



Q3 2022/2023

QUARTERLY STATEMENT

ABOUT | YOU[©]

Highlight KPIs

Note: All metrics on this page refer to Q3 2022/2023, ended on November 30, 2022.

12.5 MILLION

Active customers LTM
(Q3 2021/2022: 10.7 million)

**EUR 554.9
MILLION**

Group revenue
(Q3 2021/2022: EUR 512.5 million)

15.6%

Tech, Media, and Enabling adjusted EBITDA margin
(Q3 2021/2022: 14.6%)

38.2 MILLION

Number of orders LTM
(Q3 2021/2022: 30.8 million)

3.0 x

Average order frequency LTM
(Q3 2021/2022: 2.9x)

At a Glance

	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
User sessions per month (LTM in million)	138.6	124.0	138.6	124.0
Mobile sessions (LTM in % of user sessions)	86.7	84.6	86.7	84.6
Active customers (LTM in million)	12.5	10.7	12.5	10.7
Number of orders (LTM in million)	38.2	30.8	38.2	30.8
Average order frequency (LTM)	3.0	2.9	3.0	2.9
Average order value (LTM in EUR incl. VAT)	55.3	58.8	55.3	58.8
Average GMV per customer (LTM in EUR incl. VAT)	168.4	169.8	168.4	169.8
Group results of operations				
Revenue (in EUR million)	554.9	512.5	1,489.6	1,330.2
Gross margin (as % of revenue)	35.4	38.9	38.9	39.8
EBITDA (in EUR million)	(43.6)	(30.7)	(122.0)	(79.2)
EBITDA (as % of revenue)	(7.9)	(6.0)	(8.2)	(6.0)
Adjusted EBITDA (in EUR million)	(43.1)	(30.5)	(114.7)	(55.9)
Adjusted EBITDA (as % of revenue)	(7.8)	(6.0)	(7.7)	(4.2)
Group net assets and financial position				
Equity ratio (as % of total assets)	31.9	50.3	31.9	50.3
Cash flow from operating activities (in EUR million)	(17.8)	(43.0)	(129.4)	(47.3)
Cash flow from investing activities (in EUR million)	(15.1)	(9.5)	(38.2)	(28.7)
Cash flow from financing activities (in EUR million)	(9.2)	(5.5)	(22.5)	550.6
Free cash flow (in EUR million)	(32.8)	(52.5)	(167.7)	(76.0)
Cash and cash equivalents (in EUR million)	306.1	582.5	306.1	582.5
Net working capital (in EUR million)	(7.3)	(47.1)	(7.3)	(47.1)
CAPEX (capital expenditures) (in EUR million)	(15.1)	(9.5)	(38.2)	(28.7)
Other key figures				
Employees (as of the reporting date)	1,315	1,129	1,315	1,129
Undiluted earnings per share (in EUR)	(0.36)	(0.23)	(0.99)	(0.62)
Diluted earnings per share (in EUR)	(0.36)	(0.23)	(0.99)	(0.62)

Note: For definitions of the key performance indicators please refer to the **glossary**. In the following Quarterly Statement, rounding differences may occur in percentages and figures.

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Interim Management Report

1.1 Group Results of Operation

The most important key performance indicators of ABOUT YOU (hereinafter referred to as “ABOUT YOU”, or “Group”, i.e., ABOUT YOU Holding SE and its fully consolidated subsidiaries) are the key figures revenue and adjusted EBITDA. Adjusted EBITDA is not a recognized financial measure under IFRS. ABOUT YOU believes that the adjustment of EBITDA allows for a comparison of performance on a consistent basis excluding special effects. Adjusted EBITDA is defined as EBITDA excluding expenses for equity-settled share-based compensation, restructuring costs, and non-operating one-time effects. The adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue.

To improve the controllability of individual cost items and to increase comparability with competitors, ABOUT YOU uses alternative performance measures (APM). ABOUT YOU works with the four cost APMs: costs of sales (in connection with gross profit), fulfillment costs, marketing costs, and administrative costs and their respective ratios to revenue.

These APMs break down the Group's costs according to whether and where these costs were incurred for revenue generation. This makes it easier to distinguish costs with highly variable components from costs with high fixed cost components. The Group results of operation can thus be managed more concretely in the strong growth phase.

Condensed Consolidated Income Statement Based on APM

in EUR million	Q3 2022/2023	As % of revenue	Q3 2021/2022	As % of revenue
Revenue	554.9	100.0%	512.5	100.0%
Growth rate	8.3%	–	48.0%	–
Costs of sales	358.5	64.6%	313.2	61.1%
Gross profit	196.4	35.4%	199.3	38.9%
Fulfillment costs	129.8	23.4%	96.3	18.8%
Marketing costs	90.7	16.4%	108.7	21.2%
Administrative costs	19.0	3.4%	24.7	4.8%
Adjusted EBITDA	(43.1)	(7.8)%	(30.5)	(6.0)%

in EUR million	9M 2022/2023	As % of revenue	9M 2021/2022	As % of revenue
Revenue	1,489.6	100.0%	1,330.2	100.0%
Growth rate	12.0%	–	54.8%	–
Costs of sales	910.0	61.1%	800.4	60.2%
Gross profit	579.6	38.9%	529.8	39.8%
Fulfillment costs	362.5	24.3%	257.8	19.4%
Marketing costs	263.9	17.7%	259.4	19.5%
Administrative costs	68.0	4.6%	68.5	5.1%
Adjusted EBITDA	(114.7)	(7.7)%	(55.9)	(4.2)%

1.1.1 Revenue Development

Revenue increased by 8.3% to EUR 554.9 million in Q3 2022/2023 versus the prior-year quarter (Q3 2021/2022: EUR 512.5 million).

The difficult macroeconomic environment continued to weigh on the revenue development and resulted in an increased volatility versus the prior-year quarter in Q3 2022/2023. The inflation in the Eurozone reached new record levels and the consumer sentiment only improved marginally from its historic lows. The resulting elevated inventory levels have led to a more promotional market environment in the fashion industry and the consumer behavior has shifted towards a stronger demand for discounted items.

A change in customer behavior is also reflected in transactional data. The average order value (LTM) decreased by 6.0% from EUR 58.8 to EUR 55.3 compared to the prior-year period ended on November 30, 2021. This development is driven by a slight increase in discount levels as well as a higher return rate compared to the previous year. The average order frequency per active customer increased by 5.5% to 3.0 (Q3 2021/2022 LTM: 2.9). The order frequency increased as a result of the product range expansion, the improved customer experience, the increase in brand awareness, and age structure effects of the customer cohorts. As a result, the number of orders also increased by 23.8% YoY to 38.2 million orders in the third quarter of the current financial year (Q3 2021/2022: 30.8 million). The increased order frequency, however, could not compensate for the lower average order value. Therefore, the average GMV per customer in Q3 2022/2023 (LTM) decreased slightly by 0.8% from EUR 169.8 to EUR 168.4.

In a difficult market environment, the number of LTM active customers increased from 10.7 million as of November 30, 2021, to 12.5 million as of November 30, 2022, which corresponds to an increase of 17.4%. The growth was achieved, among other things, through successful brand building events such as the ABOUT YOU Fashion Week and media-driven sales campaigns.

1.1.2 Alternative Performance Measures (APM)

Development of Gross Profit

Cost of sales in Q3 2022/2023 increased by 14.4% to EUR 358.5 million (Q3 2021/2022: EUR 313.2 million) and the gross profit of EUR 196.4 million was slightly below the prior year level (Q3 2021/2022: EUR 199.3 million). The overproportionate increase of the cost of sales resulted in a decline of the gross profit margin. It declined by 350 basis points to 35.4% in Q3 2022/2023 versus the prior year quarter (Q3 2021/2022: 38.9%). The elevated inventory levels in the fashion industry led to a promotional market environment and had a significantly negative impact on the gross profit margin. Moreover, customers also demanded discounted items more frequently resulting in an additional adverse effect on the gross profit margin. The increased share of high-margin B2B revenue in the TME segment and Own Labels in the Commerce business only partially offset these negative effects.

Development of Fulfillment Costs

As expected, fulfillment costs increased disproportionately to revenue by 34.7% to EUR 129.8 million in Q3 2022/2023 (Q3 2021/2022: EUR 96.3 million). Thus, the cost-to-revenue ratio of fulfillment costs rose by 460 basis points to 23.4% in Q3 2022/2023 compared to the same period last year (Q3 2021/2022: 18.8%).

The increase compared to the prior year quarter is attributable to several factors. First, as expected, ABOUT YOU is seeing an increase in return rates towards pre-Covid levels and a slight decline in average order values year-on-year. Second, logistics costs have faced pressure from inflationary dynamics (e.g., higher fuel costs, higher packaging costs, and wage increases), making it more difficult to realize economies of scale. Third, the expansion of the European distribution network creates non-recurring costs and operational complexity. Fourth, the relatively low revenue growth in Q3 2022/2023 leads to underutilization in warehouses and, thus, excessive fixed cost shares. Finally, increased inventory levels resulting from the revenue development led to a temporary increase in warehousing and processing costs. The increase in the fulfillment cost ratio in Q3 2022/2023 is therefore a mix of temporary effects, which are expected to remain volatile in the coming quarters, and structural effects, which are expected to persist over a longer time horizon.

Development of Marketing Costs

Marketing costs declined by 16.5% to EUR 90.7 million (Q3 2021/2022: EUR 108.7 million) in the third quarter of the financial year. This resulted in a significant decline of the marketing costs-to-revenue ratio by 480 basis points

to 16.4% (Q3 2021/2022: 21.2%). The marketing costs in the prior year quarter were elevated due to large one-time market entry campaigns in Italy, Greece, Portugal, and France. Besides the elevated comp base from the prior-year quarter, the focus on short-term efficiency in marketing measures led to declining marketing costs.

Despite these efficiency measures, the company continued to invest in increasing brand awareness. Thus, another large-scale event took place with the ABOUT YOU Fashion Week. For the first time, the event was staged on an international level and significantly larger than the previous year's event with corresponding positive effects on brand awareness. The launch of exclusive collections such as those featuring model Bella Hadid or singer Katy Perry also contributed to higher brand awareness. In addition, the company continued to invest in media-driven sales campaigns to drive top-line growth.

Due to the success of previous campaigns to increase brand awareness, the focus on brand building, particularly in newer markets, will continue to decline in the coming quarters, which should lead to a further improvement in marketing costs compared to the respective quarters of the previous year.

Development of Administrative Expenses

Administrative costs decreased from EUR 24.7 million in Q3 of the previous year to EUR 19.0 million in Q3 2022/2023. The cost-to-revenue ratio decreased from 4.8% in Q3 of the previous year to 3.4% in Q3 2022/2023 due to positive scaling effects as well as operational efficiency measures.

Development and Reconciliation of Adjusted EBITDA

As a result, adjusted EBITDA was EUR –43.1 million (Q3 2021/2022: EUR –30.5 million) in Q3 2022/2023, corresponding to an adjusted EBITDA margin of –7.8% (Q3 2021/2022: –6.0%).

The development of adjusted EBITDA in the third quarter of the financial year 2022/2023 is characterized on the one hand by the revenue growth and the improvement in the marketing cost-to-revenue ratio. On the other hand, this development is offset by a lower gross margin as a result of the increase in costs of sales and an increase in the fulfillment cost-to-revenue ratio. The increase in the fulfillment cost ratio in Q3 2022/2023 is a mix of temporary effects, which should continue to be volatile in the coming quarters, and structural effects, which are expected to persist over a longer time horizon. Regarding the development of adjusted EBITDA, both temporary one-time effects and the current macroeconomic environment have to be taken into account.

In Q3 2022/2023, EBITDA includes adjustments of EUR 0.5 million (Q3 2021/2022: EUR 0.2 million). For the first nine months of the current financial year, a total of EUR 7.3 million has been adjusted (9M 2021/2022: EUR 23.3 million). These relate in each case to expenses for equity-settled share-based compensation.

Adjustments

in EUR million	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
Adjusted EBITDA	(43.1)	(30.5)	(114.7)	(55.9)
Equity-settled share-based compensation	(0.5)	(0.2)	(7.3)	(10.2)
One-time effects	0.0	0.0	0.0	(13.0)
EBITDA	(43.6)	(30.7)	(122.0)	(79.2)

Reconciliation of the Nature of Expenses: Reconciliation of the Consolidated Income Statement to APM

Q3 2022/2023

in EUR million	NoE/APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	554.9	(358.5)	(129.8)	(90.7)	(19.0)	(43.1)
Cost of materials	(360.9)	(360.9)	–	–	–	–
Personnel expenses	(25.1)	(3.2)	(2.4)	(10.2)	(9.4)	–
Other operating expenses	(223.5)	(1.3)	(130.1)	(82.2)	(9.9)	–
Other operating income	0.3	–	0.1	–	0.2	–
Own work capitalized	11.2	6.9	2.7	1.7	–	–
Adjusted EBITDA	(43.1)	–	–	–	–	–

Q3 2021/2022

in EUR million	NoE/APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	512.5	(313.2)	(96.3)	(108.7)	(24.7)	(30.5)
Cost of materials	(311.7)	(311.7)	–	–	–	–
Personnel expenses	(18.8)	(2.1)	(2.1)	(7.1)	(7.4)	–
Other operating expenses	(221.7)	(0.8)	(96.0)	(105.1)	(19.8)	–
Other operating income	1.3	–	0.8	–	0.5	–
Own work capitalized	8.0	1.5	1.0	3.5	2.0	–
Adjusted EBITDA	(30.5)	–	–	–	–	–

9M 2022/2023

in EUR million	NoE/APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	1,489.6	(910.0)	(362.5)	(263.9)	(68.0)	(114.7)
Cost of materials	(907.8)	(907.8)	–	–	–	–
Personnel expenses	(69.8)	(9.2)	(6.5)	(28.6)	(25.5)	–
Other operating expenses	(655.4)	(3.9)	(360.5)	(241.6)	(49.4)	–
Other operating income	1.7	–	0.7	–	1.1	–
Own work capitalized	27.0	11.0	3.8	6.4	5.9	–
Adjusted EBITDA	(114.7)	–	–	–	–	–

9M 2021/2022

in EUR million	NoE/APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. expenses	Adjusted EBITDA
Revenue	1,330.2	(800.4)	(257.8)	(259.4)	(68.5)	(55.9)
Cost of materials	(795.8)	(795.8)	–	–	–	–
Personnel expenses	(50.3)	(5.5)	(5.6)	(19.1)	(20.2)	–
Other operating expenses	(558.4)	(2.1)	(256.2)	(247.1)	(53.0)	–
Other operating income	2.7	–	1.9	–	0.8	–
Own work capitalized	15.7	2.9	2.0	6.9	3.9	–
Adjusted EBITDA	(55.9)	–	–	–	–	–

1.2 Segment Results of Operation

Revenue of the segments and the reconciliation is shown in the table below:

in EUR million	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
ABOUT YOU DACH	268.7	248.4	714.5	664.0
Growth rate	8.2%	27.0%	7.6%	31.3%
ABOUT YOU RoE	266.3	239.6	705.2	588.6
Growth rate	11.1%	67.7%	19.8%	75.0%
TME	53.4	48.7	149.6	122.7
Growth rate	9.5%	109.1%	21.9%	136.0%
Reconciliation	(33.5)	(24.2)	(79.7)	(45.1)
Group revenue	554.9	512.5	1,489.6	1,330.2
Growth rate	8.3%	48.0%	12.0%	54.8%

Adjusted EBITDA of the segments as well as reconciliation and adjustments are shown in the following table:

in EUR million	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
ABOUT YOU DACH	(4.2)	13.6	6.5	38.7
Margin	(1.6)%	5.5%	0.9%	5.8%
ABOUT YOU RoE	(46.8)	(50.5)	(132.2)	(108.3)
Margin	(17.6)%	(21.1)%	(18.7)%	(18.4)%
TME	8.3	7.1	19.3	17.9
Margin	15.6%	14.6%	12.9%	14.6%
Reconciliation	(0.4)	(0.7)	(8.4)	(4.2)
Adjusted EBITDA	(43.1)	(30.5)	(114.7)	(55.9)
Margin	(7.8)%	(6.0)%	(7.7)%	(4.2)%
Adjustments	0.5	0.2	7.3	23.3
EBITDA	(43.6)	(30.7)	(122.0)	(79.2)
Margin	(7.9)%	(6.0)%	(8.2)%	(6.0)%

In principle, the segment data is determined on the basis of the accounting and valuation methods applied in the consolidated financial statements. However, revenue of the ABOUT YOU online shops is not accrued in the segment data when the service is rendered, but according to the time of the order. This is important in the internal reporting and management of ABOUT YOU DACH and RoE in order to clearly record the effectiveness of the various marketing and product range measures on customer ordering behavior in the shops. Likewise, returns are calculated back to the corresponding order time. This is also of importance for internal management, in order to record the effectiveness of measures at a net level (after returns) with time accuracy.

The reconciliation of adjusted EBITDA and IFRS Group revenue is explained, on the one hand, by the presentation of end-customer transactions at the time of order (which can be positive or negative depending on the reporting date) and, on the other hand, by the elimination of intra-Group transactions.

ABOUT YOU DACH

The segment DACH saw a revenue growth of 8.2% to EUR 268.7 million in Q3 2022/2023 (Q3 2021/2022: EUR 248.4 million). The consumer confidence which improved only slightly from historic lows and a deterioration in macroeconomic indicators continued to have a negative impact on revenue momentum.

Revenue development in the DACH region was twofold: In Austria and Switzerland, ABOUT YOU continued to grow strongly and gained considerable market share. The German market, however, was more difficult and reported slower growth, particularly due to the very negative consumer sentiment and high inflationary dynamics.

The segment DACH achieved an adjusted EBITDA of EUR -4.2 million in Q3 2022/2023 (Q3 2021/2022: EUR 13.6 million), equating to an adjusted EBITDA margin of -1.6% (Q3 2021/2022: 5.5%). The adjusted EBITDA margin declined year-on-year. The decrease resulted from a higher level of discounting as well as a higher fulfillment cost-to-revenue ratio, which is mainly characterized by cost increases and a higher returns rate. The cost increases are largely attributable to the current high level of inflation and to increasing complexity in connection with the expansion of the logistics network.

ABOUT YOU RoE

Revenue in the RoE segment increased by 11.1% to EUR 266.3 million in Q3 2022/2023 versus the prior-year quarter (Q3 2021/2022: EUR 239.6 million). The Nordics developed particularly positively, benefitting from increasing brand awareness while the Southern European markets suffered significantly from declining consumer sentiment. Revenue development in the CEE markets continued to be positive despite the Russia/Ukraine conflict and a competitive market environment.

The segment reported an adjusted EBITDA of EUR -46.8 million (Q3 2021/2022: EUR -50.5 million), corresponding to an adjusted EBITDA margin of -17.6% in the third quarter of the current financial year (Q3 2021/2022: -21.1%). The main drivers for the losses were higher discount levels and elevated costs related to the logistics network expansion. The improved EBITDA margin compared with the prior-year quarter resulted from the lower scale of market entry campaigns in new markets.

TME (Tech, Media, and Enabling)

In Q3 2022/2023, revenue in the TME segment increased by 9.5% to EUR 53.4 million versus the prior-year quarter (Q3 2021/2022: EUR 48.7 million).

This increase is due, among other things, to the successful brand positioning of SCAYLE and the onboarding of new clients. However, the development of revenue with existing B2B customers is currently declining. Many of ABOUT YOU's B2B customers see their online revenues adversely affected due to the difficult market environment and are confronted with a strong comparison base from last year. This has a negative impact on the growth momentum of the TME segment, as a significant portion of TME revenue is directly linked to the online revenues of B2B customers. Furthermore, a slightly declining spending willingness can also be observed among B2B customers to book media services while fulfillment services are being used to a much greater extent.

The adjusted EBITDA for Q3 2022/2023 amounted to EUR 8.3 million (Q3 2021/2022: EUR 7.1 million), corresponding to an adjusted EBITDA margin of 15.6% in the third quarter of the current financial year (Q3 2021/2022: 14.6%). The margin increase is the result of the growth in B2B revenue which scales against a predominantly fixed cost base.

1.3 Cash Flows

The liquidity position and financial performance of the Group are shown in the condensed statement of cash flows below:

Condensed Statement of Cash Flows

from March 1, 2022, to November 30, 2022

in EUR million	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
Cash flow from operating activities	(17.8)	(43.0)	(129.4)	(47.3)
Cash flow from investing activities	(15.1)	(9.5)	(38.2)	(28.7)
Cash flow from financing activities	(9.2)	(5.5)	(22.5)	550.6
Cash and cash equivalents at beginning of period	348.1	640.6	496.2	107.9
Net change in cash and cash equivalents	(42.0)	(58.0)	(190.2)	474.6
Cash and cash equivalents at end of period	306.1	582.5	306.1	582.5

In the first nine months of the financial year, ABOUT YOU generated a cash flow from operating activities of EUR –129.4 million (9M 2021/2022: EUR –47.3 million). The development is due to the higher negative EBITDA of EUR –122.0 million (9M 2021/2022: EUR –79.2 million) and to a disproportionate increase in Inventories compared to the same period of the previous year. The main driver for the inventory development is the muted revenue development, which in turn is primarily attributable to

macroeconomic factors. In addition, the introduction of the European network of distribution centers led to an expansion of warehouse capacities and thus contributed to higher inventory levels. These effects were not offset by changes in the other components of the net working capital.

Cash flow from investing activities is mainly determined by CAPEX and amounted to EUR –38.2 million in the first

nine months of FY 2022/2023 (9M 2021/2022: EUR –28.7 million). The cash outflows are primarily attributable to investments in internally developed software and loans to investments. Cash outflows for investments in intangible assets and property, plant, and equipment amounted to EUR 28.4 million in the first nine months of the current financial year (9M 2021/2022: EUR 17.8 million). Payments for loans and the associated interest income – which mainly include working capital loans for influencer brands and incubators – amounted to EUR 9.7 million in the first nine months of FY 2022/2023 (9M 2021/2022: EUR 10.0 million) and are thus broadly at the level of the previous year.

Free cash flow (cash flow from operating activities plus cash flow from investing activities) consequently amounted to EUR –167.7 million in the first nine months of the current financial year (9M 2021/2022: EUR –76.0 million).

Cash flow from financing activities amounted to EUR –22.5 million in the first nine months of FY 2022/2023 (9M 2021/2022: EUR 550.6 million) and included EUR 19.9 million for lease payments excluding interest (9M 2021/2022: EUR 6.0 million) and interest payments in connection with lease liabilities of EUR 2.4 million (9M 2021/2022: EUR 0.2 million). Lease liabilities mainly result from the establishment and expansion of distribution centers towards a European distribution network. The positive cash flow in the previous year included the capital contributions from the listing less costs incurred thereon.

As of November 30, 2022, ABOUT YOU had cash and cash equivalents of EUR 306.1 million (February 28, 2022: EUR 496.2 million). ABOUT YOU was able to meet its payment obligations at all times during the current financial year.

1.4 Financial Position

1.4.1 Condensed Balance Sheet

The Group's net assets are presented in the condensed balance sheet below:

Condensed Balance Sheet

as of November 30, 2022

Assets			Equity and liabilities		
in EUR million	30/11/2022	28/2/2022	in EUR million	30/11/2022	28/2/2022
Non-current assets	310.4	130.8	Equity	420.9	583.5
Current assets	1,010.0	1,053.5	Non-current liabilities	188.3	53.0
			Current liabilities	711.2	547.8
Total assets	1,320.4	1,184.3	Total equity and liabilities	1,320.4	1,184.3

Non-current assets mainly comprise intangible assets, rights of use in accordance with IFRS 16, property, plant, and equipment, and financial assets. The increase of EUR 15.8 million in intangible assets is mainly attributable to investments in internally developed software. Rights of use assets increased by EUR 151.9 million compared with February 28, 2022. The main reasons for this are the renewed contract for the distribution center in Altenkunstadt (effective with Q1 2022/2023) and the first-time capitalization of the new distribution centers in Poland (effective with Q2 2022/2023) and France (effective

with Q3 2022/2023), which expand ABOUT YOU's distribution network in Europe by two additional locations in addition to the existing locations in Germany (Altenkunstadt) and Slovakia. The agreements grant ABOUT YOU the exclusive right of use under long-term contractual models. Furthermore, there was an increase of EUR 10.7 million in other non-current financial assets, primarily from working capital loans for investments in influencer brands.

Current assets mainly comprise inventories of merchandise, trade receivables and other receivables, other assets, and cash and cash equivalents. The decrease in current assets compared with February 28, 2022, is mainly due to the decrease in cash and cash equivalents explained in more detail in the Cash Flows section. This was offset by the increase in inventories of EUR 154.0 million compared with February 28, 2022. The development of inventories is mainly the result of the current subdued revenue development, which in turn is primarily due to macroeconomic factors. In addition, the introduction of the European network of distribution centers has led to an expansion of warehouse capacities and thus contributed to an increased inventory level compared to February 28, 2022.

Trade receivables and other receivables decreased by EUR 10.2 million compared to February 28, 2022. On the one hand, this is due to the decline in demand caused by macroeconomic factors and, on the other hand, the result of continuous optimization measures in receivables management, which enabled payment terms to be reduced.

Other non-financial assets increased by EUR 2.8 million compared with February 28, 2022, and continue to largely include the claim for return of goods expected to be returned (November 30, 2022: EUR 66.4 million; February 28, 2022: EUR 39.6 million). This corresponds to the amount of the acquisition costs of the delivered goods for which a return is expected, considering the costs incurred for the processing of the returns and the losses incurred upon disposal. In addition, receivables from other taxes amounting to EUR 2.3 million (February 28, 2022: EUR 24.9 million) are reported, which mainly stem from sales tax receivables. Other components of this item relate to accruals for future expenses and supplier bonus claims.

Equity decreased by EUR 162.6 million as of November 30, 2022, compared to February 28, 2022. The decrease in equity mainly stems from the result for the period. Additional paid-in capital increased by EUR 7.4 million, mainly due to expenses for equity-settled share-based compensation.

As of November 30, 2022, non-current liabilities mainly include lease liabilities of EUR 181.6 million, which increased by EUR 133.7 million compared to February 28, 2022. In the course of capitalizing the rights of use from the renewed contract for the distribution center in Altenkunstadt, the new distribution center in Poland, and the new distribution center in France, an offsetting increase in liabilities from leases is to be recognized as a liability.

Current liabilities mainly comprise trade payables and other liabilities. The increase in current liabilities compared to February 28, 2022, mainly stems from an increase in trade payables of EUR 103.5 million, which is largely due to the development of inventories.

Current leases include the current portion of lease liabilities in accordance with IFRS 16, which amounted to EUR 41.0 million as of November 30, 2022 (February 28, 2022: EUR 12.1 million). In line with the development of rights of use and non-current lease liabilities, the increase is mainly attributable to the renewed or new contracts of the distribution centers in Germany, Poland, and France.

An increase can also be observed in other financial liabilities, which rose by EUR 36.3 million. This is particularly due to a higher provision for returns compared with February 28, 2022. The increase here is, on the one hand, seasonal due to the higher-priced fall/winter fashion, which

results in a higher absolute amount and, on the other hand, a result of the increase in the returns ratio towards pre-Covid levels. In addition, operating volatility in sales and accrual effects as of the reporting date have an impact on the amount of the provision for returns.

Other non-financial liabilities mainly include VAT liabilities and have decreased due to reporting date effects.

1.4.2 Net Working Capital

The calculation of net working capital is shown in the following table:

Net Working Capital

in EUR million	30/11/2022	28/2/2022
(+) Current assets excl. cash and cash equivalents	704.0	557.3
Inventories	542.3	388.4
Trade receivables and other receivables	65.7	75.9
Other financial assets	0.1	0.0
Other non-financial assets	95.8	93.0
(-) Current liabilities	711.2	547.8
Trade payables	451.2	347.7
Lease liabilities	41.0	12.1
Other financial liabilities	144.3	108.0
Other non-financial liabilities	73.1	79.6
Other provisions	1.7	0.4
= Net working capital	(7.3)	9.5

Net working capital (in EUR million) at the end of Q3 2022/2023 amounted to EUR -7.3 million (FY 2021/2022: EUR 9.5 million). Compared to FY 2021/2022, the development of EUR -16.8 million is driven by the lower build-up of current assets excluding cash and cash equivalents as of November 30, 2022, to EUR 704.0 million (FY 2021/2022: EUR 557.3 million) against the stronger increase of current liabilities as of November 30, 2022, to EUR 711.2 million (FY 2021/2022: EUR 547.8 million). This development results primarily from the seasonality of the business model with higher-priced merchandise in the fall and winter months, which thus causes a greater build-up of current liabilities. In contrast, inventories remain at an elevated level.

Inventories remained at a high level in the third quarter, primarily due to muted revenue development. Macroeconomic factors had a negative impact on demand and inventories ordered in advance could not be adjusted in the short term. In addition, the rollout of the European network of distribution centers led to an expansion of warehouse capacities and thus contributed to an increased inventory level.

Trade receivables and other receivables decreased. On the one hand, this is due to the decline in demand caused by macroeconomic factors. On the other hand, this development is the result of continuous optimization

measures in receivables management, which enabled payment terms to be reduced.

The increase in current liabilities compared to February 28, 2022, mainly stems from an increase in trade payables by EUR 103.5 million, which is mainly due to the inventory development.

The increase in lease liabilities is largely due to the renewed or new contracts of the distribution centers in Germany, Poland, and France. Other non-financial liabilities increased in particular due to the higher provision for returns. The development of other non-financial liabilities is mainly due to reporting date effects of sales tax liabilities.

1.5 Outlook

ABOUT YOU confirms its guidance for the financial year 2022/2023 which was revised in September 2022.

Due to the difficult macroeconomic environment and considering the revenue and earnings development in Q3 2022/2023, ABOUT YOU now expects a Group revenue growth and adjusted EBITDA at the lower end of the guidance range.

Consequently, ABOUT YOU now expects Group revenue growth for the financial year 2022/2023 to come in at the lower end of the range of +10% to +20% (EUR 1,905 to 2,078 million) compared to the previous year. Adjusted EBITDA is expected to decline to the lower end of the range of EUR -140 million to -120 million (margin -7.3% to -5.8%).

Hamburg, January 10, 2023

The Management Board

TAREK MÜLLER

HANNES WIESE

SEBASTIAN BETZ

Interim Consolidated Financial Statements

2.1 Consolidated Income Statement

from March 1, 2022, to November 30, 2022

in EUR million	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
Revenue	554.9	512.5	1.489.6	1.330.2
Cost of materials	(360.9)	(311.7)	(907.8)	(795.8)
Personnel expenses	(25.6)	(19.0)	(77.1)	(60.5)
Other operating expenses	(223.5)	(221.7)	(655.4)	(571.4)
Other operating income	0.3	1.3	1.7	2.7
Own work capitalized	11.2	8.0	27.0	15.7
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	(43.6)	(30.7)	(122.0)	(79.2)
Amortization, depreciation, and write-downs	(15.8)	(7.7)	(42.0)	(15.4)
Earnings before interest and taxes (EBIT)	(59.4)	(38.5)	(164.1)	(94.6)
Net interest result	(0.8)	(0.4)	(1.8)	(3.7)
Other financial result	(1.1)	(0.2)	(2.4)	0.9
Earnings before taxes (EBT)	(61.3)	(39.0)	(168.3)	(97.4)
Income taxes	(0.7)	(0.9)	(1.5)	(1.0)
Profit/(loss) for the period	(62.0)	(39.9)	(169.8)	(98.4)
Undiluted earning per share (EPS) (in EUR)	(0.36)	(0.23)	(0.99)	(0.62)
Diluted earnings per share (EPS) (in EUR)	(0.36)	(0.23)	(0.99)	(0.62)

2.2 Consolidated Balance Sheet

as of November 30, 2022

Assets			Equity and Liabilities		
in EUR million	30/11/2022	28/2/2022	in EUR million	30/11/2022	28/2/2022
Non-current assets	310.4	130.8	Equity	420.9	583.5
Intangible assets	63.0	47.3	Subscribed capital	186.2	186.2
Right-of-use assets	209.6	57.6	Share premium	941.0	933.6
Property, plant, and equipment	7.0	5.8	Retained deficit	(706.1)	(536.2)
Other non-current financial assets	30.8	20.1	Hedging provision	(0.2)	0.0
Current Assets	1,010.0	1,053.5	Non-current liabilities	188.3	53.0
Inventories	542.3	388.4	Non-current lease liabilities	181.6	47.9
Trade receivables and other receivables	65.7	75.9	Deferred tax liabilities	6.7	5.2
Other financial assets	0.1	0.0	Current liabilities	711.2	547.8
Other non-financial assets	95.8	93.0	Trade payables	451.2	347.7
Cash and cash equivalents	306.1	496.2	Lease Liabilities	41.0	12.1
			Other financial liabilities	144.3	108.0
			Other non-financial liabilities	73.1	79.6
			Other provisions	1.7	0.4
Total assets	1,320.4	1,184.3	Total equity and liabilities	1,320.4	1,184.3

2.3 Consolidated Statement of Cash Flows

from March 1, 2022, to November 30, 2022

in EUR millions

	Q3 2022/2023	Q3 2021/2022	9M 2022/2023	9M 2021/2022
Profit / (loss) for the period	(62.0)	(39.9)	(169.8)	(98.4)
+ Amortization, depreciation, and write-downs	15.8	7.7	42.0	15.4
+ Income taxes	0.7	0.9	1.5	1.0
+ Net interest result	0.8	0.4	1.8	3.7
– Taxes paid	(0.0)	0.0	(0.0)	(0.0)
–/+ Increase/decrease in inventories	4.2	(58.9)	(154.0)	(102.8)
–/+ Increase/decreases in trade receivables and other receivables	(4.8)	(30.0)	10.2	(41.1)
+/- Increase/decrease in trade payables	(6.0)	85.1	103.5	180.9
+/- Increase/decrease in other assets / liabilities	33.2	(8.5)	28.3	(16.6)
+ Non-cash expenses	0.3	0.2	7.1	10.6
= Cash flow from operating activities	(17.8)	(43.0)	(129.4)	(47.3)
– Acquisition of intangible assets and property, plant, and equipment	(11.3)	(8.7)	(28.4)	(17.8)
– Acquisition of company shares	0.0	(0.0)	(0.1)	(0.9)
+/- Payments/repayments for loans as well as interest received	(3.7)	(0.8)	(9.7)	(10.0)
= Cash flow from investing activities	(15.1)	(9.5)	(38.2)	(28.7)
= Free cash flow	(32.8)	(52.5)	(167.7)	(76.0)
+ Proceeds from issue of share capital	0.0	0.0	0.1	637.3
+/- Proceeds/payments from shareholder loans	0.0	0.0	0.0	(75.0)
+/- Payments from leasing agreements	(8.1)	(4.9)	(19.9)	(6.0)
+/- Interest paid	(1.1)	(0.6)	(2.6)	(5.7)
= Cash flow from financing activities	(9.2)	(5.5)	(22.5)	550.6
+ Cash and cash equivalents at beginning of period	348.1	640.6	496.2	107.9
+/- Net change in cash and cash equivalents	(42.0)	(58.0)	(190.2)	474.6
= Cash and cash equivalents at end of period	306.1	582.5	306.1	582.5

Further Information

3.1 Glossary

1P

Part of hybrid business model: own inventory, including third-party brands, private labels, and COOPs

3P

Part of hybrid business model: third-party inventory, used in the context of ABOUT YOUs drop shipping and FbAY models

ABOUT YOU COMMERCE

ABOUT YOU's Commerce business; includes fashion sales to consumers via the website and app and comprises the two segments of ABOUT YOU DACH and ABOUT YOU RoE

ABOUT YOU DACH

ABOUT YOU DACH; reportable segment comprising ABOUT YOU's home region of Germany, Austria, and Switzerland

ABOUT YOU ROE

ABOUT YOU Rest of Europe; reportable segment comprising ABOUT YOU's sales regions outside of DACH in Europe and contains 23 countries

ACTIVE CUSTOMERS

Customers who have made at least one purchase through ABOUT YOU's website and app within the last twelve months

AOF

Average order frequency; total number of orders divided by total number of active customers

AOV

Average order value; value of all merchandise sold to customers in the Commerce business, incl. VAT after cancellations and returns, divided by the number of orders within the last twelve months

APM

Alternative performance measures; alternative performance indicators without recognition according to IFRS

ADJUSTED EBITDA

EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

CAGR

Compound annual growth rate; indicates the mean rate of growth for each year of the relevant period

CAPEX

Capital expenditures; payments for investments in intangible assets, property, plant, and equipment, acquisition of company shares, payments, and repayments for loans as well as interest expenses

CEE

Central and Eastern Europe

COOPs

Exclusive brands and (limited) exclusive collections in close cooperation with influencers, celebrities, and brands

D2C

Direct-to-consumer; sales made directly to end customers rather than retailers or wholesalers

DC

Distribution center

EBIT

Earnings before interest and taxes

EBITDA

Earnings before interest, taxes, depreciation, and amortization

EBITDA MARGIN

Ratio of EBITDA to revenue

EMPLOYEES (AS OF REPORTING DATE)

Permanent employees expressed as full-time equivalents (as of the balance sheet date)

ENABLING

360° services for third-party brands, which contain e-commerce operations and marketing growth services, part of segment TME

EPS

Earnings per share

FbAY

Fulfillment by ABOUT YOU

FREE CASH FLOW

Cash flows from operating activities plus cash flows from investing activities (except for investments in time deposits and restricted cash)

GENY&Z

Generation Y&Z; Generation Y refers to people born between 1984 and 1996 and Generation Z refers to people born in 1997 or after¹

GHG EMISSIONS

Greenhouse gas emissions

GMV

Gross merchandise volume; the value of all merchandise sold on ABOUT YOU, incl. VAT and after cancellations and returns

LTM

Last twelve months

MEDIA

Brand and advertising solutions, which include different online and offline advertising formats for brand partners, part of segment TME

MINIMUM VIABLE PRODUCT

Launch version of a product with a basic set of features to gain customers with minimal effort while learning about their needs

¹ Pew Research Center (2019) – Defining generations: Where Millennials end and Generation Z begins

MOBILE SESSIONS

Sessions (in %) via a mobile device, e.g., a smartphone, within the last twelve months, divided by the total of sessions in the given time period

NET WORKING CAPITAL

Inventories plus receivables (includes trade receivables and other current assets) minus current liabilities (includes trade payables, other payables, and provisions for returns)

QoQ

Quarter-over-quarter; this quarter compared to last quarter

SaaS

Software as a service

SEU

Southern Europe; Spain, France, Italy, Greece, and Portugal

TECH

E-commerce software solutions from ABOUT YOU, which are offered to third parties, part of segment TME

TME

Tech, Media, and Enabling; ABOUT YOU's B2B segment with the revenue streams of Tech, Media, and Enabling

TOTAL NUMBER OF ORDERS

Number of orders within the last twelve months

TOTAL REACH

Total media reach refers to total views of posts, reels, and stories on Instagram, video views on TikTok, and views of Facebook posts

USER SESSIONS

All sessions done across all countries, excl. sessions without interaction

USP

Unique selling proposition; a feature or perceived benefit of a product or service which sets it apart from the rest of competing brands in the market

YoY

Year-on-year; this year's quarter compared to the previous year's quarter

3.2 Financial Calendar

May 11, 2023	Full Year Results 2022/2023
June 23, 2023	Annual General Meeting 2023

3.3 Imprint, Contact, and Disclaimer

Imprint

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IR-ONE AG & Co., Hamburg
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