain a strong cash position, with a closing cash balance of Euro 180.6m.

**Regional overview**

Lamoda's Net Revenue was Euro 81.3m for the quarter and delivered a modest constant currency growth of 1.5%. The year on year depreciation of the Ruble impacted absolute Euro growth, resulting in a decline of (9.0)%. NMV grew to Euro 83.6m, supported by strong Marketplace performance, and delivered a constant currency growth of 4.7%. During the quarter, Lamoda's Gross Profit margin improved by 0.8 percentage points to 34.1%. Further developments were made during the start of the year to enhance the customer experience, including 15 minute delivery slots and a fast paced roll out of additional pick up locations.

Net Revenue for Dafiti was Euro 75.2m, growing 24.3% year on year on a constant currency basis. NMV grew to Euro 78.6m in the quarter, a 21.4% uplift year on year, driven by strong Marketplace performance as a result of quality improvements and strong growth in Colombia. Gross Profit margin declined year on year by (1.1) percentage points in the quarter to 40.8%, driven by pricing investments across the region. Dafiti became the first fashion e-commerce player in Latin America to offer payment via Apple Pay, further enhancing the customer experience.

Zalora and The Iconic delivered growth rates on a constant currency basis of 30.5% and 37.2% for Net Revenue and NMV, respectively. Net Revenue was Euro 76.7m and NMV Euro 84.7m. Gross Profit margin declined by (3.5) percentage points to 37.2%, driven by competitive promotional pricing and product mix effects. Following the successful launch of Zalora Now in Singapore, the express delivery service was rolled out to customers in Malaysia. Further key brands were launched across The Iconic during the quarter, including J Crew and Marc Jacobs.

## GLOBAL FASHION GROUP CONSOLIDATED

(EXCL. JABONG AND NAMSHI FOR ALL PRESENTED PERIODS)

| Key Financials (EURm)                              | FY 2016        | FY 2017       | Q1 2017        | Q1 2018        |
|--|----------------|---------------|----------------|----------------|
| Net Merchandise Value <sup>1</sup>                 | 902.6          | 1,130.6       | 235.7          | 247.0          |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>30.5%</i>   | <i>21.1%</i>  | <i>18.6%</i>   | <i>19.9%</i>   |
| <i>% EUR growth</i>                                | <i>30.3%</i>   | <i>25.3%</i>  | <i>39.8%</i>   | <i>4.8%</i>    |
| Net revenue  | 886.9          | 1,095.0       | 228.7          | 236.9          |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>26.3%</i>   | <i>19.9%</i>  | <i>17.9%</i>   | <i>17.6%</i>   |
| <i>% EUR growth</i>                                | <i>26.7%</i>   | <i>23.5%</i>  | <i>39.2%</i>   | <i>3.6%</i>    |
| Gross profit                                       | 361.4          | 430.9         | 86.8           | 87.6           |
| <i>% margin of Net revenue</i>                     | <i>40.7%</i>   | <i>39.4%</i>  | <i>38.0%</i>   | <i>37.0%</i>   |
| Adjusted EBITDA <sup>4</sup>                       | (130.8)        | (97.9)        | (31.9)         | (32.2)         |
| <i>% margin of Net revenue</i>                     | <i>(14.7%)</i> | <i>(8.9%)</i> | <i>(13.9%)</i> | <i>(13.6%)</i> |
| Capex <sup>5</sup>                                 | 36.0           | 30.3          | 10.7           | 5.5            |

| Balance Sheet (EURm)             | 31-Dec-16 | 31-Dec-17 | 31-Mar-17 | 31-Mar-18 |
|----------------------------------|-----------|-----------|-----------|-----------|
| Net working capital <sup>6</sup> | (0.3)     | (0.6)     | 23.3      | 21.1      |
| Cash position <sup>9</sup>       | 255.0     | 257.3     | 205.4     | 180.6     |

| Key Performance Indicators (m)        | FY 2016      | FY 2017      | Q1 2017      | Q1 2018      |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Total orders <sup>7</sup>             | 23.0         | 26.7         | 5.4          | 6.3          |
| <i>% growth</i>                       | <i>24.3%</i> | <i>16.1%</i> | <i>14.9%</i> | <i>16.7%</i> |
| <i>% pro forma growth<sup>3</sup></i> | <i>19.6%</i> | <i>17.0%</i> | <i>18.3%</i> | <i>16.7%</i> |
| Active customers <sup>8</sup>         | 8.8          | 9.9          | 9.0          | 10.1         |
| <i>% growth</i>                       | <i>8.6%</i>  | <i>12.5%</i> | <i>8.4%</i>  | <i>12.2%</i> |
| <i>% pro forma growth<sup>3</sup></i> | <i>14.4%</i> | <i>12.5%</i> | <i>13.0%</i> | <i>12.2%</i> |

**Source:**

Company's unaudited consolidated quarterly financial statements and audited full year financial statements based on IFRS and unaudited 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; 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, share-based payment expenses and a one-off provision release.
- (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) Cash position is shown on a pro forma basis including all outstanding proceeds from closed transactions, where relevant.
- (10) For the purpose of comparison, the Lamoda results have been restated to remove its private label business following an internal corporate restructure.

## LAMODA

| Key Financials (EURm)                       | FY 2016      | FY 2017      | Q1 2017      | Q1 2018       |
|---|--------------|--------------|--------------|---------------|
| Net Merchandise Value <sup>1</sup>          | 300.0        | 388.9        | 89.5         | 83.6          |
| <i>% FX neutral growth<sup>2</sup></i>      | <i>40.4%</i> | <i>17.2%</i> | <i>31.5%</i> | <i>4.7%</i>   |
| <i>% EUR growth</i>                         | <i>30.0%</i> | <i>29.6%</i> | <i>72.4%</i> | <i>(6.6%)</i> |
| Net revenue <sup>10</sup>                   | 302.7        | 395.1        | 89.3         | 81.3          |
| <i>% FX neutral growth<sup>2,10</sup></i>   | <i>37.6%</i> | <i>18.6%</i> | <i>33.4%</i> | <i>1.5%</i>   |
| <i>% EUR growth<sup>10</sup></i>            | <i>28.7%</i> | <i>30.5%</i> | <i>73.1%</i> | <i>(9.0%)</i> |
| Gross profit <sup>10</sup>                  | 119.9        | 147.7        | 29.7         | 27.7          |
| <i>% margin of Net revenue<sup>10</sup></i> | <i>39.6%</i> | <i>37.4%</i> | <i>33.3%</i> | <i>34.1%</i>  |

## DAFITI

| Key Financials (EURm)                              | FY 2016      | FY 2017      | Q1 2017      | Q1 2018      |
|--|--------------|--------------|--------------|--------------|
| Net Merchandise Value <sup>1</sup>                 | 323.6        | 388.7        | 77.3         | 78.6         |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>13.5%</i> | <i>16.9%</i> | <i>5.8%</i>  | <i>21.4%</i> |
| <i>% EUR growth</i>                                | <i>29.4%</i> | <i>20.1%</i> | <i>31.5%</i> | <i>1.7%</i>  |
| Net revenue  | 315.5        | 365.2        | 72.4         | 75.2         |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>9.8%</i>  | <i>12.5%</i> | <i>1.8%</i>  | <i>24.3%</i> |
| <i>% EUR growth</i>                                | <i>24.0%</i> | <i>15.8%</i> | <i>26.6%</i> | <i>3.9%</i>  |
| Gross profit                                       | 136.8        | 155.4        | 30.3         | 30.7         |
| <i>% margin of Net revenue</i>                     | <i>43.4%</i> | <i>42.6%</i> | <i>41.9%</i> | <i>40.8%</i> |

## ZALORA & THE ICONIC

| Key Financials (EURm)                              | FY 2016      | FY 2017      | Q1 2017      | Q1 2018      |
|--|--------------|--------------|--------------|--------------|
| Net Merchandise Value <sup>1</sup>                 | 278.9        | 353.0        | 68.9         | 84.7         |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>43.1%</i> | <i>30.7%</i> | <i>20.3%</i> | <i>37.2%</i> |
| <i>% EUR growth</i>                                | <i>31.6%</i> | <i>26.6%</i> | <i>18.8%</i> | <i>22.9%</i> |
| Net revenue  | 261.2        | 323.5        | 64.9         | 76.7         |
| <i>% FX neutral pro forma growth<sup>2,3</sup></i> | <i>35.6%</i> | <i>27.9%</i> | <i>20.5%</i> | <i>30.5%</i> |
| <i>% EUR growth</i>                                | <i>25.8%</i> | <i>23.9%</i> | <i>20.0%</i> | <i>18.2%</i> |
| Gross profit                                       | 103.2        | 125.2        | 26.4         | 28.5         |
| <i>% margin of Net revenue</i>                     | <i>39.5%</i> | <i>38.7%</i> | <i>40.7%</i> | <i>37.2%</i> |

## MEMORANDUM: NAMSHI – Not included at Group level

| Key Financials (EURm)                  | FY 2016      | FY 2017      | Q1 2017      | Q1 2018      |
|--|--------------|--------------|--------------|--------------|
| Net Merchandise Value <sup>1</sup>     | 128.5        | 166.2        | 34.6         | 37.1         |
| <i>% FX neutral growth<sup>2</sup></i> | <i>25.8%</i> | <i>32.6%</i> | <i>8.7%</i>  | <i>23.6%</i> |
| <i>% EUR growth</i>                    | <i>26.1%</i> | <i>29.3%</i> | <i>12.3%</i> | <i>7.2%</i>  |
| Net revenue                            | 136.2        | 175.7        | 36.7         | 38.9         |
| <i>% FX neutral growth<sup>2</sup></i> | <i>26.1%</i> | <i>32.2%</i> | <i>8.5%</i>  | <i>22.3%</i> |
| <i>% EUR growth</i>                    | <i>26.3%</i> | <i>29.0%</i> | <i>12.2%</i> | <i>6.0%</i>  |
| Gross profit                           | 72.1         | 86.7         | 18.4         | 17.9         |
| <i>% margin of Net revenue</i>         | <i>52.9%</i> | <i>49.3%</i> | <i>50.1%</i> | <i>46.0%</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.