GLOBAL FASHION GROUP S.A
FINANCIAL STATEMENTS

For the year ended 31 December 2020

CONTENTS

MANAGEMENT RESPONSIBILITY STATEMENT

DEAR SHAREHOLDERS AND OTHER STAKEHOLDERS,

We, Christoph Barchewitz, Co-Chief Executive Officer, Patrick Schmidt, Co-Chief Executive Officer, and Matthew Price, Chief Financial Officer, confirm to the best of our knowledge, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the EU and that the Management Report (section 2) includes a fair review of the development and performance of the business and the position of Global Fashion Group S.A., together with a description of the principal risks and uncertainties that Global Fashion Group S.A. faces.

Luxembourg, 11 March 2020

Christoph Barchewitz

Christoph Barchewitz, Co-CEO

Patrick Schmidt

Patrick Schmidt, Co-CEO

Matthew Price

Matthew Price, CFO

MANAGEMENT REPORT

CONTENTS

FUNDAMENTAL INFORMATION

BUSINESS MODEL AND GROUP STRUCTURE

- Leading fashion and lifestyle destination in our 17 countries of operation.
- Global business with deep local roots.
- Connecting one billion potential consumers with thousands of global, local and own brands via four well established ecommerce platforms.

Business model

Global Fashion Group is the leading fashion and lifestyle destination across its 17 countries of operation and four main geographic regions: Latin America (LATAM), the Commonwealth of Independent States (CIS), South East Asia (SEA) and Australia and New Zealand (ANZ). As a global business with deep local roots in markets with diverse cultures and lifestyles, this diversity is at the heart of the customer proposition and gives real meaning to the Company's Purpose of 'True Self-Expression'. From its people to customers and partners, the Company exists to empower everyone to express their true selves. Covering the entire value chain of an online retailer, GFG provides customers with an inspiring and seamless shopping experience from discovery to delivery.

GFG connects a population of one billion potential consumers with thousands of global, local and own brands via four well-established ecommerce platforms, each operated under an individual brand name: Dafiti (in Brazil, Argentina, Chile and Colombia), Lamoda (in Russia, Belarus, Kazakhstan and Ukraine), ZALORA (in Singapore, Hong Kong, Indonesia, the Philippines, Malaysia, Taiwan and Brunei) and THE ICONIC (in Australia and New Zealand). In markets with low online penetration and high growth opportunities, GFG sets the benchmark in online fashion and lifestyle, with the Vision "To be the #1 online destination for fashion & lifestyle in growth markets". The Group's deeply rooted local insights help to provide inspiring and seamless customer experiences and the Company is committed to doing this responsibly by being people and planet positive across everything it does.

The Group's customers are young, diverse, highly engaged and digitally native. They are predominantly female, and aged between 18 and 45 years. This customer segment demonstrates an openness to purchasing products online, their high level of engagement, their high rate of mobile adoption, and their expected brand loyalty as they mature and their purchasing power grows. With approximately 47 million social media followers across the top-five social media platforms in our markets, GFG's customers love interacting with its content and apps.

GFG offers customers an assortment that is both expansive and relevant, reflecting the scale and diversity of its markets. Covering all key fashion and lifestyle categories such as apparel, footwear, accessories, kids and sportswear, across a mix of thousands of global, local and own brands, tailored to meet the aesthetic, cultural, sizing and price preferences of its diverse customer base, the Group's assortment includes high-profile product lines that are co-developed with celebrities and local influencers, and exclusive merchandise from some of the world's biggest fashion brands.

Products are sourced from brand partners via two business models: Retail, where the inventory of products sold to customers is owned by the Group, and Marketplace, where brand partners list their products on GFG's apps and websites. During FY20, Marketplace share grew by 10.3 percentage points, achieving a 31% share of NMV. As the only online fashion and lifestyle platform of scale across its markets, GFG facilitates market entry for these brands and helps them overcome the traditional challenges of customer acquisition, logistics, infrastructure, geography and regulatory processes. GFG assists its brand partners in developing their overall ecommerce capabilities by providing distinct Platform Services. These include: 'Operations by GFG' (fulfilment services for products that brands sell via Marketplace or on their own online channels), 'Marketing by GFG' (marketing services paid for by brands to promote their product) and 'Data by GFG' (data analytics with respect to customers, traffic and product).

The Group's operational infrastructure is fashion-specific, highly efficient and scaled for growth. GFG operates nine regional fulfilment centres with a total storage capacity of over 36 million items. Fulfilment practices are locally tailored to each market and include a mix of own and third-party last mile delivery, as well as local value-added services such as try-on in Russia. Payment options are also tailored to local customer preferences, with over 40 options available across GFG markets. Customer support is provided in house 24/7 in the majority of markets and in eleven different languages. This commitment to delivering an outstanding shopping experience to customers has yielded a consistently high net promoter score ("NPS") of around 80 over the last three years.

While the entire business is underpinned by technology, it is the highly diverse team of more than 13,700 people — with a passion for fashion and lifestyle and strong capabilities across all of the disciplines needed to execute the business model — with a unique combination of art and science that brings about GFG's compelling customer proposition.

GFG's data science teams are at the forefront of innovation, creating smart solutions from deep and relevant insights. The Group's technology teams then use these insights to build apps that leverage these insights to help improve decision-making across the business on a daily basis. Based on these foundations, GFG's buying and merchandising teams can plan, schedule and trade assortments to match consumer preferences and offer new impulses for style discovery. This proposition is then delivered to customers via apps that offer inspiration and style at your fingertips, through personalised browsing, engaging content and relevant product recommendation. Once an order is placed, flexible and fast end-to-end delivery solutions track it from the moment of purchase until arrival into the customer's hands, supported by 24/7 customer service teams.

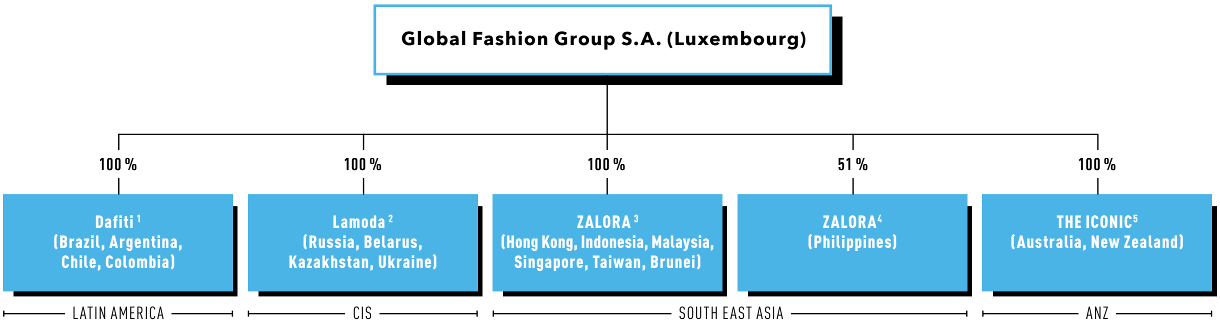
GFG's teams also combine strong global expertise with deep local know-how, with more than 99% of colleagues based in countries of operation.

Group structure

Global Fashion Group S.A. is a stock corporation (société anonyme) under the laws of the Grand Duchy of Luxembourg and registered in the Luxembourg Trade and Companies Register (RCS B 190.907). GFG is domiciled in Luxembourg with its registered office located at 5, Heienhaff L-1736 Senningerberg. Please refer to section 1.6 of the Group Annual Report for composition of subscribed capital and own shares and refer to section 1.7 for shares awarded to employees.

The Company is the parent company of the Group. The Group comprises all subsidiaries whose financial and business policies can be controlled by the Company, either directly or indirectly. The Group's business is conducted by the Company and its various subsidiaries.

As at 31 December 2020, 76 entities are consolidated in the consolidated financial statements of the Group. See note 7 in the notes to the consolidated financial statements for more information.



1 *Dafiti* operations are conducted by GFG Comercio Digital Ltda. in Brazil, BFOOT S.R.L. in Argentina, Bigfoot ChileSpA in Chile and Bigfoot Colombia SAS in Colombia.

2 *Lamoda* opertions are conducted by Kupishoes LLC in Russia, Belarus and Kazakhstan and Fashion Delivered LLC in Ukraine.

3 *ZALORA* operations are conducted by ZALORA (Hong Kong) Ltd. in Hong Kong, PT Fashion Eservices Indonesia in Indonesia, Jade E-Services Malanysia SDN BHD in Malaysia and Brunei and Jade E-Services Singapore Pte. Ltd. in Singapore and Taiwan.

4 *ZALORA* Philippines operations are conducted by BF Jade E-Services Philippines Inc.

5 *THE ICONIC* operations are conducted by Internet Services Australia 1 Pty Ltd. in Australia and New Zealand.

Business segments

The Group consists of four operating segments, which also comprise its reportable segments: LATAM, CIS, SEA and ANZ.

Management reporting was changed in Q2 2020 to include a more granular view of the previous APAC segment and is now reported under two segments: SEA, representing the operating activities of the ZALORA business and ANZ, which represents the operating activities of THE ICONIC. The respective results for 2019 have been re-presented accordingly. Each operating business of the Group is the leading fashion retailer in its respective region[1].

1 Source: Euromonitor International

LATAM
GFG operates under the Dafiti brand, launched in 2011, in Brazil, Argentina, Chile and Colombia.

CIS
GFG operates under the Lamoda brand, launched in 2011, in Russia, Belarus, Kazakhstan and Ukraine.

SEA
GFG operates under the ZALORA brand, launched in 2012, in Singapore, Hong Kong, Indonesia, the Philippines, Malaysia, Taiwan and Brunei.

ANZ
GFG operates under THE ICONIC banner, which was launched in late 2011, in Australia and New Zealand.

CORPORATE STRATEGY AND TARGETS

Guided by its purpose of 'True Self-Expression' and vision of being the #1 fashion and lifestyle destination in its markets, GFG is the leading player in 17 high-growth markets, where fashion and lifestyle spending is expected to benefit from positive demographic changes and an accelerating shift from offline to online.

Our purpose is "True Self-Expression"

COVID-19 has had a significant impact on the global fashion and lifestyle sector. The latest data from Euromonitor indicates that in 2020 these 17 markets accounted for €251 billion of the global market for fashion and lifestyle (online and offline combined), down from €320 billion in 2019. Ecommerce has benefited from changes in customer behaviour with the online fashion and lifestyle market in GFG served regions growing over 40% in 2020 to €32 billion.

The Company's experience during 2020 demonstrates that the online fashion and lifestyle market provides the market leaders with significant competitive advantages.

GFG intends to leverage its market-leading positions, scale, local know-how and operational excellence through four strategic priorities:

1. Inspiring and seamless customer experience

Category expansion is a source of penetration upside

The primary driver for category expansion is an improvement in the customer experience, listening carefully to customers and expanding into categories that they indicate are in demand. In addition, GFG leverages its existing technology, fulfilment and customer service infrastructure to expand into adjacent product categories and segments, such as accessories, beauty, kids and home, where penetration remains significantly below that of apparel or footwear. The Group is also broadening its sportswear offering by adding additional merchandise to grow this rapidly evolving category.

Enhancing the customer experience by leveraging technology and innovation

GFG creates an inspiring and seamless shopping experience for its customers, offering an unparalleled, relevant and broad assortment across fashion and lifestyle categories. Based on its vast and rich data, the Group provides customers with a highly personalised and inspiring shopping experience. As more data is collected, products can be further tailored to optimise the assortment offered, including private label, and improve the personalisation, convenience and presentation of products.

The Group sees opportunities to improve customer convenience by enhancing its operational infrastructure. For example, in Brazil, most returns are currently handled by the local mail service, which requires customers to queue at a local office to post the items to be returned. GFG believes that the lack of a more convenient return service negatively affects conversion rates. Accordingly, Dafiti is working with delivery partners to establish drop-off points that provide customers with a more convenient way of returning products.

GFG benefits from strong customer and brand partner flywheel effects. Its assortment and customer experience attract a growing number of new customers and has the opportunity to increase repeated orders by existing customers, which helps the Group benefit from economies of scale. In turn, it can make more investments into selection, which increases relevance with key brands. Increased relevance with brands enables the Group to include better products in its assortment and achieve higher margins. These effects are reinforced by the utilisation of technology and investments in data analytics.

2. Strategic partner of choice for brands

Partnership models enhance business scalability

For brand partners, GFG offers instant access to highly engaged audiences in large and growing fashion markets, along with flexible and tailored support in selling their products to customers. The Group purchases products from them in the anticipation they will enjoy strong demand across markets, but also give brands access to the GFG Marketplace, where they act as third-party sellers via GFG's apps and websites.

Third-party Marketplace sellers are supported with additional services, such as content production, warehousing, delivery and customer service. Marketplace allows GFG to provide a broader assortment of products, including new products with an unpredictable sell through rate. The Group earns commission, set as a percentage of the relevant sales price, which increases with the level of services provided. In 2020, the average Marketplace commission was 31% (2019: 32%).

As products sold through Marketplace are not purchased in advance, GFG incurs insignificant costs of sales and does not bear inventory risk. Depending on what services are provided to the respective brand e.g. warehousing and/or delivery, the Group may incur fulfilment expenses.

Reported revenue from the sale of products is significantly lower in Marketplace. Accordingly, shifts in the relative proportion of sales to Marketplace would lead to a decrease in revenue as a percentage of NMV, but an increase in gross margin. In order to eliminate the impact of shifts between Retail and Marketplace sales, the Group regards the development of NMV, which reflects the value of goods sold over its platform, as a key performance metric, irrespective of which model those sales came from.

3. Scalable operations and proprietary technology

Grow the Platform Services business

The Group leverages its infrastructure to support brands that sell products through their own websites but are unable to fulfil those customer orders, by providing ancillary services such as storage or delivery, or media solutions to market their brands, derived from the traffic coming to GFG's platforms. GFG intends to deepen the services offered, enabling stronger relationships with current brand partners and to attract new brand partners to join the GFG ecosystem. Increased participation of Platform Services allows the Group to better utilise its existing resources, and generate additional revenue without incurring significant additional expenses.

Potential to expand and adapt the Group's geographic footprint

Changes in the various regional markets in which the Group operates are closely monitored, as are geographic expansion opportunities, though they are not core to the Company's growth strategy. However, with operations built for scale and capable of expansion, entry into adjacent or nearby markets within an existing region could be a possibility at some point in the future.

Growth through technology

Advances in technology, including app innovation and proprietary machine-learning algorithms, drive continued growth by increasing efficiency and automation in digital marketing, product, shipping, pricing, catalogue, sorting and inventory reordering. Management believes that key trends in fashion ecommerce include warehouse automation, seamless partner integration, customer experience improvements and artificial-intelligence-based optimisation. New technology will reduce friction and drive loyalty through improved size and fit guidance and will further facilitate shopping and delivery, thus enhancing operational efficiency.

Technology drives greater personalisation, more engaging customer front-ends, modular solutions for brands and efficient operations in the back-end. The Group's scalable, custom-built technology platforms are integrated across regional operations and reflect the global and local nature of GFG. A predominantly in-house technology platform was developed in a localised manner with technology stacks tailored to each major market. This enhances flexibility and enables the business to quickly respond to local expectations and regulatory requirements. A growing global toolkit of advanced centralised solutions, including our global Marketplace platform for brands (SellerCenter), pricing tools and business intelligence tools works with the Group's localised technology stacks.

Further enhance our financial profile

Over time, the Company intends to further improve its financial profile, including driving market share with a long-term target for organic annual NMV growth of 25% on a constant currency basis. The Group continues to increase the share of Marketplace to expand selection and reduce inventory risk, with an additional benefit of an increased gross margin. The Group also focuses on further improving unit economics, increasing customer loyalty and driving customer order frequency. Further drivers include operating leverage of technology and administrative expenses, as well as investments into technology and fulfilment infrastructure to improve the customer experience and operating efficiency, improving the Company's profitability.

4. People and Planet Positive. Worldwide.

The implementation of the Group's People and Planet Positive commitments has remained a key priority during the year and in the GFG People & Planet Positive Report 2020, released alongside this report, the group significantly steps up its transparency of its activities in this area.

The group's ethical trade framework has continued to be implemented despite the physical limitations created by COVID-19, with supplier training on the group's standards also continuing and the own-brand factory lists of each region now available online. Significant progress has been made across the group on the transition to environmentally preferred packaging, mapping the group's carbon footprint and increasing the volume of waste recycled. Own-brand ranges made of more sustainable materials are now available in SEA, complementing those already available in ANZ. A sustainable shopping edit, which curates products with a benefit to humans, animals or the environment when compared with conventional products, is now available in all regions and 2020 will involve a significant increase in the assortment available meeting the specific criteria. The group formalises its Diversity, Inclusion and Belonging framework for the first time and releases associated targets. More information on GFG's commitments are reported separately in the Group's People & Planet Positive Report, which is published alongside this report and covers:

- Our approach to our People & Planet Positive agenda, including strategy and materiality;
- Our People, including diversity, inclusion and belonging and responsible workplace;
- Our Supply Chain, including Ethical Trade;
- Our Operations;
- Our Community; and
- Governance, Risk & Compliance.

EMPLOYEES

At the end of 2020, the GFG team consisted of 13,751 employees (2019: 12,828), representing a year-on-year increase of 7%. The average headcount increased to 13,291 employees, driven mainly by the development of warehouse, fulfilment and delivery capabilities across the Group.

OTHER NON-FINANCIAL INFORMATION

Other non-financial information, such as environmental, social, human rights and the fight against corruption, is also contained in the Group's People & Planet Positive Report which is available on our website.

INTERNAL MANAGEMENT SYSTEM

The Management Board is responsible for steering the Group both on a segmental level (i.e. LATAM, CIS, SEA and ANZ) and at a consolidated group level.

The Group's key performance indicators include NMV, revenue, Adjusted EBITDA and capex along with the number of active customers, NMV per active customer, the number of orders, order frequency and the average order value.

RESEARCH AND DEVELOPMENT

An experienced global team of more than 900 engineers, product managers and data scientists develop, operate and maintain a scalable, custom-built technology platform that is integrated across the operations within each region, and reflects both the global and local nature of the Group's business. Technology stacks are tailored to each major market, and provide substantial flexibility, enabling GFG to efficiently respond to local business expectations and regulatory requirements.

In order to continuously strengthen the team's presence in each region, a global technology talent pool is maintained.

REPORT ON ECONOMIC POSITION

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

GFG operates in the online fashion and lifestyle market in 17 countries. The Group's revenue and profitability depend on the conditions and outlook of these markets, including macroeconomic conditions, the overall fashion and lifestyle sector, and within this sector, development of the online channel.

The COVID-19 pandemic has had a significant impact on global activity. A notable effect to general economic activity during 2020 is a reduction in productivity as surviving businesses increased necessary workplace safety and hygiene practices. For economies that had less success in controlling the virus, strict lockdown measures imposed further strains on economic activity. The impact of government interventions affected macroeconomic conditions across our markets at different times and with different consequences throughout 2020. According to IMF estimates, real GDP experienced negative growth in all four of our geographic reporting segments. In Australia, Brazil and Russia, the largest countries by revenue in the Group, GDP contracted by 2.5%, 4.5% and 3.6% respectively[1] . The economic outlook for 2021 suggests multiple vaccine approvals and the launch of vaccination programmes in some countries will support a recovery, but this optimistic outlook has been softened by surges in virus cases, increased transmissibility from new strains and further national lockdowns in late 2020. Positive real GDP growth is expected for every country of operation in 2021.

Since GFG's operations are predominantly in countries outside of the eurozone, the majority of its revenues and costs are denominated in currencies other than the euro (EUR). GFG is therefore exposed to fluctuations in the values of these currencies relative to the euro. In 2020, GFG's largest net foreign currency exposures were to the United States dollar (USD), pound sterling (GBP), Russian ruble (RUB), Australian dollar (AUD) and the Brazilian real (BRL).

While GFG's reported revenues and NMV are impacted by changes in the value of foreign currencies relative to the euro, in 2020 more than 86% of our cash flows in our four operating segments were naturally hedged, as local currency revenues are typically matched against a local currency cost base.

Within GFG's footprint, online sales in the fashion and lifestyle sector are expected to outperform the overall sector, with an annual growth rate of 13% from 2020 to 2024. With a market volume of €32 billion in 2020, online sales comprised only 13% of total spend in the fashion and lifestyle sector. Given online penetration of the fashion and lifestyle sector was 31% in the US, 30% in China and 22% in Western Europe in 2020, we believe this indicates significant headroom to grow online penetration in our markets[2].

1 Source: IMF World Economic Outlook Update, January 2021.

2 Source: Euromonitor International.

The overall fashion and lifestyle sector in GFG's geographic footprint is expected to develop favourably with an estimated annual growth rate of 10% from 2020 to 2024. This growth rate is considerably higher than the annual growth rate forecast of 6% over the same period for developed markets such as the United States ("US") and Western Europe [3]. This growth rate differential is driven by the demographic trends in our regions, which include a relatively fast growing population and an expanding middle class with growing purchasing power.

GFG's markets are at an earlier stage in the structural shift of fashion and lifestyle spend from offline to online than either the US and Western Europe, and there are several factors in our markets that support this ongoing shift:

- A population that is on average younger than that in the US and Western Europe, and has favourable smartphone and online shopping habits;
- A significantly smaller bricks-and-mortar fashion retail offering in our markets;
- The demonstration that other verticals have already reached higher online penetration levels, with consumer electronics and appliances achieving good growth in their categories; and
- The ongoing dismantling of traditional barriers to ecommerce adoption such as: low consumer trust in online shopping, underdeveloped delivery infrastructure, and the lack of online presence by international brands.

Given GFG's early entry into its markets, it has the opportunity to be one of the major beneficiaries of these developments. GFG is the market leader in its sector and footprint, and will continue to focus on growth and gaining further market share.

3 Source: Euromonitor International.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

While the Group was trading in line with management expectations until mid-March, results were negatively impacted across each of the regions at different times by the COVID-19 pandemic and currency headwinds. GFG then experienced a strong recovery in sales from late April, which was driven by strong performance in CIS and LATAM and increased Marketplace participation. Initially, ANZ saw soft trading but this recovered significantly over the balance of the year and ANZ delivered positive growth for FY20. GFG's major fulfilment centres in Australia, Malaysia, Brazil and Russia operated without interruptions. Only fulfilment centres in Argentina and the Philippines were temporarily closed, for around c.70 days in aggregate, resulting in a minor financial impact as order deliveries were delayed until the re-openings in late April.

A Year of operating in a world with Covid-19

The Group rapidly adapted by focussing on the health and safety of its employees and customers, working closely with brand partners to maximise the relevance of the assortment offered, pivoting toward "lockdown" categories, driving increased Marketplace adoption and accelerating customer acquisition, with 7.7 million new customers shopping on GFG platforms for the first time in 2020. As a result, Active Customers increased by c.50% more in 2020 than they did in 2019 to 16.3 million. Customers made more than 42 million orders, which were fulfilled under stringent health & safety measures often surpassing those imposed by local authorities.

There were no material rental concessions or lease modifications during the year and there was no significant increase in credit risk linked to trade receivables despite the backdrop of economic uncertainty in GFG markets.

On 18 November 2020, the Group increased its issued share capital, with 16.5 million new common shares being placed with institutional investors at a placement price of €7.30 per share.

The Group received net proceeds of €119.4 million from the share issue. The net proceeds are intended to be used to further accelerate the delivery of the Group's mid-term growth strategy by additional investments in its customer value proposition, technology platform, delivery infrastructure and for general corporate purposes.

FINANCIAL PERFORMANCE

The variance in revenue and margin over the course of the year reflects the seasonality of fashion sales and the variable impact of COVID-19 across the year. The Group's presence in the northern hemisphere (CIS), southern hemisphere (Australia, New Zealand and Brazil) and also countries that cross the equator including South East Asia and Colombia, smooth out the seasonal risks of being concentrated in one geography. New season collections drive most sales in the second and fourth quarters, with the first and third quarters focusing on end-of-season sales and stock clearance.

The Group's first full year of Adjusted EBITDA profit

The results for the year ended 31 December 2020 show continued strong revenue growth and the Group's first full year of Adjusted EBITDA profit. Please refer to section 4 for the Group consolidated financial statements.

Results of operations

In €m	For the year ended 31 Dec 2020	2019	% change
Revenue	1,359.7	1,346.0	1.0
Cost of sales	(773.5)	(806.2)	4.1
Gross profit	**586.2**	**539.8**	**8.6**
Selling and distribution expenses	(447.7)	(455.2)	1.6
Administrative expenses	(194.4)	(193.4)	(0.5)
Other operating income	7.2	15.1	
Other operating expenses	(14.4)	(27.5)	
Net impairment losses of financial assets	(1.7)	(3.9)	
Loss before interest and taxes	**(64.8)**	**(125.1)**	**48.2**
Result from investment in associate	(0.1)	3.2	
Finance income	2.1	18.5	
Finance costs	(46.3)	(14.7)	
Result from indexation of IAS 29 Hyperinflation	1.2	1.6	
Loss before tax	**(107.9)**	**(116.5)**	**7.4**
Income taxes	(4.5)	(28.1)	
Loss for the year	**(112.4)**	**(144.6)**	**22.3**

Adjusted EBITDA bridge

In €m	For the year ended 31 Dec 2020	2019	% change
Earnings before interest and taxes	**(64.8)**	**(125.1)**	**48.2**
Depreciation and amortisation[1]	66.3	61.6	
EBITDA	**1.5**	**(63.5)**	**102.4**
Share-based payment expenses	14.9	5.2	
One-off costs and income[2]	-	21.2	
Adjusted EBITDA	**16.4**	**(37.1)**	**144.2**

1 Including depreciation on IFRS 16 right-of-use assets.

2 One-off costs and income include costs relating to the IPO, historical tax adjustments, costs relating to the wind-down of Lost Ink Limited and non-trading income.

Key Group Figures

GFG's key performance indicators include NMV, Revenue, Adjusted EBITDA, Capex, along with the number of Active Customers, the NMV per Active Customer, number of Orders, Order Frequency and Average Order Value. See Financial Definitions on page 60 for key performance indicator definitions.

Key performance indicators and financial information

In €m	For the year ended 31 Dec 2020	2019
Financial performance		
Revenue (€ m)	1,359.7	1,346.0
Growth at constant currency (%)	*15.3%*	*17.2%*
Gross Profit (€ m)	586.2	539.8
Loss before interest and taxes (EBIT) (€ m)	(64.8)	(125.1)
Loss for the year (€ m)	(112.4)	(144.6)
Adjusted EBITDA (€ m)	16.4	(37.1)
Adjusted EBITDA (as % of revenue)	1.2%	(2.8%)
Capex (€ m)	48.7	72.1
Financial position and cash flow		
Net working capital (€ m)	(1.4)	(12.0)
Cash and cash equivalents (€ m)	366.1	277.3
Pro-forma cash (€ m)	372.4	300.8
Group KPIs		
NMV (€)	1,958.2	1,777.8
Growth at constant currency (%)	*25.7%*	*23.0%*
Active customers (in millions)	16.3	13.1
NMV/Active Customer (€ m)	120.3	136.1
Number of Orders (in millions)	42.0	34.6
Order Frequency	2.6	2.6
Average Order Value (€)	46.6	51.3

Growth of Revenue

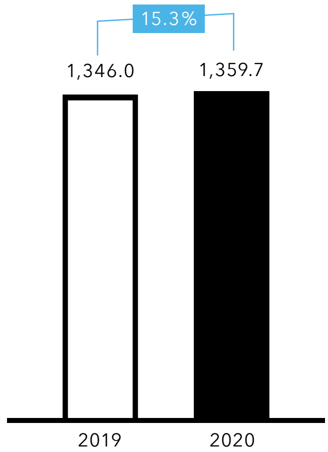
The strong growth in NMV delivered solid revenue growth. In 2020, revenue grew by 15.3% on a constant currency basis, increasing by €13.7 million to €1,359.7 million (2019: €1,346.0 million).

GFG continues to be at the forefront of defining what an inspiring customer experience looks like in its markets. In 2020, GFG's strategy of offering a broad assortment evolved with a significant increase in Marketplace participation, more exclusive global brand collaborations and continuing to offer customers increasing ways of shopping sustainability.

GFG benefited from lower return rates during the year as a result of lockdown measures introduced by governments across the markets in which GFG operates and as a result of a mix shift into categories less likely to be returned e.g., from occasion wear to sports and homewares. The approximate benefit to fulfillment costs from these lower return rates during the year was €5-6 million.

Technology innovations focused on app functionality continue to deliver new levels of customer engagement and strengthen GFG's app-first approach. Apps generated 59% of NMV in the year, up 8 percentage points compared to 2019.

Growth of revenue[1] (€m)



[1] Constant currency basis

Improvements to Adjusted EBITDA

While not statutory measures under IFRS, management considers Adjusted EBITDA and Adjusted EBITDA margin as key performance indicators to assess the underlying operating performance of the business. See Financial Definitions on page 60 for further details.

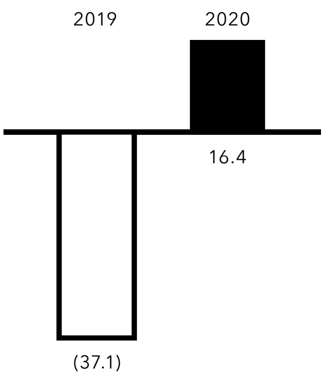
In 2020, the Group generated Adjusted EBITDA of €16.4 million (2019: €37.1 million loss). Adjusted EBITDA margin was 1.2% (2019: (2.8)%), as a result of increased Marketplace participation, a small improvement to the retail gross margin, sales to newly acquired customers, reduced marketing costs during the pandemic and further leverage of technology and administrative costs as the business continues to grow.

Adjusted EBITDA excludes an expense for share-based payments of €14.9 million (2019: €5.2 million). The increase in the share-based payment expense for the year relates to the awards being linked to the Group share price which improved by 340% over 2020.

Loss for the year

In 2020, loss for the year decreased by 22% to €112.4 million (2019: loss €144.6 million). Within loss for the year, finance costs were €46.3 million (2019: €14.7 million) driven mainly by foreign currency exchange losses of €31.9 million (2019: foreign currency exchange gain of €13.3 million). Losses before interest and taxes of €64.8 million improved by 48% compared to 2019.

Analysis of Adjusted EBITDA (€m)



Growth of NMV

In 2020, NMV grew by 25.7% on a constant currency basis, to €1,958.2 million (2019: €1,777.8 million) driven primarily by the accelerated expansion of our Marketplace business.

The growth in NMV was as a result of an increase of 25% in Active Customers to 16.3 million, and NMV per Active Customer rising by 1% on a constant currency basis to €120, underpinned by our leading customer experience.

Customer orders were up by 21% to 42.0 million (2019: 34.6 million) in FY 2020, and on average customers purchased 2.6 times per year (2019: 2.6 times), a decrease of 3%.

Marketplace now 31% of NMV

Technology innovations focused on app functionality have delivered new levels of customer engagement and strengthened GFG's app-first approach. 59% of NMV in 2020 was generated through our apps (2019: 50%), an increase of 8 percentage points compared to last year.

Marketplace continues to show strong growth, and now represents 31% of NMV, an increase of 10 percentage points compared to last year.

Report by Segment

The Group is organised into four main business segments; LATAM (Dafiti), CIS (Lamoda), SEA (ZALORA) and ANZ (THE ICONIC). The column 'Other' includes headquarter and other business activities.

Segment Growth for the Year

NMV growth was strong across all regions. CIS NMV growth was the highest of all regions, at 32%. LATAM also delivered strong growth at 31%. SEA and ANZ delivered 27% and 5% growth on a constant currency basis.

The highest revenue growth was seen in SEA and LATAM, at 21.2% and 20.8%, respectively, on a constant currency basis. CIS and ANZ also delivered revenue growth of 17.4% and 0.5%, respectively. Revenue growth was lower than NMV growth for the year in all segments due to the acceleration of Marketplace participation, driven mainly by LATAM, CIS and ANZ.

CIS delivered the highest growth in gross margin, increasing 4.7 percentage points year-on-year, driven by a 4.1 percentage point improvement due to Marketplace share. LATAM gross margin increased by 3.2 percentage points also as a result of increased Marketplace participation, with retail margin neutral compared to last year. SEA gross margin improvement of 0.8 percentage point was split equally between Retail and Marketplace. ANZ gross margin improved by 1.3 percentage points with 0.8 percentage points due to increased Marketplace share.

Segment Results of the Group Year 2020

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	372.7	453.3	274.9	259.2	1,360.1	23.3	(23.7)	1,359.7
Gross profit	164.7	213.2	88.8	121.2	587.9	21.9	(23.6)	586.2
% Margin	44.2	47.0	32.3	46.8				43.1
Net Merchandise Value	575.3	686.9	342.2	353.8	1,958.2			1,958.2

Segment Results of the Group Year 2019

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	401.4	442.9	237.6	263.8	1,345.7	27.8	(27.5)	1,346.0
Gross profit	164.6	187.2	74.9	120.2	546.9	19.7	(26.8)	539.8
% Margin	41.0	42.3	31.5	45.5				40.1
Net Merchandise Value	557.8	598.7	276.3	345.1	1,777.8	-	-	1,777.8

Cash flows

The liquidity and cash position of the Group is presented in the following summary consolidated statement of cash flows:

	For the year ended 31 Dec	
In €m	**2020**	2019
Net cash generated from/ (used in) operating activities	**30.3**	**(68.9)**
Net cash (used in)/from investing activities	**(33.5)**	**63.5**
Net cash from financing activities	**106.5**	**169.5**
Change in cash and cash equivalents	103.3	164.1
Exchange-rate related and other changes in cash and cash equivalents	(14.5)	8.2
Cash and cash equivalents at the beginning of the year	277.3	105.0
Cash and cash equivalents at the end of the year	**366.1**	**277.3**

Cash flow benefit from first full year of EBITDA profitability

In 2020, GFG generated cash flow from operating activities of €30.3 million (2019: used €68.9 million). The improvement on cash used in operations is mainly driven by the cash benefit of the first full year of EBITDA profitability, movements in VAT and other tax receivables, deferred income and liabilities from store credit and the reduction of inventory intake, partially offset by changes in foreign currency exchange rates.

Net cash outflow from investing activities is due to the additions made during the year to property, plant and equipment and intangible assets, partially offset by movements in restricted cash. Similar investments In 2019 were partially offset by the net cash inflow from the disposal of the Middle East business. During the year, the Group acquired property, plant and equipment with a total cost of €28.9 million (2019: €45.8 million). These investments primarily relate to assets in the course of construction and office and IT equipment. The Group acquired intangible assets with a total cost of €20.6 million (2019: €20.9 million) of which €13.7 million (2019: €19.9 million) were internally developed intangible assets capitalised in accordance with the recognition criteria of IAS 38, Intangible Assets.

Net cash from financing activities relates primarily to inflows from the share placement in November of €119.4 million. This was partially offset by IFRS 16 lease payments of €22.5 million (2019: €20.5 million).

Financial position

The Group's financial position is shown in the following interim condensed consolidated statement of financial position.

Assets

In €m	For the year ended 31 Dec 2020	2019	Change
Non-current assets	468.5	552.3	(15.2)%
Current assets	704.6	652.2	8.0%
Total assets	**1,173.1**	**1,204.5**	**(2.6)%**

Equity and Liabilities

In €m	For the year ended 31 Dec 2020	2019	Change
Equity	619.4	649.5	(4.6)%
Non-current liabilities	104.8	98.9	6.0%
Current liabilities	448.9	456.1	(1.6)
Total equity and liabilities	**1,173.1**	**1,204.5**	**(2.6)%**

Total assets of the Group decreased by €31.4 million when compared with 31 December 2019, primarily due to unfavourable changes to foreign currency exchange rates. Right of use assets relating to leases entered into by the Group increased compared to the prior year due to lease additions across fulfillment centres, office space and pick-up points.

The net book value of right-of-use assets as at 31 December 2020 was €104.3 million (2019: €95.2 million). Total lease liabilities of €113.7 million (2019: €106.1 million), net of lease repayments and interest, are split between non-current and current lease liabilities on the consolidated statement of financial position.

In 2020, Capex additions were €48.7 million (2019: €72.1 million) and primarily related to the Group's continuous investment in its delivery and fulfilment infrastructure, assets in the course of construction, and office and IT equipment along with intangible assets.

Inventories decreased by €38.1 million to €195.9 million (2019: €234.0 million), €37.7 million of which relates to the devaluation of key trading currencies.

Pro-forma cash increased from €300.8 million to €372.4 million as a result of proceeds from the November capital raise. Net proceeds of €119.4 million were partially offset by capital expenditure and operational outflows during the year. Included within the year end cash balance is €6.3 million (2019: €23.5 million) of restricted cash related to the Group's debt facilities. Equity decreased by €30.1 million, primarily as a result of losses incurred for 2020 and negative translation adjustments. This was partially offset by increased share premium following the capital raise in November.

Non-current liabilities increased to €104.8 million (2019: €98.9 million), €94.2 million (2019: €82.9 million) of which represents the non-current portion of lease contracts under IFRS 16, discounted to present value.

At 31 December 2020, current liabilities were €448.9 million (2019: €456.1 million), a decrease of €7.2 million. Trade payables and other financial liabilities decreased by €27.8 million, reflecting the impact of seasonality on the Group's working capital, partially offset by an increase in non-financial liabilities of €18.9 million. The effect of foreign currency exchange rate changes on trade payables and other financial liabilities during the year was a decrease of €46.6 million.

COMPARISON OF ORIGINAL GROUP GUIDANCE AND ACTUAL 2020 FIGURES

2020 has been a strong year for the Group, as it has delivered on its market guidance for the year, which was upgraded twice, on all key performance metrics. The table below summarises the actual results versus guidance.

FY 2020

In €m	FY 2020	Guidance	
Revenue (€m)	1,359.7	€1.3bn	✓
NMV (€m)	1,958.2	Over €1.9bn	✓
Growth (%)	26%	Around 25%	✓
Adj. EBITDA (€m)	16.4	At least €10 million	✓
Adj. EBITDA margin (%)	1.2%		✓
Capex (€m)	48.7	Around €45 million	✓

OVERALL ASSESSMENT OF THE ECONOMIC POSITION BY THE MANAGEMENT BOARD

The Management Board is pleased with the positive business developments in the 2020 financial year, and the adaptability of our teams during the pandemic. The Group increased its revenue and NMV in line with management guidance and the Group became profitable at an Adjusted EBITDA level for the first time on a full year basis.

REPORT ON POST BALANCE SHEET EVENTS

On 3 March 2021, Global Fashion Group S.A. launched an offering of approximately €375 million Convertible Bonds. The Convertible Bonds are expected to be issued by the Company on or around 15 March 2021, at 100% of their principal amount with a denomination of €100,000 each and will be redeemed at their principal amount on 15 March 2028, unless previously converted, redeemed or repurchased and cancelled. The bonds were successfully placed on 4 March 2021.

There are no other events subsequent to the year end that would require a disclosure in the consolidated financial statements.

REPORT ON RISKS AND OPPORTUNITIES

- GFG operates a risk management approach anchored to the ISO 31000 standard. Through this approach risks are identified, evaluated, treated and monitored in accordance with the Group's risk appetite and objectives.
- GFG has implemented a range of controls over financial reporting which are reviewed through an annual programme of self-assessment, with further independent validation conducted by the Internal Audit team.
- In addition to areas that present a risk to the Group achieving its objectives, GFG seeks to identify, through its risk management process, areas that may present business opportunities.

GFG acknowledges that risks are an ordinary and inherent part of conducting business and the realisation of shareholder value. GFG seeks to identify, understand and proactively manage risks in order to realise its business objectives and minimise volatility.

GFG recognises that risk management is an integral part of good corporate governance and business practice, and that it underpins good decision making, the efficient allocation of resources and ultimately the successful execution of its strategy.

Following the IPO in July 2019, GFG is currently rationalising and optimising its risk management approach. Periodic reviews of the Risk Management strategy are undertaken to ensure that the Management Board are comfortable that the approach continues to be in line with expectations.

RISK MANAGEMENT

GFG Risk Management Framework

GFG adopts the ISO 31000:2018 methodology for Enterprise Risk Management. This risk management system can be broadly characterised into three parts:

1. Principles of Risk Management;
2. Risk Management Framework; and
3. Risk Management Process.

1. Principles of Risk Management

The purpose of risk management is the creation and protection of value.

It improves performance, encourages innovation and supports the achievement of our objectives. This is the benchmark for risk management that GFG has set for itself and will be referred back to at every step of the process.

GFG's risk management principles align with this benchmark and provide guidance on the characteristics of effective and efficient risk management, communicating its value and explaining its intention and purpose across the Group.

At their essence the principles allow GFG to manage the effect of uncertainty on its objectives.

2. Risk Management Framework

The purpose of the framework is to assist GFG in integrating risk management into its significant activities and functions.

The components of the framework and the way in which they interact are customised to the needs of the Group and driven to success through leadership and commitment. This can take many forms but is best described as a dedication to implementing all components of the framework supported by the provision of adequate resources.

The framework emphasises that risk management is a core responsibility and articulates a PDCA risk management cycle:

P – Plan (Design)

D – Do (Implement)

C - Check (Evaluate)

A - Act (Improve/Integrate)

This establishes a simple but effective motion for risk management that emphasises its on-going nature and the need for continuous adaptation and improvement.

3. Risk Management Process

The risk management process involves the systematic application of the risk management approach i.e. identifying, analysing, evaluating, treating, monitoring and recording risk. This is completed biannually.

Risk Identification

In order to identify risks and opportunities, a range of techniques are employed to uncover uncertainties that may affect one or more objectives. These include, but are not limited to threats & opportunities, changes in internal or external context, indicators of emerging risks, limitations and biases.

When identifying risk, GFG looks at the cause, risk and consequence in order to form a complete understanding of the nature of risk before factoring in any control measures that may already be in place. In this way the identification phase provides a holistic view on each and every risk.

Risk Analysis

Once identified, risks are then analysed to provide a meaningful comprehension of the nature and characteristics of said risks, including an analysis of the level of risk. This is achieved by plotting each risk on a matrix applied consistently across the Group.

Risk Evaluation

Following prudent analysis, risks are then evaluated in order to support decision making with regard to any actions that need to be taken. Evaluation will identify what actions are required, if any, and initiate the formulation of a treatment plan.

Risk Treatment

Risk treatment follows an iterative process described below:

- Selecting adequate risk treatment options
- Implementing risk treatment
- Assessing the effectiveness of risk treatment
- Adjusting risk treatment, as required

Selecting the most appropriate risk treatment option(s) is achieved by balancing the benefit of the treatment against the cost and effort of implementation whilst maintaining line to sight to the Group's objectives.

Risk Monitoring & Recording

The risk management process is underpinned by monitoring and reporting, which ensures adequate oversight, transparency and the provision of best available information in the decision making process.

It is for these reasons that GFG is committed to monitoring and recording its risk management activities at every level of the Group.

GFG employs a risk management platform in which all risks, risk sponsors, risk owners and treatments are recorded and tracked. This ensures operational efficiency while also allowing for the measurement and review of progress against objectives.

The Group adopts a GRC (Governance, Risk & Compliance) committee structure both regionally and centrally, which oversees the risk management process and its outputs while also driving reporting upstream and downstream. These committees meet quarterly at a minimum, are chaired by the relevant CEO and assume responsibility for the output of the risk reviews.

This structure is further supported by the Group's Internal Audit function, which provides independent, objective assurance over the approach to and outputs of the risk management process. This additional layer of control ensures GFG is engaged in a cycle of continuous improvement and alleviates its biases and subjectivities from its risk management practices.

RISKS AND OPPORTUNITIES REPORT

GFG is committed to the management of material risks. This section outlines the principal uncertainties identified through the most recent risk review process in 2020. These are not set out in any particular order and GFG recognises that risks can and will evolve over time.

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Strategic and external risks

Country risk: Geopolitical and Macro-economic	The Group's businesses are concentrated across several emerging markets, that GFG considers as having the greatest potential for growth in fashion ecommerce. With this comes exposure to a certain degree of country risk, as each territory has its own unique geo-political, socio-economic, and legislative/regulatory environment. **Key mitigating activities/ initiatives** • Continuous monitoring of the geo-political, socio-economic, and regulatory regimes within each territory • Proactive engagement with thought leaders, industry peers, legal and regulatory authorities and other relevant bodies • Remaining abreast of and having a voice in material developments impacting in country operations
Competition	The fashion ecommerce industry is characterised by intense competition, and GFG's regions face increasing competitive pressure from local and established global online players. **Key mitigating activities/ initiatives** • Continuous assessment and evaluation of the competitive environment, remaining abreast of competitor performance and aspirations • Continued focus on protecting the current position and unique selling points of the regional businesses • Pooling of experience and sharing of best practice across the Group • Building and developing strong long-term relationships with brands and partners to unlock strong commercial exchange

Operational risks

Health, Safety and Wellbeing	Operating in diverse and geographically dispersed locations, GFG recognises and prioritises the health, safety and wellbeing of all its people in fulfilling their duties, particularly those operating in our fulfilment and delivery operations. **Key mitigating activities/ initiatives** • Governance and reporting of health & safety matters with clear leadership accountabilities • Investment in health & safety capability in local operations to provide practical and applicable procedure and policy • Networked global response team to the COVID-19 pandemic with policies, tools and resources • Establishment of wellbeing initiatives and safe working from home procedures
Major disruption to critical infrastructure	There is a risk of interruption to one or more business processes due to disruption to a fulfilment center or critical technology infrastructure which impacts operational performance. **Key mitigating activities/ initiatives** • Cloud infrastructure to minimise risk and impact of outages • Development of business continuity and crisis management plans, stress and scenario testing and periodic review of exposures and controls and critical sites • Risk transfer via insurance programmes (property, business interruptions, cyber)
Cyber and information security	Cyber and information security risk continues to be an increasingly ubiquitous risk. GFG relies on leveraging its customer data to better understand and serve its customers. Cyber security attacks are increasing in both number and sophistication. GFG intends to develop its defence mechanisms to reflect this. **Key mitigating activities/ initiatives** • GFG's operating regions run systems and applications on physically segmented infrastructure with role-based access control and region-level isolation, providing natural risk isolation should there be a breach in one system • Investment in information security systems, capability and resources • Continual improvement with respect to security practices and policies • Periodic penetration testing to identify strengths and weaknesses

Social & Environmental Sustainability	GFG develops and manufactures products for its private label brands in a number of emerging markets where there is a risk that social and environmental conditions in the factories, mills or farms in our supply chain do not align with GFG's ethical trade standards. Specific risks include modern slavery, inadequate health and building safety standards, high levels of overtime and non-payment of wages and benefits. There is also the risk that the development of the materials which make up our private label products have a negative impact on the environment in terms of water and energy usage, carbon emissions and chemical run off. Third party brands carried on GFG's platforms may have similar risks present in their supply chain of which GFG has lower visibility. Finally, a transparent ethical and sustainable supply chain is a positive differentiator in the market, and aligns to the values and expectations of our customers and employees. In some markets, a proportion of our workforce is sourced via third-party labour agencies who are responsible for the ongoing management of the terms and conditions of employment. Hence there is a risk that these agencies do not meet GFG Group standards in terms of the treatment of workers. Specific risks noted in relation to agency workers include non-payment of wages and benefits, retention of passports, payment of recruitment fees and poor accommodation standards. Lastly, environmental risks exist in GFG's own operations, including a risk that they breach environmental regulations. The increasing impact of climate volatility and rising frequency and severity of extreme weather events, such as floods, hurricanes or fires, may pose a risk to our operations or that of our suppliers and therefore have an impact on business continuity. In the long term, the broader impacts of climate change may impact the cost and accessibility of materials used to manufacture products or other resources needed to operate GFG's business. **Key mitigating activities/ initiatives** • Comprehensive GFG Corporate Sustainability governance and standards by the GFG Supervisory Board Sustainability Committee and quarterly reporting to this forum on performance • Clear management accountability and responsibility for implementation of the group sustainability strategy and appropriate resourcing of these programmes in each operating market • Rigorous ethical trade standards in place for the private label supply chain, including auditing of all factories and adopting improvement plans or termination where applicable; standards reviewed and updated on an annual basis • Assessments of third party brand performance on sustainability and ESG and engagement with poorer performers to address gaps identified • Audits of third party labour agencies routinely carried out, adopting improvement plans or termination where applicable; standards reviewed and updated on an annual basis • Comprehensive environmental management programmes, which measure and mitigate GFG's impacts, and transition of operations, private label products and packaging to have a lower environmental footprint The full and extensive list of work carried out in this space is captured in the GFG Sustainability Report released in parallel with this report.

Financial risks

Budget and planning	The fashion ecommerce business in the developing markets in which GFG operates is highly volatile and subject to influence by a variety of variables and external factors. As such, business performance can be challenging to anticipate and accurately budget for. GFG recognises that a budget and forecast must continually evolve with the business. **Mitigating activities/ initiatives** • Strong budgeting disciplines and continuous process improvement • Robust control framework and recourse mechanisms • Focus on monitoring of key budget inputs and establishing output KPIs coupled with periodic review of performance
Funding and liquidity	The Group has historically been in a loss making position and as such has had to inject capital at regular intervals into the regional businesses. The Group successfully raised €120 million in additional capital through a share placement in November 2020 and continues to work towards becoming cash flow neutral. **Mitigating activities/ initiatives** • Close monitoring of the utilisation of cash and cash forecasts as part of the financial management reporting process • Secure project based financing for major capital expenditure • Execute local working capital facilities to manage local cash and forex • Focus on strong cost controls, to improve operating cash position

Compliance and Regulatory risks

Compliance with laws, regulations, and standards	As a Group that operates across twenty countries, each with a unique regulatory and legislative regime, GFG is continually subject to the risk of non-compliance with local laws and regulations. In addition, many of our territories have legislative systems which are at varying levels of maturity. **Mitigating activities/ initiatives** • Investment in legal and compliance capability in each region, with monitoring via Regional and Group GRC Committees and centralised Global Legal and GRC Function • Periodic in-depth review of material compliance obligations • Continuous review of changes to international and domestic legislation and assessment of the impact on the Group's business model

Management is satisfied that no risk, individual or collective, is currently considered to threaten the Group or Company as a going concern. Management believes that it has taken all necessary precautions to address existing risks and reduce their possible impact. Management have not identified any material uncertainties that cast a significant doubt on the Group's or Company's ability to continue as a going concern over a period of at least 12 months.

Opportunities

While GFG faces several risks, there are also many opportunities for the Group. The primary opportunities identified are:

Macroeconomic developments: Management believe that growth opportunities in GFG's markets will be driven by several macroeconomic, demographic and operational tailwinds that will increase customer's online purchasing for fashion and lifestyle, including urbanisation, growing disposable incomes, increasing customer engagement with mobile and other digital devices, and improved last-mile delivery capabilities. These tailwinds increase both the demand for fashion and lifestyle products, and grow the share of ecommerce within this sector.

Moreover, the prevalence of COVID-19 has seen a shift in consumer spend from offline to online. As a pure play ecommerce business, GFG is well positioned to benefit from this pattern of activity.

Category and segment expansion: Significant scope exists for GFG to continue rolling out all fashion and lifestyle categories across its regions and grow its market share. Adding relevant brands and growing assortment width is expected to increase NMV/Active Customer as GFG becomes a one-stop destination for fashion and lifestyle. Additionally, GFG has the opportunity to expand its coverage across price levels and other market-specific white spots.

Furthermore, changes in customer purchasing behaviour in light of shifting priorities and necessities, as influenced by responses to COVID-19, have been internalised to ensure categories remain relevant and reflect emerging customer wants and needs. This has seen an acceleration of expansion into categories such as home, kids and beauty.

Technology: Further innovation in technology will enable GFG to create an even more engaging shopping experience. Data analytics can be used to create an assortment catalogue that is increasingly curated and personalised for each customer. A localised approach to front-end technology, which allows us to be closer to the customer, creates an effective environment for innovation to be developed locally and then shared across the Group, once proven and successful. There are also opportunities for GFG to further centralise certain tools or platforms, thereby simplifying the IT landscape and reducing maintenance and costs, although over dependence is acknowledged as an associated risk.

Geographic expansion: GFG's platforms have been built for scale and could support a potential expansion into new markets. In particular, there are opportunities for GFG to expand into countries that are adjacent to its existing footprint in SEA and LATAM. Any potential geographic expansion would be focused on markets that offer similar growth opportunities to GFG's existing regions. These include markets that are relatively nascent in terms of ecommerce penetration, that offer an early mover advantage, have sizable populations with attractive demographics and that could be served by GFG's existing operating infrastructure.

REPORT ON EXPECTED DEVELOPMENTS AND OUTLOOK

In 2021, GFG aims to grow NMV by over 25 per cent, delivering between €2.3-2.4 billion in NMV and in the region of €1.5 billion revenue at 31 December 2020 exchange rates.

GFG also plans to make a modest improvement on profitability in 2021. Capex investment will be in the region of €60 million.

Luxembourg, 28 February 2021

On behalf of the Supervisory Board

Cynthia Gordon

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Global Fashion Group S.A.
5, rue Heienhaff
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Global Fashion Group S.A. ("the Company" or "GFG"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of Shares in affiliated undertakings

Risk identified
Global Fashion Group S.A. ("GFG"), as ultimate holding of a Group holding several affiliated entities holds a number of shares in affiliated undertakings, which are operating mainly in emerging markets in the fashion industry. As described in Note 2 to the financial statements, the shares in affiliated undertakings are valued at cost less any durable impairment in value. At least annually, the Company evaluates the carrying value of the investments. Impairment losses are measured and recorded based on the difference between the estimated recoverable amount and the carrying amount of the asset. Impairment of shares in affiliated undertakings is considered a key audit matter due to historical impairment, business industry and locations of these investments.

Our answer
Our audit procedures over the impairment of the shares in affiliated undertakings included, among others:

- Obtaining the latest capital call to which GFG subscribed or the shareholders' agreements to confirm the acquisition cost of each investment and the movement during the year.

- Obtaining and reading the latest financial statements of each investment in order to identify whether any going concern issue or liquidity issue exists at the investment level and ultimately if the investment is recoverable.

- Assessing the valuation model prepared by Management and its impairment test for the determination of the recoverable amount of the investments.

- Recomputing the fair value of equity interests of the investments prepared by Management and comparing the carrying value of the investments to the fair market value of equity interests in order to determine whether an impairment exists.

- Assessing the valuation of guarantees provided by the Company to direct or indirect affiliated companies.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on impairment as disclosed in Note 2 of the financial statements.

Other information

The Supervisory Board is responsible for the other information. The other information comprises the information included in the management report and the corporate governance statement in section 1.3 to section 1.8 in the annual report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Supervisory Board and of those charged with governance for the financial statements

The Supervisory Board is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Supervisory Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Supervisory Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supervisory Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supervisory Board.

- Conclude on the appropriateness of Supervisory Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Our responsibility is to assess whether the financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 26 June 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on section 1.3 to section 1.8 of the annual report is the responsibility of the Supervisory Board. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the financial statements of the Company as at 31 December 2020 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements. For the Company it relates to:

- Financial statements prepared in a valid xHTML format.

In our opinion, the financial statements of Global Fashion Group S.A. as at 31 December 2020 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Other matter

The corporate governance statement includes, when applicable, the information required by article 68ter paragraph (1) points a), b), e), f) and g) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Olivier Lemaire

Luxembourg, 11 March 2021


POLO SPORT
12 M. YACHT

FINANCIAL STATEMENTS

CONTENTS

BALANCE SHEET
as at 31 December 2020

ASSETS

In €	Note	31 Dec 2020	31 Dec 2019
B. Formation Expenses	3	2,942,738.40	3,783,520.80
C. Fixed Assets			
I. Intangible assets	4	32,754.36	44,335.62
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were		*32,754.36*	*44,335.62*
a) acquired for valuable consideration and need not be shown under C.I.3		*32,754.36*	*44,335.62*
b) created by the undertaking itself			
III. Financial assets	5	1,255,608,356.90	1,273,854,759.95
1. Shares in affiliated undertakings		*1,255,608,356.90*	*1,273,854,759.95*
		1,258,583,849.66	**1,277,682,616.37**
D. Current Assets			
II. Debtors	6	4,660,476.40	4,443,089.45
1. Trade debtors		*42,538.02*	*42,538.02*
a) becoming due and payable within one year		*42,538.02*	*42,538.02*
2. Amounts owed by affiliated undertakings		*3,846,279.92*	*3,804,300.11*
a) becoming due and payable within one year		*3,846,279.92*	*3,804,300.11*
4. Other debtors		*771,658.46*	*596,251.32*
a) becoming due and payable within one year		*771,658.46*	*596,251.32*
III. Investment			
1. Own shares	9	222,571.35	423,116.96
IV. Cash at bank and in hand	7	1,242,588.88	50,909,909.70
		6,125,636.63	**55,776,166.11**
E. Prepayments	8	719,867.82	2,773,815.94
Total Assets		**1,265,429,354.11**	**1,336,232,548.42**

BALANCE SHEET
as at 31 December 2020 (continued)

CAPITAL, RESERVES AND LIABILITIES

In €	Note	31 Dec 2020	31 Dec 2019
A. Capital and Reserves	9		
I. Subscribed capital		2,138,367.16	2,147,655.17
II. Share premium account		3,568,743,336.57	3,449,327,290.07
IV. Reserves		*222,571.35*	*423,116.96*
1. Reserve for own shares		*222,571.35*	*423,116.96*
V. Profit or loss brought forward		(2,273,201,248.18)	(2,268,539,699.32)
VI. Profit or loss for the financial year		**(43,671,676.00)**	(4,661,548.86)
		1,254,231,350.90	**1,178,696,814.02**
C. Creditors	10		
4. Trade creditors		*1,320,788.91*	*1,748,541.55*
a) becoming due and payable within one year		*1,320,788.91*	*1,748,541.55*
6. Amounts owed to affiliated undertakings		9,850,380.38	155,767,951.97
a) becoming due and payable within one year		1,091,933.86	9,388,351.21
b) becoming due and payable after more than one year		8,758,446.52	146,379,600.76
8. Other creditors		26,833.92	19,240.88
a) Tax authorities		7,694.59	4,122.62
b) Social security authorities		8,405.00	5,790.30
c) Other creditors		*10,734.33*	*9,327.96*
i) becoming due and payable within one year		*10,734.33*	*9,327.96*
		11,198,003.21	**157,535,734.40**
Total Capital, Reserves and Liabilities		**1,265,429,354.11**	**1,336,232,548.42**

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2020

In €	Note	31 Dec 2020	31 Dec 2019
4. Other operating income	11	**2,551,485.00**	**3,691,759.52**
5. Raw materials and consumables and other external expenses	12	**(8,201,455.03)**	**(20,858,089.79)**
a) Raw materials and consumables		(1,198.57)	(1,203.55)
b) Other external expenses		(8,200,256.46)	(20,856,886.24)
6. Staff costs	13	**(110,294.73)**	**(111,215.41)**
a) Wages and salaries		(97,400.05)	(96,277.39)
b) Social security costs		(12,894.68)	(14,938.02)
ii) other social security costs		(12,894.68)	(14,938.02)
7. Value adjustments		**(6,852,364.32)**	**(1,357,405.75)**
a) in respect of formation expenses and of tangible and intangible fixed assets	3, 4	(6,852,364.32)	(436,942.11)
b) in respect of current assets		-	(920,463.64)
8. Other operating expenses	14	**(292,838.21)**	**(618,216.04)**
9. Income from participating interests	16	**146,863,692.73**	**9,390,000.00**
a) derived from affiliated undertakings		146,863,692.73	9,390,000.00
11. Other interest receivable and similar income		**725,326.72**	**8,009,294.89**
a) derived from affiliated undertakings	6.14	672,968.88	504,318.17
b) other interest and similar income	15	52,357.84	7,504,976.72
14. Interest payable and similar expenses	17	**(178,351,616.91)**	**(2,802,861.28)**
a) concerning affiliated undertakings		(175,945,809.67)	(601,978.80)
b) other interest and similar expenses		(2,405,807.24)	(2,200,882.48)
16. Profit or loss after taxation		**(43,668,064.75)**	**(4,656,733.86)**
17. Other taxes not shown under items 1. to 17.	18	**(3,611.25)**	**(4,815.00)**
18. Profit or loss for the financial year		**(43,671,676.00)**	**(4,661,548.86)**

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

1. GENERAL INFORMATION

Global Fashion Group S.A. (hereafter the "Company" or "GFG" SA) was incorporated on October 1, 2014 and organised under the laws of Luxembourg as Société Anonyme for an unlimited period of time.

The registered office of the Company is established at 5, Heienhaff, L-1736 Senningerberg, Grand-Duchy of Luxembourg and the Company is registered with the Register of Commerce of Luxembourg under B 190907. The Company is the parent of Group companies (together the "Group") which operate in the online fashion business across three regions being Latin America, Asia-Pacific (APAC) and Commonwealth of Independent States (CIS) under the following brand names:

- Dafiti – LATAM
- Lamoda – CIS
- Zalora – SEA
- THE ICONIC – ANZ

The accounting year of the Company begins on 1 January and terminates on 31 December of each year.

The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control, and development of its portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect participation or right of any kind or which forms part of the same group of entities as the Company and lend funds, render services or otherwise assist any such entity in any other manner.

The Company may further provide all financial management services, including, but not limited to treasury management services, currencies management services, interest rate and foreign exchange risk management to any entity in which it holds a direct or indirect controlling interest.

The Company may raise funds, especially through borrowing in any form, and may issue any kind of notes, securities or debt instruments, bonds and debentures and generally issue any securities options to subscribe for securities of any type.

A further purpose of the Company is the (i) acquisition by purchase, registration or in any other manner as well as the transfer by sale, exchange or otherwise of intellectual and industrial property rights, (ii) the granting of license on such intellectual and industrial property rights, and (iii) the holding and the management of intellectual and industrial property rights.

The Company shall not, and shall not be permitted to, engage in activities which require any license, authorization, or registration under the law of 12 July 2013 on alternative investment fund managers, as amended.

The Company may carry out any commercial, industrial, financial, real estate, technical, intellectual property, or other activities which it may deem useful in accomplishment of these purposes.

The Company has a branch in Denmark whose accounts are included in this Financial Statements with the exception of the year ending 31 December 2020 as no movements have incurred at the branch level.

Since 2 July 2019, the shares of the Company are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (the "Listing").

The Company also prepares consolidated Financial statements, which are published according to the provisions of the Luxembourg law. The consolidated accounts are available at the registered office of the Company.

The Financial statements were approved and authorised for issue by the Supervisory Board on 28 February 2021.

The shareholders will ratify the approval of the Financial statements at the annual general meeting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Supervisory Board.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 on the accounting and Financial statements of undertakings as subsequently amended ("the Law"), determined and applied by the Supervisory Board.

The Financial statements of the Company are prepared under the historical cost convention.

The preparation of Financial statements requires the use of certain accounting estimates. It also requires the Supervisory Board to exercise their judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the Financial statements in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Financial statements therefore present the financial positions and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

Formation expenses
Formation expenses are written off on a straight-line basis over a period of 5 years.

Intangible assets
Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The depreciation rates and methods applied are as follows:

Category	Depreciation rate	Depreciation method
Concessions, patents, licenses, trademarks and similar rights and assets	33.33%	linear
Software	20%	linear

Financial assets
Shares in affiliated undertakings, loans to these undertakings and securities or other financial instruments held as fixed assets are valued at acquisition cost nominal value (loans) including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Supervisory Board, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Own shares
Own shares are initially measured at acquisition cost and recognised as an asset with a corresponding non-distributable reserve created from share premium and retained earnings. Own shares are subsequently re-measured at the lower of cost or market value using the average cost. Transferred or cancelled shares are valued using the average cost method. They are subject to value adjustments where their recovery is compromised. These value adjustments are reversed when the reasons for which the value adjustments were made have ceased to apply.

Debtors
Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Foreign currency translation
These Financial statements are expressed in Euro (EUR).

The transactions expressed in a currency other than €are translated into €at the exchange rate effective at the time of the transaction.

The translation at the balance sheet date is made according to the following principles:

- Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period;

- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. Solely the exchange gains are recorded in the profit and loss account at the moment of their realisation;

- Income and charges expressed in a currency other than €are translated into €at the exchange rate prevailing at the transaction date;

- Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

Consequently, only realised foreign exchange gains and losses and unrealised foreign exchange losses are taken into account in the profit and loss account.

Prepayments
This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year as well as debenture loans origination and further amendments costs which are amortised on a straight-line basis over remaining estimated debt periods based on the maturity of the financing agreements.

Cash at bank and in hand
Highly liquid investments with an original maturity of three months or less are considered to be cash at bank and in hand.

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or to the date on which they will arise.

At the close of business, each year, the Supervisory Board determines whether provisions should be set up to cover foreseeable liabilities and charges. Previous year's provisions are reassessed every year.

Provision for taxation corresponding to the difference between the tax liability estimated by the company and the advance payments for the financial years for which the tax return has not been filed are recorded under "tax debts".

Provisions may also be created to cover charges which originates in the financial year under review or in previous financial year.

Debts

Debts are recorded at their reimbursement value. The debt origination and further amendments costs are included in prepayments.

Expense recognition

Expenses are charged in the year they are incurred and they are stated on an accrual basis.

Other operating income

The Company's income principally comprises of consultancy and technical fees charged to affiliated companies. Income is recognised as earned.

3. FORMATION EXPENSES

The movements for the year are as follows:

In €	Total as at 31 Dec 2020	Total as at 31 Dec 2019
Gross book value - opening balance	4,203,912.00	-
Additions for the year	-	4,203,912.00
Gross book value - closing balance	4,203,912.00	4,203,912.00
Accumulated value adjustment - opening balance	(420,391.20)	-
Allocations for the year	(840,782.40)	(420,391.20)
Accumulated value adjustment - closing balance	(1,261,173.60)	(420,391.20)
Net book value - closing balance	**2,942,738.40**	**3,783,520.80**

The transaction costs qualifying as IPO (occurred in July 2019) related costs for a consideration of €4,203,912.00 have been capitalised under the caption "Formation expenses" and are amortised over five years.

4. INTANGIBLE ASSETS

The movements for the year are as follows:

In €	Software	Licenses	Total as at 31 Dec 2020
Gross book value – opening balance	55,419.53	39,360.00	94,779.53
Additions for the year	-	5,467.00	5,467.00
Gross book value – closing balance	55,419.53	44,827.00	100,246.53
Accumulated value adjustment – opening balance	(11,083.91)	(39,360.00)	(50,443.91)
Allocations for the year	(11,581.26)	(5,467.00)	(11,581.26)
Accumulated value adjustment – closing balance	(22,665.17)	(44,827.00)	(67,492.17)
Net book value – closing balance	**32,754.36**	**-**	**32,754.36**

In €	Software	Licenses	Total as at 31 Dec 2019
Gross book value – opening balance	45,194.98	39,360.00	84,554.98
Additions for the year	10,224.55	-	10,224.55
Gross book value – closing balance	55,419.53	39,360.00	94,779.53
Accumulated value adjustment – opening balance	-	(33,893.00)	(33,893.00)
Allocations for the year	(11,083.91)	(5,467.00)	(16,550.91)
Accumulated value adjustment – closing balance	(11,083.91)	(39,360.00)	(50,443.91)
Net book value – closing balance	**44,335.62**	**-**	**44,335.62**

5. SHARES IN AFFILIATED UNDERTAKINGS

The movements for the year are as follows:

In €	Total as at 31 Dec 2020	Total as at 31 Dec 2019
Gross book value – opening balance	2,624,018,859.30	2,350,863,777.64
Additions for the year	217,183,996.41	507,619,022.66
Disposals for the year	(229,430,399.46)	(234,463,941.00)
Gross book value – closing balance	2,611,772,456.25	2,624,018,859.30
Accumulated value adjustment – opening balance	(1,350,164,099.35)	(1,350,164,099.35)
Allocation for the year	(6,000,000.00)	-
Accumulated value adjustment – closing balance	(1,356,164,099.35)	(1,350,164,099.35)
Net book value – closing balance	**1,255,608,356.90**	**1,273,854,759.95**

As at 31 December 2020, the investment in Global Fashion group SGP Services Pte. Ltd presented an impairment of €6,000,000.00.

The additions of the year (€217,183,996.41) concern the investments in Global Fashion Group UK Finance Limited (addition of €209,983,996.41), Global Fashion Group SGP Services Pte. Ltd (addition of €6,000,000.00), and GFG eCommerce Technologies GmbH (addition of €1,200,000.00).

The disposals of the year (€229,430,399.46) concern the sale of Global Fashion Group TRM Ltd.

Name	Country	Own-ship %	Last balance sheet date	Net equity at the last balance sheet date €	Result for the last financial year €	Carrying value as at 31 Dec 2020 €	Carrying value as at 31 Dec 2019 €
Bigfoot GmbH	Germany	100%	31.12.2020	1,399,543,171.01	(10,561,430.12)	558,140,740.67	558,140,740.67
Jade 1159. GmbH	Germany	100%	31.12.2020	24,031,323.25	(12,388.59)	16,705,275.74	16,705,275.74
Jade 1218. GmbH	Germany	100%	31.12.2020	20,662,129.84	(5,652.77)	19,724,719.02	19,724,719.02
GFG Ireland Finance Designated Activity Company	Ireland	100%	31.12.2020	44,079.97	(6,552.20)	110,100.23	110,100.23
GFG UK Finance Limited	United Kingdom	100%	31.12.2020	656,778,652.07	19,973,016.38	656,983,576.81	446,999,580.40
Global Fashion Group TRM Ltd [1]	United Kingdom	100%	31.12.2020	53,982,052.19	(254,082.75)	-	229,430,398.80
GFG SGP Services Pte. Ltd	Singapore	100%	31.12.2020	(73,588,535.84)	(27,666,469.85)	0.66	0.66
GFG Luxembourg One S.A.r.l.	Luxem-bourg	100%	31.12.2020	4,716,351.82	421,392.23	2,000,000.00	2,000,000.00
GFG eCommerce Technologies GmbH	Germany	100%	31.12.2020	4,546,672.01	849,247.54	1,943,944.43	743,944.43

1 Global Fashion Group TRM Ltd (previously Global Fashion Group Middle East Holdings (UK) Limited) was disposed of during the year ended 31 December 2020.

Name	Country	Ownership %	Gross book value 31 Dec 2020 €	Accumulated Value Adjustments 31 Dec 2020 €	Net book value 31 Dec 2020 €
Bigfoot GmbH	Germany	100.00	1,839,475,277.38	(1,281,334,536.71)	558,140,740.67
Jade 1159. GmbH	Germany	100.00	53,620,623.60	(36,915,347.86)	16,705,275.74
Jade 1218. GmbH	Germany	100.00	51,638,933.80	(31,914,214.78)	19,724,719.02
Global Fashion Group Ireland Finance Designated Activity Company	Ireland	100.00	110,100.23	-	110,100.23
Global Fashion Group UK Finance Limited	United Kingdom	100.00	656,983,576.81	-	656,983,576.81
Global Fashion Group Middle East Holdings (UK) Limited	United Kingdom	100.00	-	-	-
Global Fashion Group SGP Services Pte. Ltd.	Singapore	100.00	6,000,000.00	(6,000,000.00)	-
GFG Luxembourg One S.à r.l.	Luxembourg	100.00	2,000,000.00	-	2,000,000.00
GFG eCommerce Technologies GmbH	Germany	100.00	1,943,944.43	-	1,943,944.43
			2,611,772,456.25	**(1,356,164,099.35)**	**1,255,608,356.90**

In the opinion of the Supervisor Board, the investments in the above companies do not present further permanent impairment as of 31 December 2020.

On 2 September 2020, Global Fashion Group Middle East Holdings (UK) Limited paid a dividend to the Company for €146,863,692.73 (note 16).

On 25 September 2020, the Company sold all its shares in the affiliate Global Fashion Group Middle East Holdings (UK) Limited to Global Fashion Group UK Finance Limited for an amount of €53,974,544.19. The company recorded a loss of €175,455,854.61 (note 17).

On 15 December 2020, the receivable of €54,483,996.42 from Global Fashion Group UK Finance Limited was converted into equity of this company.

In December 2020, a Danish branch of Global Fashion Group S.A. has been opened. The branch has been registered locally as "GFG Denmark, filial af Global Fashion Group S.A., Luxembourg". No funding has occurred to date. The purpose for the branch is to support local payroll arrangements for a member of management.

During 2020, Global Fashion Group Middle East Holdings (UK) Limited changed its name to Global Fashion Group TRM Ltd.

Name	Country	Ownership %	Gross book value 31 Dec 2019 €	Accumulated Value Adjustments 31 Dec 2019 €	Net book value 31 Dec 2019 €
Bigfoot GmbH	Germany	100.00	1,839,475,277.38	(1,281,334,536.71)	558,140,740.67
Jade 1159. GmbH	Germany	94.71	53,620,623.60	(36,915,347.86)	16,705,275.74
Jade 1218. GmbH	Germany	94.81	51,638,933.80	(31,914,214.78)	19,724,719.02
Global Fashion Group Ireland Finance Designated Activity Company	Ireland	100.00	110,100.23	-	110,100.23
Global Fashion Group UK Finance Limited	United Kingdom	100.00	446,999,580.40	-	446,999,580.40
Global Fashion Group Middle East Holdings (UK) Limited	United Kingdom	100.00	229,430,398.80	-	229,430,398.80
Global Fashion Group SGP Services Pte. Ltd.	Singapore	100.00	0.66	-	0.66
GFG Luxembourg One S.à r.l.	Luxembourg	100.00	2,000,000.00	-	2,000,000.00
GFG eCommerce Technologies GmbH	Germany	100.00	743,944.43	-	743,944.43
			2,624,018,859.30	**(1,350,164,099.35)**	**1,273,854,759.95**

6. DEBTORS

As at 31 December 2020 and 2019, the debtors' balance comprises the following:

In €	Within one year	After more than one year	Total 31 Dec 2020
Trade debtors	42,538.02	-	42,538.02
Amounts owed by affiliated undertakings [1]	3,846,279.92	-	3,846,279.92
Other debtors [2]	771,657.46	-	771,658.46
Total debtors	**4,660,475.40**	**-**	**4,660,476.40**

In €	Within one year	After more than one year	Total 31 Dec 2019
Trade debtors	42,538.02	-	42,538.02
Amounts owed by affiliated undertakings [1]	3,804,300.11	-	3,804,300.11
Other debtors [2]	596,251.32	-	596,251.32
Total debtors	**4,443,089.45**	**-**	**4,443,089.45**

1 As at 31 December 2020, amounts owed by affiliated undertakings are composed of: Intercompany loans due within one year and bearing a fixed interest rate of 0.5%, granted for a total amount of €2,811,151.56 (2019: €1,169,862.06), including accrued interests, and of intercompany receivables for an amount of €1,035,128.36 (2019: €2,634,438.05).

2 As at 31 December 2020, other debtors are composed of (i) VAT receivables for an amount of €3,058,071.03, offset with VAT payables of €2,223,896.98, and TVA of prior years of €71,859.30 (2019: net receivable of €596,251.32), (ii) the liabilities from wages and salaries of €4,527.71, and (iii) the advance of the net worth tax 2020 paid for an amount of €4,815.00.

7. CASH AT BANK AND IN HAND

As at 31 December 2020, cash at bank and in hand includes current account balances amounting to €1,242,588.88 (2019: €50,909,909.70, this amount included €20,000,000.00 of restricted account balances from the Revolving Credit Facility ("RCF")).

8. PREPAYMENTS

As at 31 December 2020, prepayments are mainly composed of loan origination costs amounting to €718,259.68 (2019: €2,773,815.94).

9. CAPITAL AND RESERVES

The movements on the capital and reserves items during the year are as follows:

In €	Subscribed capital	Share premium account	Reserves for own shares	Profit or loss brought forward	Profit or loss for the financial year	Total
As at 31 Dec 2019	2,147,655.17	3,449,327,290.07	423,116.96	(2,268,539,699.32)	(4,661,548.86)	1,178,696,814.02
Prior year's result allocation	-	-	-	(4,661,548.86)	4,661,548.86	-
Capital increase	191,257.60	-	-	-	-	191,257.60
Capital decrease	(200,545.61)	-	-	-	-	(200,545.61)
Own shares	-	-	(200,545.61)	-	-	(200,545.61)
Proceeds from issued share capital	-	119,416,046.50	-	-	-	119,416,046,50
Net profit for the year	-	-	-	-	(43,671,676.00)	(43,671,676.00)
As at 31 Dec 2020	**2,138,367.16**	**3,568,743,336.57**	**222,571.35**	**(2,273,201,248.18)**	**(43,671,676.00)**	**1,254,231,350.90**

Subscribed capital

As of 31 December 2019, the subscribed capital is composed of 214.765.517 common shares with a par value of €0.01 per share.

The following operations have taken place during the year:

On 25 February 2020, the Management Board has further resolved to increase, conditional to the receipt of the subscription price and the subscription certificates by the Company, the Company's share capital by seven hundred sixty-three Euro and ten cents (€763.10) so as to raise it from its current amount of two million one hundred forty-seven thousand six hundred fifty-five Euro and seventeen cents (€2,147,655.17) up to two million one hundred forty-eight thousand four hundred eighteen Euro and twenty-seven cents (€2,148,418.27) through the issue of seventy-six thousand three hundred ten (76,310) common shares in dematerialised form with a nominal value of one cent (€0.01) each.

On 25 June 2020, the Management Board has further resolved to increase, conditional to the receipt of the subscription price and the subscription certificates by the Company, the Company's share capital by an amount of twenty-five thousand four hundred ninety-four Euro and fifty cents (€25,494.50) so as to raise it from two million one hundred forty-eight thousand four hundred eighteen Euro and twenty-seven cents (€2,148,418.27) up to two million one hundred seventy three thousand nine hundred twelve Euro and seventy-seven cents (€2,173,912.77) through the issue of two million five hundred forty-nine thousand four hundred fifty (2,549,450) common shares in dematerialised form with a nominal value of one cent (€0.01) each.

On 26 June 2020, the Management Board has further resolved to decrease the issued share capital of the Company by an amount of two hundred thousand five hundred forty-five Euro and sixty-one cents (€200,545.61) in order to bring it from its current amount of two million one hundred seventy three thousand nine hundred twelve Euro and seventy-seven cents (€2,173,912.77) down to an amount of one million nine hundred seventy-three thousand three hundred sixty-seven Euro and sixteen cents (€1,973,367.16), by way of redemption and cancellation of twenty million fifty-four thousand five hundred sixty-one (20,054,561) common shares held by the Company and amendment of article 5.1 of the articles of association of the Company.

On 18 November 2020, the Management Board has resolved to increase, conditional to the receipt of the subscription price and the subscription certificate by the Company, the Company's share capital by an amount of one hundred sixty-five thousand Euro (€165,000) so as to raise it from one million nine hundred seventy-three thousand three hundred sixty-seven Euro and sixteen cents (€1,973,367.16) up to two million one hundred thirty-eight thousand three hundred sixty-seven Euro and sixteen cents (€2,138,367.16) through the issue of sixteen million five hundred thousand (16,500,000) common shares in dematerialised form with a nominal value of one cent (€0.01) each.

As of 31 December 2020, the subscribed capital is composed of 213.836.716 common shares with a par value of €0.01 per share.

The table below details the share capital movements during the year:

	Number common of shares	Nominal amount in €m (par value 0.01)	Share Capital €m	Share premium €m
At 1 January 2020	**214,765.517**	**n/a**	**2.1**	**3.449**
Additions of the year	19,125.760	0.01	-	119
Disposals for the year	20,054.561	0.01	-	-
Balance as at 31 December 2020	**213,836.716**	**n/a**	**2.1**	**3.568**

Each common share entitles the holder to one vote at Global Fashion Group's Annual General Meeting. The nominal value of all common shares is fully paid.

Share premium account

As of 31 December 2020, the share premium amounts to €3,568,743,336.57 (2019: €3,449,327,290.07).

Reserves for own shares

Further to the capital decrease which took place on 26 June 2020, the Company has adjusted appropriately its reserve for own shares with the movements of the year in the number and value of own shares in accordance with the Luxembourg law.

Legal reserve

The Company is required to appropriate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

10. CREDITORS

As at 31 December 2020 and 2019, amounts due and payable for the accounts shown under "Creditors" are as follows:

In €	Within one year	Within two and five years	After five years	Total 31 Dec 2020
Trade creditors	1,320,788.91	-	-	1,320,788.91
Amounts owed to affiliated undertakings	1,091,933.86	8,758,446.52	-	9,850,380.38
Tax and social security debts	16,099.59	-	-	16,099.59
Other creditors	10,734.33	-	-	10,734.33
Total creditors	**2,439,556.69**	**8,758,446.52**	**-**	**11,198,003.21**

In €	Within one year	Within two and five years	After five years	Total 31 Dec 2019
Trade creditors	1,748,541.55	-	-	1,748,541.55
Amounts owed to affiliated undertakings	9,388,351.21	146,379,600.76	-	155,767,951.97
Tax and social security debts	9,912.92	-	-	9,912.92
Other creditors	9,327.96	-	-	9,327.96
Total creditors	**11,156,133.64**	**146,379,600.76**	**-**	**157,535,734.40**

As at 31 December 2020, trade creditors are mainly composed of the provisions for closing and auditing costs for an amount of €559,848.24. (2019: €829.938,24).

As at 31 December 2020, amounts owed to affiliated undertakings are mainly composed of the payable to Internet Services Australia 1 Pty Limited, for an amount of €5,327,917.02 and the payable to GFG UK Services Limited, for an amount of €4,522,128.57. The interest expense for the year 2020 is amounting to €489,955.06 (2019: 601,978.80). The loan is repayable on demand. However, the lender has agreed not to claim these amounts within the 12 months period. Accordingly, this liability is classified as non-current. The interest rate for amounts owed to Internet Services Australia 1 Pty Limited and GFG UK Services Limited was nil.

11. OTHER OPERATING INCOME

The other operating income mainly consists of recharging of legal and consulting costs to Group companies.

12. RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES

The raw materials and consumables and other external expenses are composed as follows:

In €m	Total 31 Dec 2020	Total 31 Dec 2019
Raw materials and consumables	**(1.198,57)**	**(1.203,55)**
Other external fees	**(1,198.57)**	**(1,203.55)**
Other external expenses	**(8,200,256.46)**	**(20,856,886.24)**
Legal fees	(2,138,204.18)	(4,896,187.82)
Intercompany consultancy fees	-	(3,553,299.57)
Consultancy fees	-	(331,549.28)
Accounting and audit fees	(1,196,382.31)	(1,759,170.66)
Share based compensation	(1,549,680.32)	(9,388,351.21)
Other external fees	(509,689.99)	(928,327.70)
Other operational expenses	(2,806,299.66)	-
Raw materials and consumables and other external expenses	**(8,201,455.03)**	**(20,858,089.79)**

13. STAFF

The Company did employ one employee during the year (2019: one employee).

14. OTHER OPERATING EXPENSES

The other operating expenses are composed as follows:

In €m	Total 31 Dec 2020	Total 31 Dec 2019
Non deductible VAT	-	(418,420.48)
Director's fee	(275,252.59)	(187,245.63)
Software licenses	(17,585.62)	(12,549.93)
	(292,838.21)	**(618,216.04)**

15. OTHER INTEREST AND SIMILAR INCOME

In 2020, other interest and similar income is mainly composed of realised foreign exchange gains of €203,662.66 (2019: 715,558.02), other revenues of €6,327.40 and interest and similar revenues of €515,336.66.

16. INCOME FROM PARTICIPATING INTERESTS

During the year 2020, the Company received dividends from its affiliated undertakings companies for an amount of €146,863,692.73 (note 5).

17. INTEREST PAYABLE AND SIMILAR EXPENSES

In 2020, other interest and similar expense is mainly composed of the net off of the cost of sale (€229,430,398.80), and the proceeds on the sale (€53,974,544.19) of Global Fashion Group TRM Limited, and interest on intercompany loans of €1,778,664.13, the amortization charges of €410,612.00 and the foreign exchange losses of €706,486.17.

18. TAXATION

The Company is subject to all the taxes relevant to commercial companies in Luxembourg.

19. AUDITOR'S FEES

Art. 65 paragraph (1) 16° of the Law of December 19th, 2002 on the register of commerce and companies and the accounting and Financial statements of undertakings (the "law") requires the disclosure of the independent auditor fees. In conformity with the law, these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed, and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

20. RELATED PARTIES TRANSACTIONS

The Company conducts transactions with affiliated entities of GFG Group on normal commercial terms and conditions. These transactions may include loans granted/received to/from group entities (Notes 6 and 10), intercompany recharges in connection with delivery/reception of services and other operations.

21. OFF BALANCE SHEET COMMITMENTS

During the year, the Company issued guarantees to suppliers of some of its direct or indirect subsidiaries, agreeing to provide support and assistance and secure payment obligations. Details are as follows:

Date issued	Supplier	Payment obligation limit (EUR)
09.01.20	Popken Fashion GmbH	150,000
02.02.20	DKH Retail Limited (Superdry)	1,400,000
14.02.20	BNS	382,651
02.04.20	Tendam Retail, S.A (Springfield)	125,000
14.05.20	Tarak International (Quiz)	26,000
14.05.20	Poelman B.V.	55,000
29.05.20	2XU Pty Ltd	44,006
29.05.20	Pottencial Seguradora S.A.	538,018
11.06.20	Michael Kors	500,000
16.06.20	Ralph Lauren	814,930
17.07.20	PUMA	1,639,934
21.07.20	Adidas	5,466,446
06.08.20	Under Armour Europe B.V.	2,500,000
24.08.20	Accent Brands	786,361
29.09.20	Kacoo Fashion Ltd/ Glamourous	278,077
01.10.20	Whistles	133,477
05.10.20	Company Vejle	90,000

During the prior year the Company gave to its direct or indirect subsidiaries some guarantees which are disclosed below:

- On 20 December 2019, the Company issued a Guarantee letter to Koton Magazacilik Tekstil San. Ve TiC. A.S., a supplier of an indirect subsidiary, agreeing to provide all support and assistance to its indirect subsidiary. This means that the Company will give all securities, including all bank guarantees, deposits and standby letters of credits, already issued to the supplier on and/or prior to the date of this Guarantee at the request of its indirect subsidiary in order to secure their payment obligation up to an amount of €150,000.00.

- On 20 November 2019, the Company issued a Guarantee letter to Newrock Shoes S.I., a supplier of an indirect subsidiary, agreeing to provide all support and assistance to its indirect subsidiary. This means that the Company will secure their payment obligation up to an amount of €30,000.00.

- On 15 October 2019, the Company issued a Guarantee letter to Mario Valentino SPA, a supplier of an indirect subsidiary, agreeing to provide all support and assistance to its indirect subsidiary. This means that the Company will give all securities, including all bank guarantees, deposits and standby letters of credits, already issued to the supplier on and/or prior to the date of this Guarantee at the request of its indirect subsidiary in order to secure their payment obligation up to an amount of €100,000.00.

- On 13 June 2019, the Company issued a Guarantee letter to Abercrombie & Trading CO., Abercrombie & Fitch Europe SAGL and all them direct and indirect subsidiaries which include all support and assistance to its indirect subsidiary. This means that the Company will secure their payment obligation up to an amount of USD 2,500,000.00 (€2,232,150.00).

The Company is committed through awards to members of the management and other employees under terms and conditions of share based compensation plans to issue shares of the Company or to settle awards in cash. The issuance of shares or the settlement in cash is subject to the achievement of service and conditions as set out in the plans below:

- With respect to the existing ESOP (Employee Share Option Plan) 2018, the Company is committed to issue a maximum number of 8.956.057 (2019: 9,243,382) shares at an average exercise price of €6,99 (2019: €7.18), of which 8.831.261 (2019: 7,804,909) options are vested as of 31 December 2020. Exercise requires the payment of the agreed exercise price.

- Cash settlement liabilities related to the ESOP 2018 amount to €nil (2019: 9.4 million).

- In September 2019, the Company launched a new Share Plan. All units vest over two to three years and PSUs are additionally subject to non-market performance conditions that the Company will set for each year. Other PSU tranches are subject to rolling performance goals covering more than one year. Units that vested in April 2020 were subject to a lock up period of 1 year from the date of the IPO, being 2 July 2019. On 3 July 2020, the lock-up period ended and participants were entitled to exercise all vested shares. Certain senior level executives are subject to a holding period of maximum 4 years after their units are granted. There is no dividend entitlement on all stock units during the vesting period. Upon vesting, and subject to any holding period, legal ownership of GFG shares is transferred to the participants except where cash settlement is required by local regulations. The settlement amount in cash will be equal to the market price of GFG Shares on the vesting date or, if applicable, the date when the holding period expires. Furthermore, the plan rules foresee various discretions for the Board as well as good and bad leaver provisions. In 2020, 4.198.937 (2019: 3.945.410) share units were granted to participants of the 2019 Share plan. 1.482.509 (2019: 212.840) units were and 1.173.136 (2019: nil) were exercised during the year. The fair value of the awards granted is equal to the GFG share price quoted on the Frankfurt stock exchange. The weighted average fair value of the units granted during the period was €2,22 (2019: €2,11). The number of awards due to vest in 2021 is 2.779.565. The weighted average remaining contractual life for outstanding units was 1,84 years.

In addition, in line with standard business practice, various Company subsidiaries have given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries and associates to parties outside the Group. The Company currently estimates that potential exposure related to such guarantees, indemnities and warranties could be up to €7.9 million (2019: €12.4 million), however, the ultimate liability for legal claims may vary from the amounts provided and is dependent upon the outcome of any potential litigation proceedings, investigations and/or possible settlement negotiations.

Non-current and current receivables from deposits, restricted cash and term deposits include €nil (2019: €20.00 million) restricted cash that provides guarantees to banks, suppliers and leasing partners under a historic credit facility.

The Company issued several letters of support to its subsidiaries.

22. ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE MANAGERIAL AND SUPERVISORY BODIES

There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during the financial year.

23. SUBSEQUENT EVENTS

On 3 March 2021, Global Fashion Group S.A. launched an offering of approximately €375 million Convertible Bonds. The Convertible Bonds are expected to be issued by the Company on or around 15 March 2021, at 100% of their principal amount with a denomination of €100,000 each and will be redeemed at their principal amount on 15 March 2028, unless previously converted, redeemed or repurchased and cancelled. The bonds were successfully placed on 4 March 2021.

There are no other events subsequent to the year end that would require a disclosure in the consolidated financial statements.

FINANCIAL DEFINITIONS

Active Customers

Active Customers are the number of customers who have purchased at least one item after cancellations, rejections and returns in the last twelve months.

Adjusted EBITDA

Adjusted EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses, and adjusted for share-based payment (income)/expenses as well as one-off fees related to the IPO, one-off tax adjustments, non-trading income and costs relating to the wind-down of Lost Ink Limited.

Average order value

Average order value is defined as the NMV per order.

Capex

Capital expenditure shows the additions to property, plant and equipment, including those due from business combinations and excluding additions to IFRS 16 Right-of-use assets, and additions to intangible assets.

EBITDA

EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses.

Net Merchandise Value

Net Merchandise Value ("NMV") is defined as the value of goods sold including value-added tax ("VAT")/goods and services tax ("GST") and delivery fees, after actual or provisioned rejections and returns.

Net working capital

Net working capital is calculated as inventories plus current trade and other receivables less current trade payables and other financial liabilities.

Order frequency

Order frequency is defined as the average number of orders per customer per year (calculated as the last twelve month's orders divided by active customers).

FINANCIAL CALENDAR

19 May 2021	Q1 2021 Results
29 June 2021	Annual General Meeting
19 August 2021	Q2 2021 Results
17 November 2021	Q3 2021 Results

INFORMATION RESOURCES

Further information including corporate news, reports and publications can be found in the Investor Relations section of our website at https://ir.global-fashion-group.com

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