



K I N N E V I K

PRESSMEDDELANDE

7 september 2018

RESULTATRAPPORT FÖR ANDRA KVARTALET 2018 FÖR GLOBAL FASHION GROUP

Kinnevik AB (publ) ("Kinnevik") offentliggjorde idag resultatet för det andra 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 7 september 2018 kl. 10.00 CET för att presentera resultatet för det andra 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 är ett sektorfokuserat investeringsbolag som brinner för entreprenörskap. Tillsammans med drivna grundare och företagsledare bygger vi digitala bolag som erbjuder människor fler och bättre valmöjligheter. Vi skapar, utvecklar och investerar i snabbt växande bolag i både utvecklade marknader och tillväxtmarknader. Vi tror på att skapa både aktieägarvärde och socialt värde genom att bygga 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.

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7th SEPTEMBER 2018

GLOBAL FASHION GROUP
ACCELERATED REVENUE GROWTH AND IMPROVED PROFITABILITY IN THE
SECOND QUARTER OF 2018

Luxembourg, 7th September 2018 – Global Fashion Group (GFG), the leading online fashion and sports destination for growth markets, today reported results for the second quarter of 2018.

Continued Net Revenue and Net Merchandise Value (NMV) growth

Group Net Revenue for the quarter was Euro 297.8m, representing constant currency growth of 21.1%, or 5.6% growth in absolute Euro terms. NMV, which includes Marketplace sales, for the quarter was Euro 314.1m, growing 23.5% on a constant currency basis. Constant currency top line growth has accelerated from the last quarter. Continued significant depreciation across both the Brazilian Real and the Russian Ruble have depressed absolute Euro growth in the quarter.

Improved profitability driven by further scale benefits and operational improvements

During the quarter, Adjusted EBITDA margin improved to (2.3)% of Net Revenue, an improvement of 2.0 percentage points from the equivalent period last year. Gross Profit margin at 42.9% improved slightly on that seen in Q217 with declines at Dafiti, Zalora & The Iconic being offset by improvements by Lamoda.

Strong financial position

GFG continues to maintain a strong cash position, with a closing cash balance of Euro 163.5m. In August, GFG has closed a Revolving Credit Facility of EUR 70m from international banks to help support future growth investments into the business.

Regional overview

Lamoda's Net Revenue was Euro 94.5m for the quarter and delivered constant currency growth of 8.9%. This was an improvement from the 1.5% growth in Q1 this year, driven by the delayed uptake of the Spring Summer 18 collection, due to cold weather at the end of Q1. The year on year depreciation of the Ruble significantly impacted Euro growth, resulting in a year on year Net Revenue decline of (6.7)%. NMV grew to Euro 97.3m, supported by strong Marketplace performance, with a key focus to onboard more footwear and clothing suppliers, and delivered a constant currency growth of 14.9%. During the quarter, Lamoda's Gross Profit margin improved by 6.3 percentage points to 49.7% which includes the benefit of a one-off supplier bonus. During the quarter, Lamoda further developed its assortment across adjacent categories, along with further enhancing its offering in the Premium category.

Net Revenue for Dafiti was Euro 90.9m, growing 19.8% year on year on a constant currency basis. This was despite a national truck driver strike in May, which brought the Brazilian road network to a halt for over a week. NMV grew to Euro 96.1m in the quarter, a 16.7% uplift year on year. Continued depreciation of Brazilian Real resulted in absolute Euro Net Revenue and NMV declining year on year by (1.4)% and (3.3)%, respectively. Gross Profit margin declined year on year by (1.4) percentage points in the quarter to 43.9%, driven by further price investments across the region and country mix effects. During the quarter, Dafiti introduced around 6,000 third party pick up points to further enhance customer service options.

Zalora & The Iconic delivered Net Revenue of Euro 110.2m, a 36.2% growth from last year on a constant currency basis. NMV of Euro 120.8m, grew by 39.0%, again on a constant currency basis. Gross Profit margin declined by (4.3) percentage points to 36.2%, driven by discounting at Zalora to clear old season stock. During the quarter The Iconic successfully entered the Kids category, covering baby, child and teen ranges, along with further expanding its existing assortment with the addition of Cotton On among several other brands.

GLOBAL FASHION GROUP CONSOLIDATED

(EXCL. JABONG AND NAMSHI FOR ALL PRESENTED PERIODS)

Key Financials (EURm)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Net Merchandise Value ¹	1,130.6	527.9	561.1	292.1	314.1
<i>% FX neutral pro forma growth^{2,3}</i>	<i>21.1%</i>	<i>18.7%</i>	<i>21.9%</i>	<i>18.8%</i>	<i>23.5%</i>
<i>% EUR growth</i>	<i>25.3%</i>	<i>33.8%</i>	<i>6.3%</i>	<i>29.3%</i>	<i>7.5%</i>
Net revenue	1,095.0	510.6	534.7	281.9	297.8
<i>% FX neutral pro forma growth^{2,3}</i>	<i>19.9%</i>	<i>16.4%</i>	<i>19.6%</i>	<i>15.2%</i>	<i>21.1%</i>
<i>% EUR growth</i>	<i>23.5%</i>	<i>31.4%</i>	<i>4.7%</i>	<i>25.6%</i>	<i>5.6%</i>
Gross profit	430.9	207.4	215.3	120.7	127.7
<i>% margin of Net revenue</i>	<i>39.4%</i>	<i>40.6%</i>	<i>40.3%</i>	<i>42.8%</i>	<i>42.9%</i>
Adjusted EBITDA ⁴	(97.9)	(43.9)	(39.1)	(12.1)	(6.8)
<i>% margin of Net revenue</i>	<i>(8.9%)</i>	<i>(8.6%)</i>	<i>(7.3%)</i>	<i>(4.3%)</i>	<i>(2.3%)</i>
Capex ⁵	30.3	16.9	14.1	6.2	8.6

Balance Sheet (EURm)	31-Dec-17	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18
Net working capital ⁶	(0.6)	25.4	29.1	25.4	29.1
Cash position ⁹	257.3	271.3	163.5	271.3	163.5

Key Performance Indicators (m)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Total orders ⁷	26.7	12.1	14.8	6.6	8.5
<i>% growth</i>	<i>16.1%</i>	<i>15.2%</i>	<i>22.3%</i>	<i>13.8%</i>	<i>28.8%</i>
<i>% pro forma growth³</i>	<i>17.0%</i>	<i>16.3%</i>	<i>22.3%</i>	<i>14.7%</i>	<i>28.8%</i>
Active customers ⁸	9.9	9.2	10.6	9.2	10.6
<i>% growth</i>	<i>12.5%</i>	<i>9.5%</i>	<i>15.2%</i>	<i>9.5%</i>	<i>15.2%</i>
<i>% pro forma growth³</i>	<i>12.5%</i>	<i>10.1%</i>	<i>15.2%</i>	<i>10.1%</i>	<i>15.2%</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; 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 restructuring.

LAMODA

Key Financials (EURm)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Net Merchandise Value ¹	388.9	189.2	180.9	99.7	97.3
<i>% FX neutral pro forma growth^{2,3}</i>	<i>17.2%</i>	<i>23.5%</i>	<i>10.1%</i>	<i>17.1%</i>	<i>14.9%</i>
<i>% EUR growth</i>	<i>29.6%</i>	<i>52.8%</i>	<i>(4.4%)</i>	<i>38.7%</i>	<i>(2.4%)</i>
Net revenue ¹⁰	395.1	190.5	175.8	101.3	94.5
<i>% FX neutral pro forma growth^{2,3,10}</i>	<i>18.6%</i>	<i>24.0%</i>	<i>5.4%</i>	<i>16.8%</i>	<i>8.9%</i>
<i>% EUR growth¹⁰</i>	<i>30.5%</i>	<i>51.7%</i>	<i>(7.7%)</i>	<i>36.9%</i>	<i>(6.7%)</i>
Gross profit ¹⁰	147.7	73.6	74.7	44.0	47.0
<i>% margin of Net revenue¹⁰</i>	<i>37.4%</i>	<i>38.6%</i>	<i>42.5%</i>	<i>43.4%</i>	<i>49.7%</i>

DAFITI

Key Financials (EURm)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Net Merchandise Value ¹	388.7	176.7	174.7	99.4	96.1
<i>% FX neutral growth²</i>	<i>16.9%</i>	<i>10.6%</i>	<i>18.7%</i>	<i>14.4%</i>	<i>16.7%</i>
<i>% EUR growth</i>	<i>20.1%</i>	<i>27.3%</i>	<i>(1.1%)</i>	<i>24.3%</i>	<i>(3.3%)</i>
Net revenue	365.2	164.6	166.1	92.2	90.9
<i>% FX neutral growth²</i>	<i>12.5%</i>	<i>5.1%</i>	<i>21.7%</i>	<i>7.7%</i>	<i>19.8%</i>
<i>% EUR growth</i>	<i>15.8%</i>	<i>21.2%</i>	<i>0.9%</i>	<i>17.3%</i>	<i>(1.4%)</i>
Gross profit	155.4	72.1	70.6	41.8	39.9
<i>% margin of Net revenue</i>	<i>42.6%</i>	<i>43.8%</i>	<i>42.5%</i>	<i>45.3%</i>	<i>43.9%</i>

ZALORA & THE ICONIC

Key Financials (EURm)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Net Merchandise Value ¹	353.0	162.0	205.5	93.1	120.8
<i>% FX neutral pro forma growth^{2,3}</i>	<i>30.7%</i>	<i>23.2%</i>	<i>38.2%</i>	<i>25.4%</i>	<i>39.0%</i>
<i>% EUR growth</i>	<i>26.6%</i>	<i>22.8%</i>	<i>26.9%</i>	<i>26.0%</i>	<i>29.8%</i>
Net revenue	323.5	151.1	186.9	86.2	110.2
<i>% FX neutral pro forma growth^{2,3}</i>	<i>27.9%</i>	<i>21.6%</i>	<i>33.8%</i>	<i>22.5%</i>	<i>36.2%</i>
<i>% EUR growth</i>	<i>23.9%</i>	<i>21.4%</i>	<i>23.7%</i>	<i>22.4%</i>	<i>27.8%</i>
Gross profit	125.2	61.3	68.4	34.9	39.9
<i>% margin of Net revenue</i>	<i>38.7%</i>	<i>40.6%</i>	<i>36.6%</i>	<i>40.5%</i>	<i>36.2%</i>

MEMORANDUM: NAMSHI – Not included at Group level

Key Financials (EURm)	FY 2017	H1 2017	H1 2018	Q2 2017	Q2 2018
Net Merchandise Value ¹	166.2	75.4	82.7	40.7	45.6
<i>% FX neutral growth²</i>	<i>32.6%</i>	<i>14.4%</i>	<i>20.6%</i>	<i>19.5%</i>	<i>18.2%</i>
<i>% EUR growth</i>	<i>29.3%</i>	<i>17.8%</i>	<i>9.7%</i>	<i>22.6%</i>	<i>12.0%</i>
Net revenue	175.7	80.2	86.4	43.5	47.5
<i>% FX neutral growth²</i>	<i>32.2%</i>	<i>14.8%</i>	<i>20.1%</i>	<i>20.5%</i>	<i>18.4%</i>
<i>% EUR growth</i>	<i>29.0%</i>	<i>19.5%</i>	<i>7.7%</i>	<i>26.5%</i>	<i>9.2%</i>
Gross profit	86.7	41.3	40.0	22.9	22.1
<i>% margin of Net revenue</i>	<i>49.3%</i>	<i>51.5%</i>	<i>46.3%</i>	<i>52.6%</i>	<i>46.5%</i>

Please refer to page 3 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.