



fashionette<sup>®</sup><sub>f</sub>

— FY 2020 RESULTS —

# AGENDA

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- Business Update
- Financial Update
- Q&A



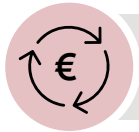
# 2020 FY RESULTS EXCEEDED AMBITIOUS TARGETS - CONFIRMED PROFITABLE GROWTH OUTLOOK ACCELERATED BY ACQUISITION



€ 94.8m Net Revenue resulting in +30% YoY growth



€ 8.9m adjusted EBITDA (+25% YoY) leading to 9.4% adjusted EBITDA Margin



€ 4.6m Free Cash Flow demonstrating strong cash conversion



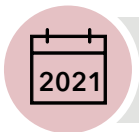
357k active customers (+49% YoY) driven by 240k new customers (+63% YoY)



>14,000 SKUs (+59% YoY) from more than 180 brands (+37% YoY)



Market tailwind expected to continue to drive online penetration to ~30% by 2025



FY 2021 Guidance\*: Expected Net Revenue growth to approx. € 141m - € 150m at an adjusted EBITDA of approx. € 5.0m - € 6.9m

\* Closing of Brandfield acquisition expected for July 1st - Brandfield guidance reflects July to December 2021 Net Revenue and adjusted EBITDA (proforma consolidated)

# SELECTIVE HIGHLIGHTS 2020



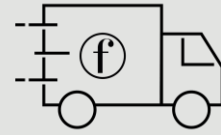
40m

Site visits  
(+46% YoY)



82%

Mobile traffic share  
of site visits



608k

Orders  
(+46% YoY)

★ Trustpilot

4.8/5

Excellent  
customer ratings\*



68%

Proportion of  
female employees

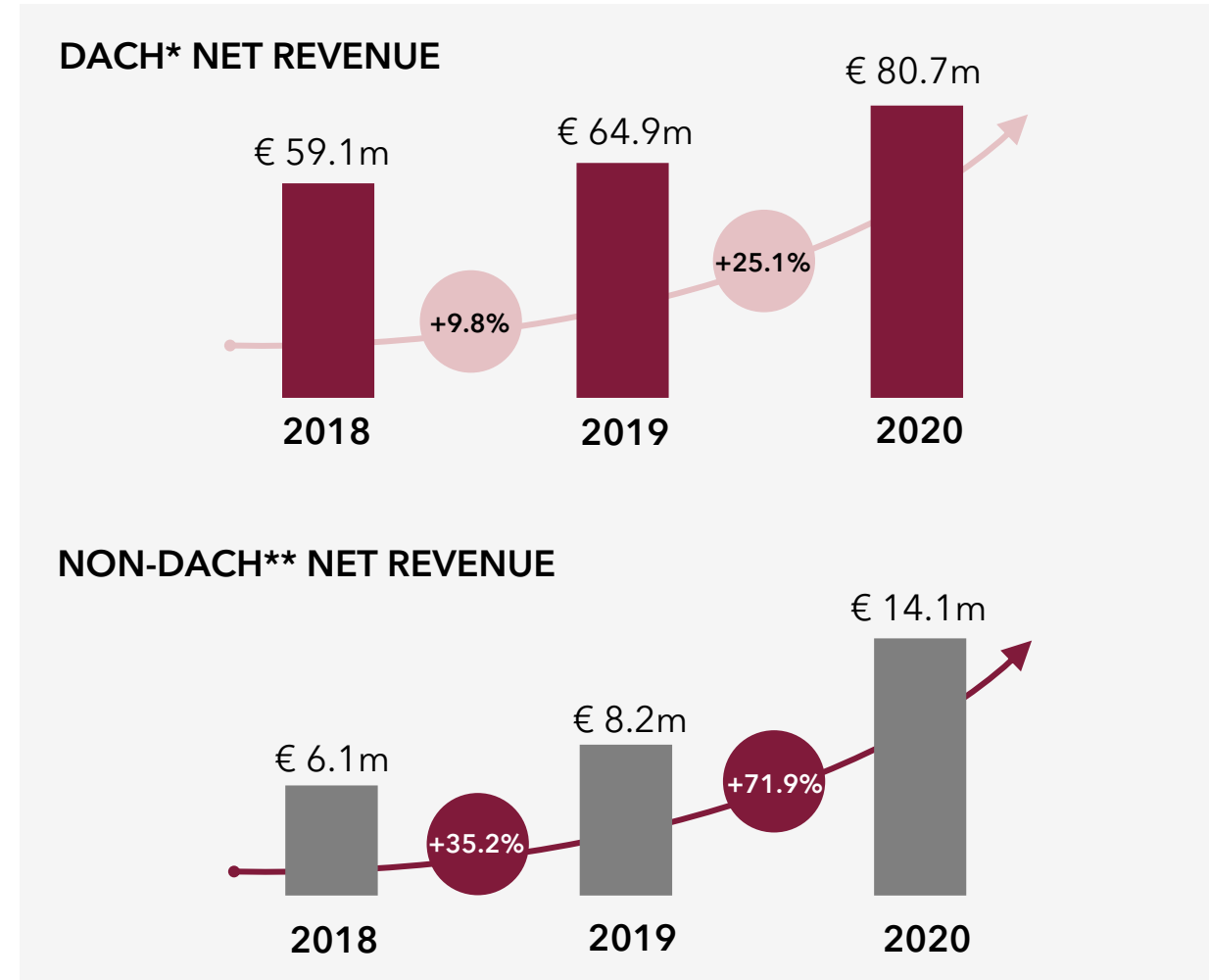
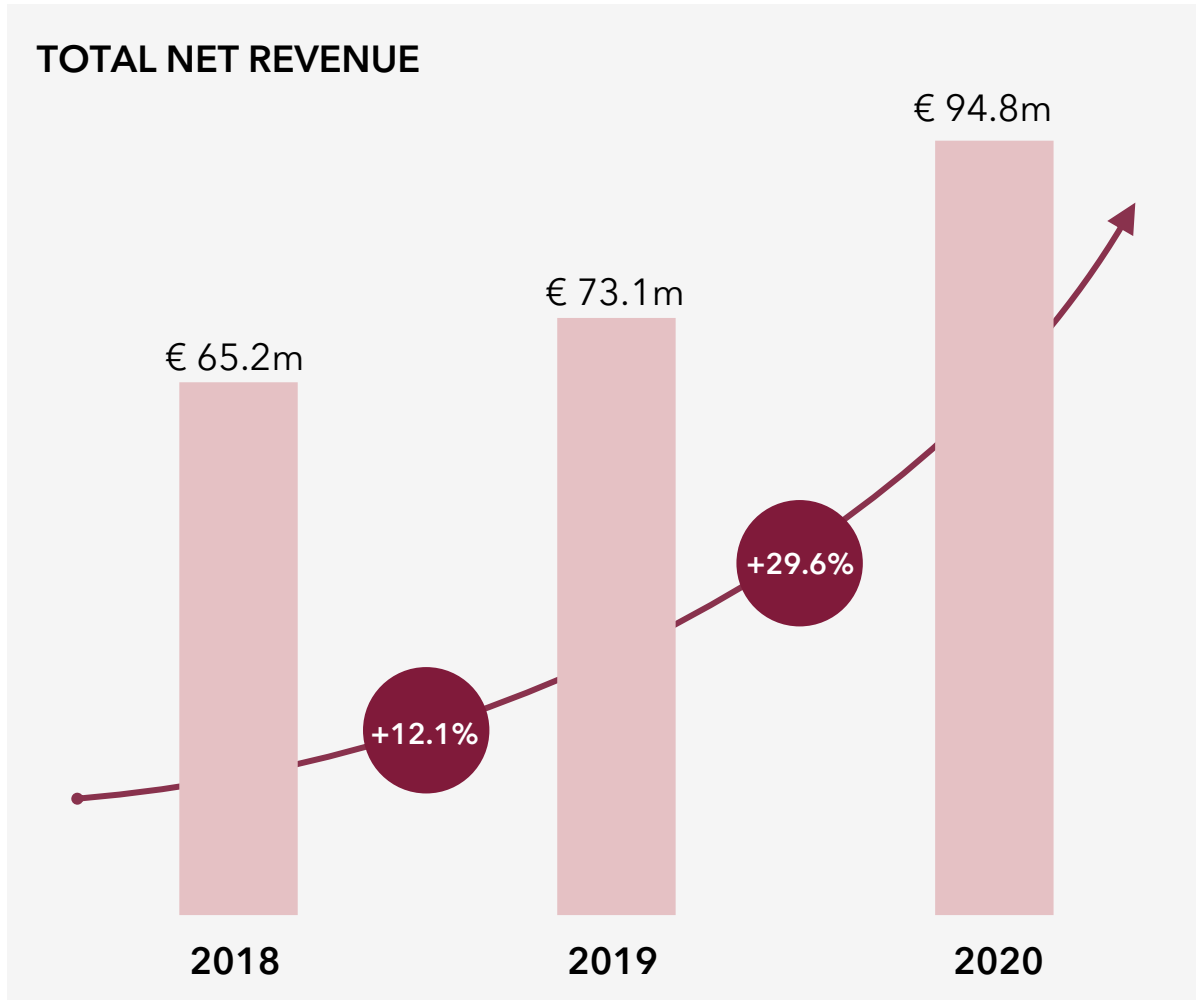


24%

Own brands share  
of jewelry Net Revenue

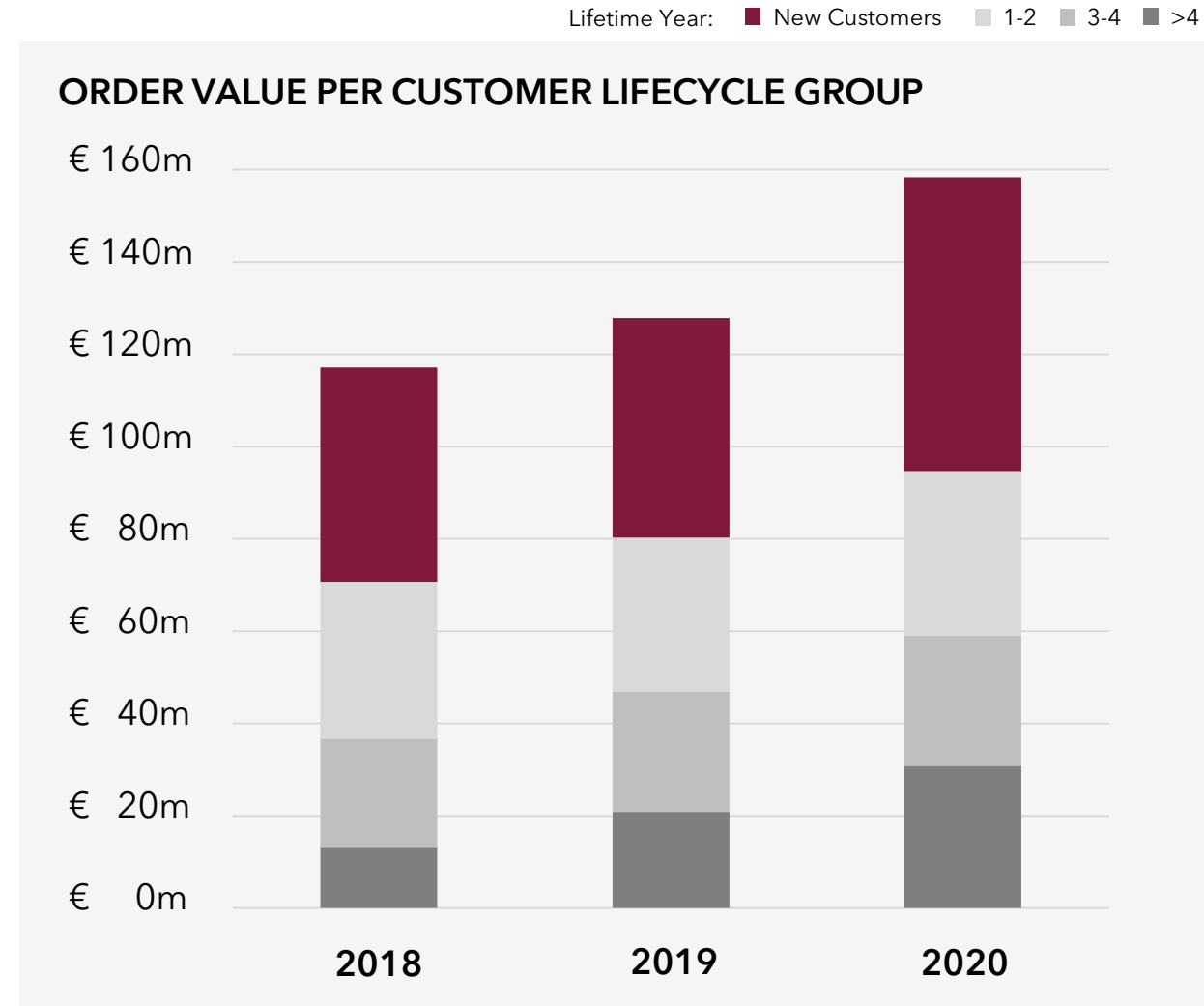
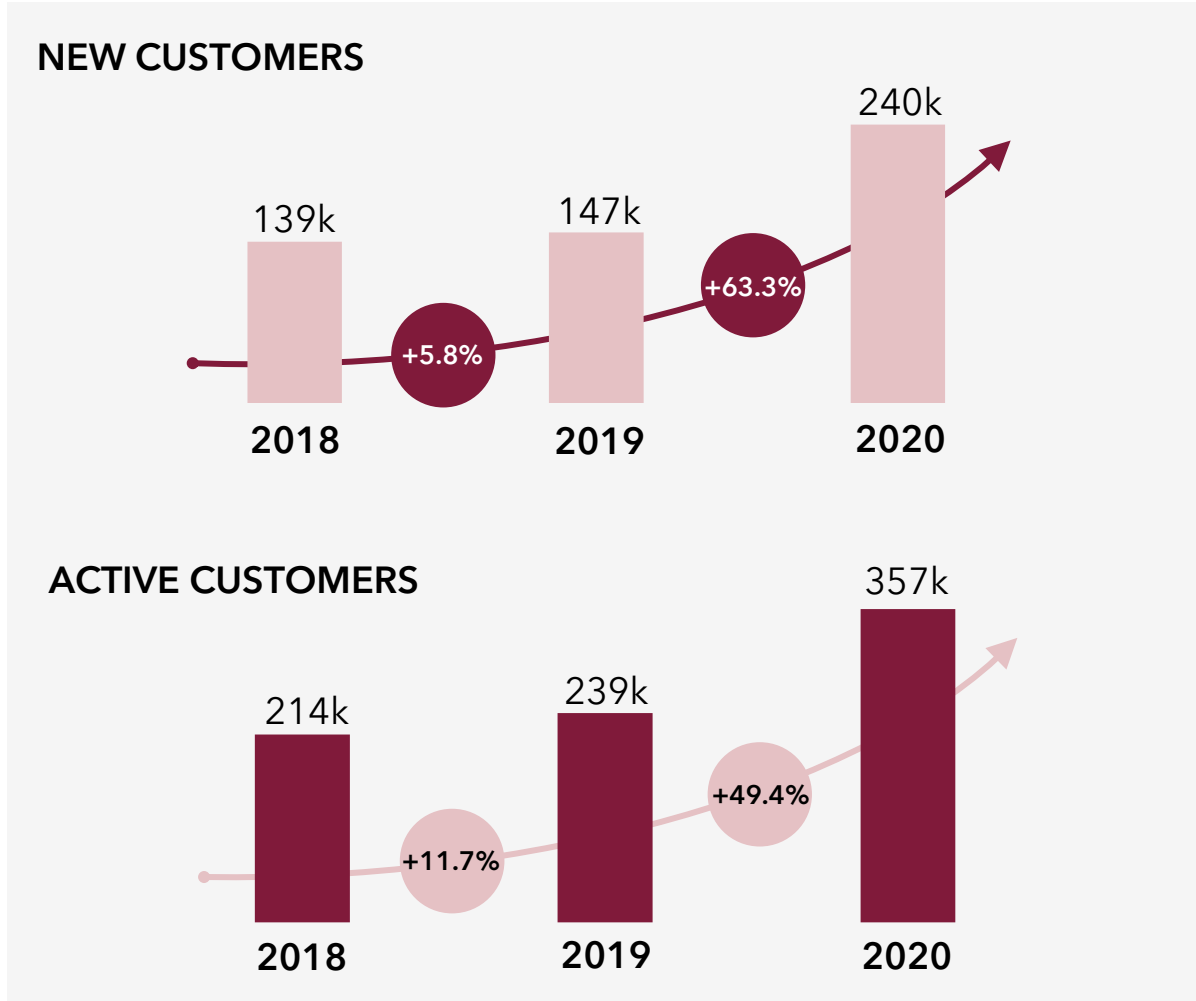


# STRONG NET REVENUE GROWTH IN CORE REGION DACH\* AND CONTINUED ACCELERATION OF GROWTH IN NEW COUNTRIES...

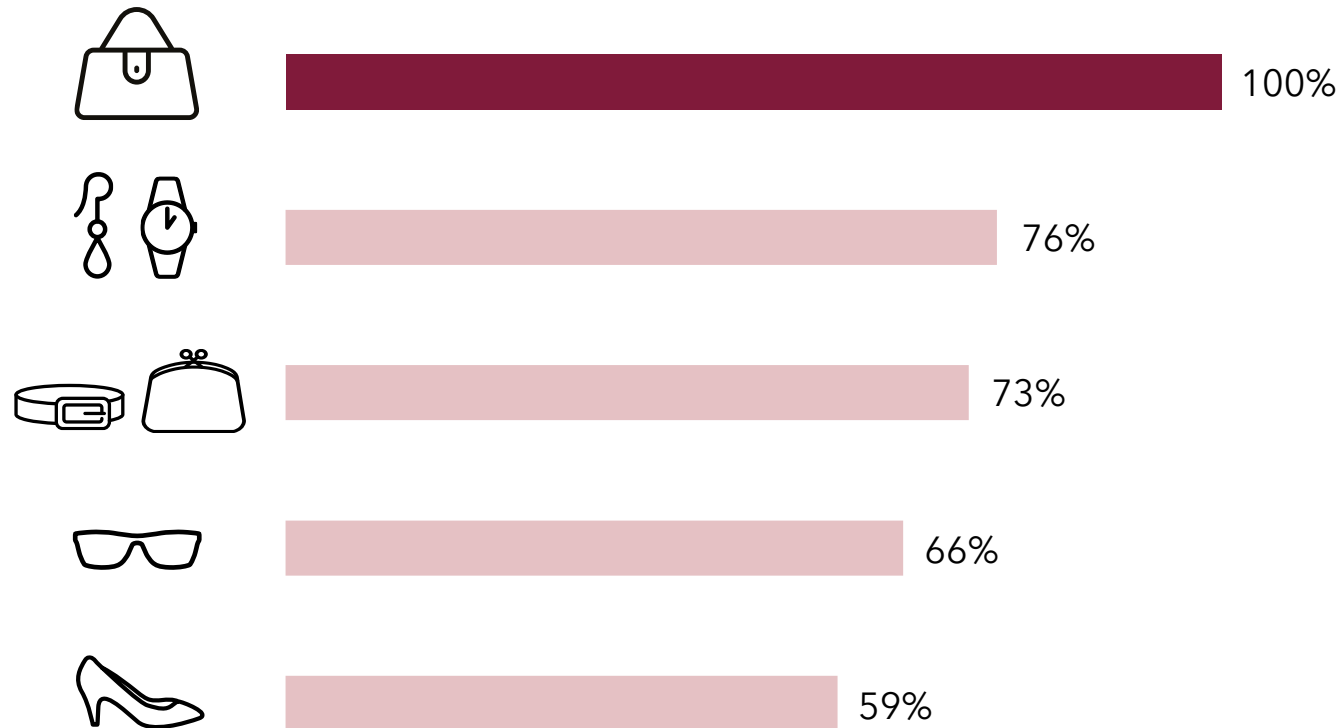


\* DACH: Germany, Austria, Switzerland  
\* NON-DACH: France, Italy, Netherlands, Sweden, UK

# ...DRIVEN BY EXCITING GROWTH OF ACTIVE & NEW CUSTOMERS LEADING TO A VERY ATTRACTIVE COHORT DEVELOPEMENT



# HANDBAGS ARE JUST THE STARTING POINT FOR CROSS-SELLING OPPORTUNITIES



Women who have bought a designer handbag are very likely to shop in adjacent

## FASHION ACCESSORY CATEGORIES.

Market research shows:

76% of all women who have bought a designer handbag during the last two years also shopped jewelry and watches.

# CONTINUED DEVELOPMENT OF OUR SELECTION IN ALL CATEGORIES...



From an e-commerce retailer originally focused on handbags to a leading online platform for premium and luxury fashion accessories:

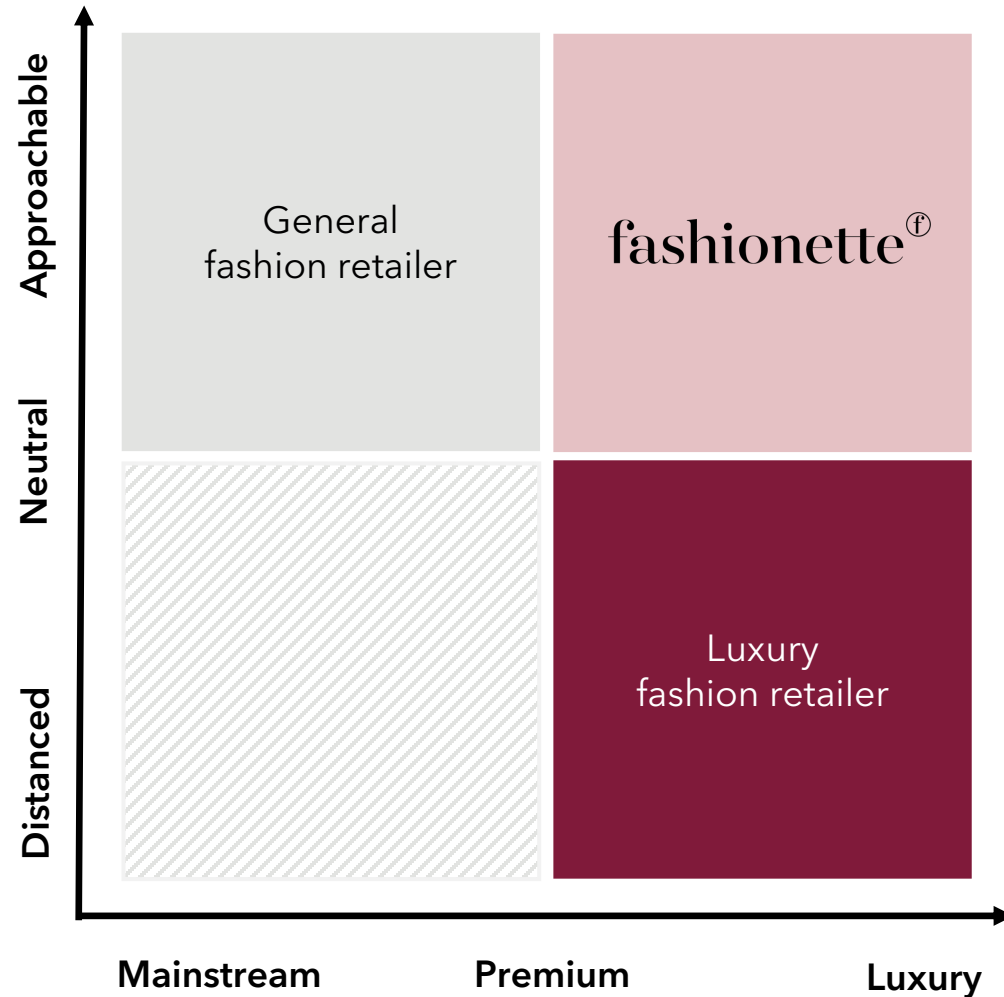
**+59% SKUs**

**+37% BRANDS**

(November 2020 vs. November 2019)



# ...TO FOSTER OUR DISTINCT POSITIONING ENDORISING APPROACHABILITY



We believe that

**EVERY WOMAN**

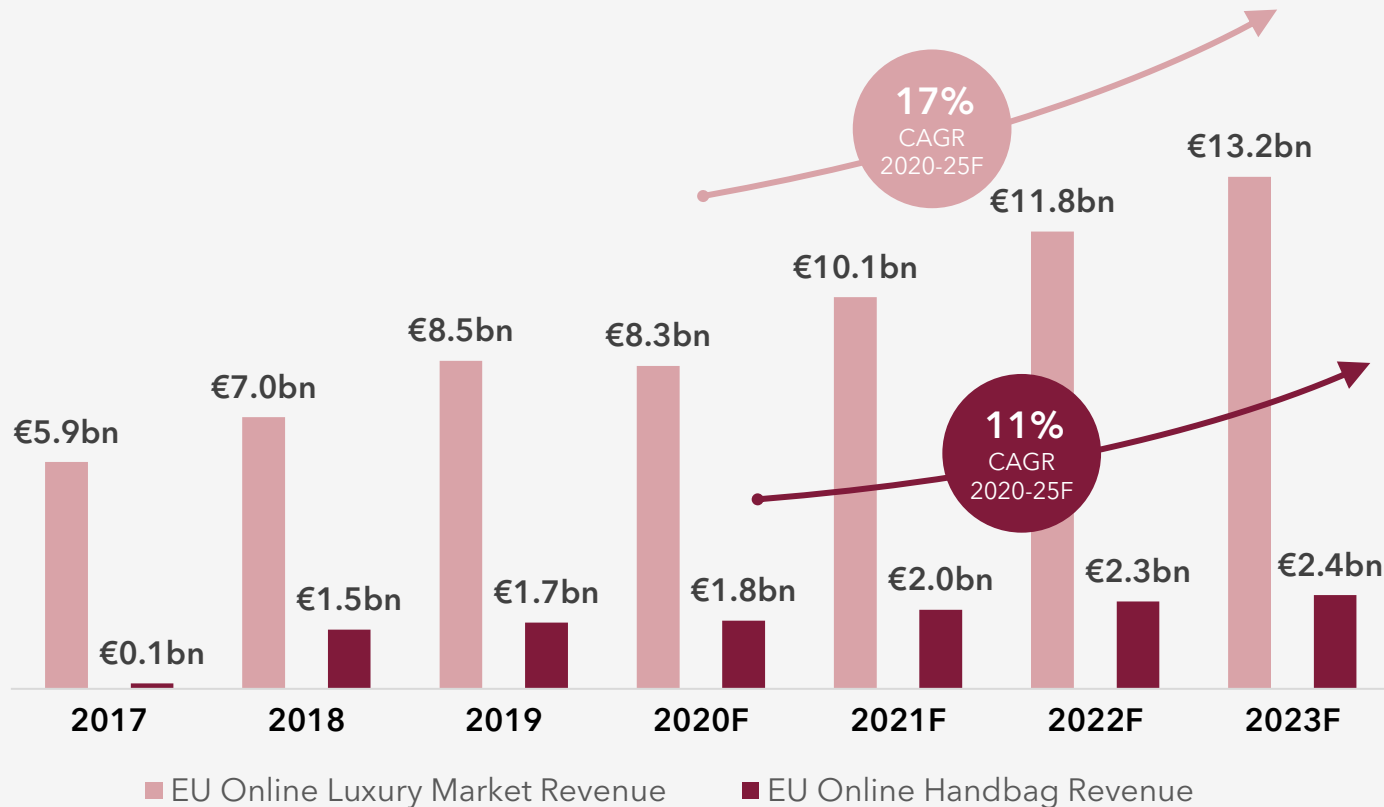
should have the opportunity to live the lifestyle of her own choice - without any restrictions.

That is why we want to make premium and luxury fashion accessories

**AVAILABLE TO EVERY WOMAN.**

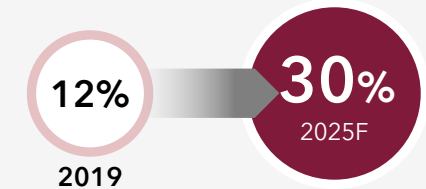
# HIGHLY ATTRACTIVE MARKET SEGMENTS WITH DYNAMICALLY GROWING ONLINE PENETRATION DRIVEN BY GENERATION Y&Z

## EU PREMIUM & LUXURY GOODS MARKET REVENUE GROWTH FORECAST

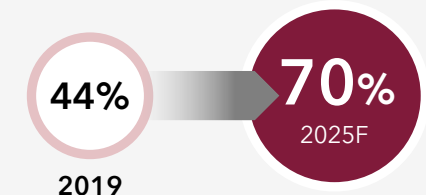


## MARKET TAILWINDS

% Online penetration in the premium & luxury goods market



Gen Y + Z % of premium & luxury goods market



Source left: Statista Revenue projections July 2020

Source right: Bain Alltgamma Personal Luxury Goods Survey November 2020

# OUR STRATEGIC PRIORITIES DO NOT CHANGE: FOCUS ON DRIVING PROFITABLE GROWTH

## 1 SELECTION EXPANSION

### ... WITHIN EXISTING CATEGORIES

Increase selection by winning missing brands and launching new designers



### ... INTO ADJACENT CATEGORIES

Launch competitive selection of beauty and care products to benefit from cross-selling opportunities



## 2 REGIONAL EXPANSION

### ... WITHIN EXISTING COUNTRIES

Replicate the success of fashionette's core region to other European countries



### ... INTO NEW COUNTRIES

Initially, the focus is on the Netherlands, followed by the greater BeNeLux\* region



## 3 CONTINUED INVESTMENTS

### ... IN OUR IT PLATFORM

Reinforce customer experience and process optimization



### ... IN OUR CONTENT PRODUCTION

Enhance in-house produced unique content for an inspirational and targeted communication



← SELECTIVE M&A →

\* BeNeLux: Belgium, Netherlands, Luxembourg

# OUR COMMITMENT TO ESG



## ENVIRONMENT

- Launch of 100% reusable FSC- and RESY-certified packaging
- Return rate (order quantity) declined from 39.6% in 2018 to 34.7% in 2020
- Offset of 261.88 t of CO2 emissions in 2019 through DHL's GoGreen Program
- Support of ecofriendly transport via corporate benefits program incl. public transport subsidy and bike financing



## SOCIAL

- Support of diversity and equal opportunities within corporate culture
- Endorsement of female leadership: 47% of all direct reports to Management Board are women\*
- Trainings on occupational safety and data privacy for all employees
- Support of work-life-balance through flexible working model
- Definition of ethical guidelines ensuring a respectful, fair and moral togetherness



## GOVERNANCE

- Integrity, sense of responsibility and transparency as main corporate values
- Establishment of a Code of Conduct for all business partners working with fashionette
- Appointment of two Compliance Officers constantly developing our compliance management system

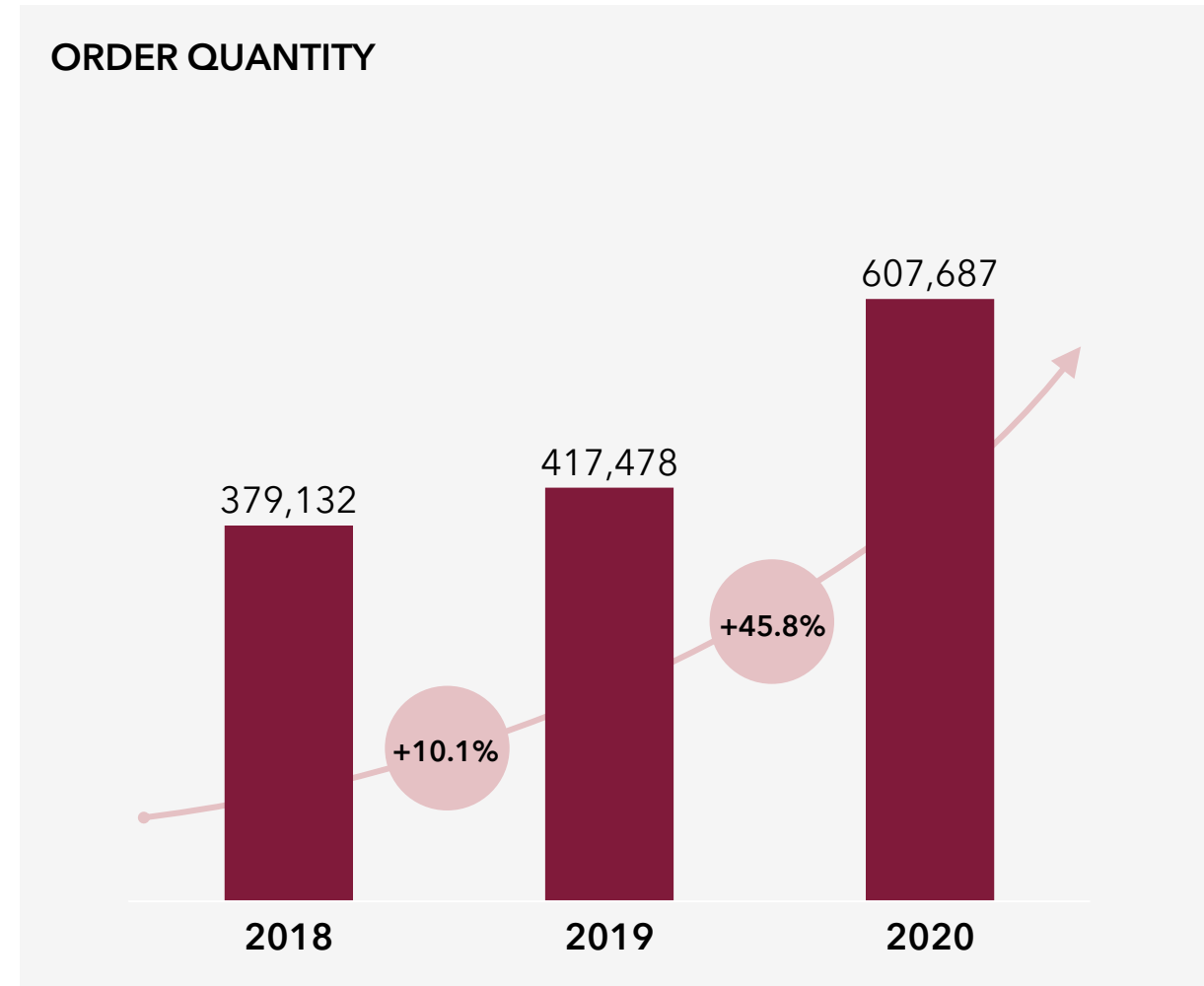
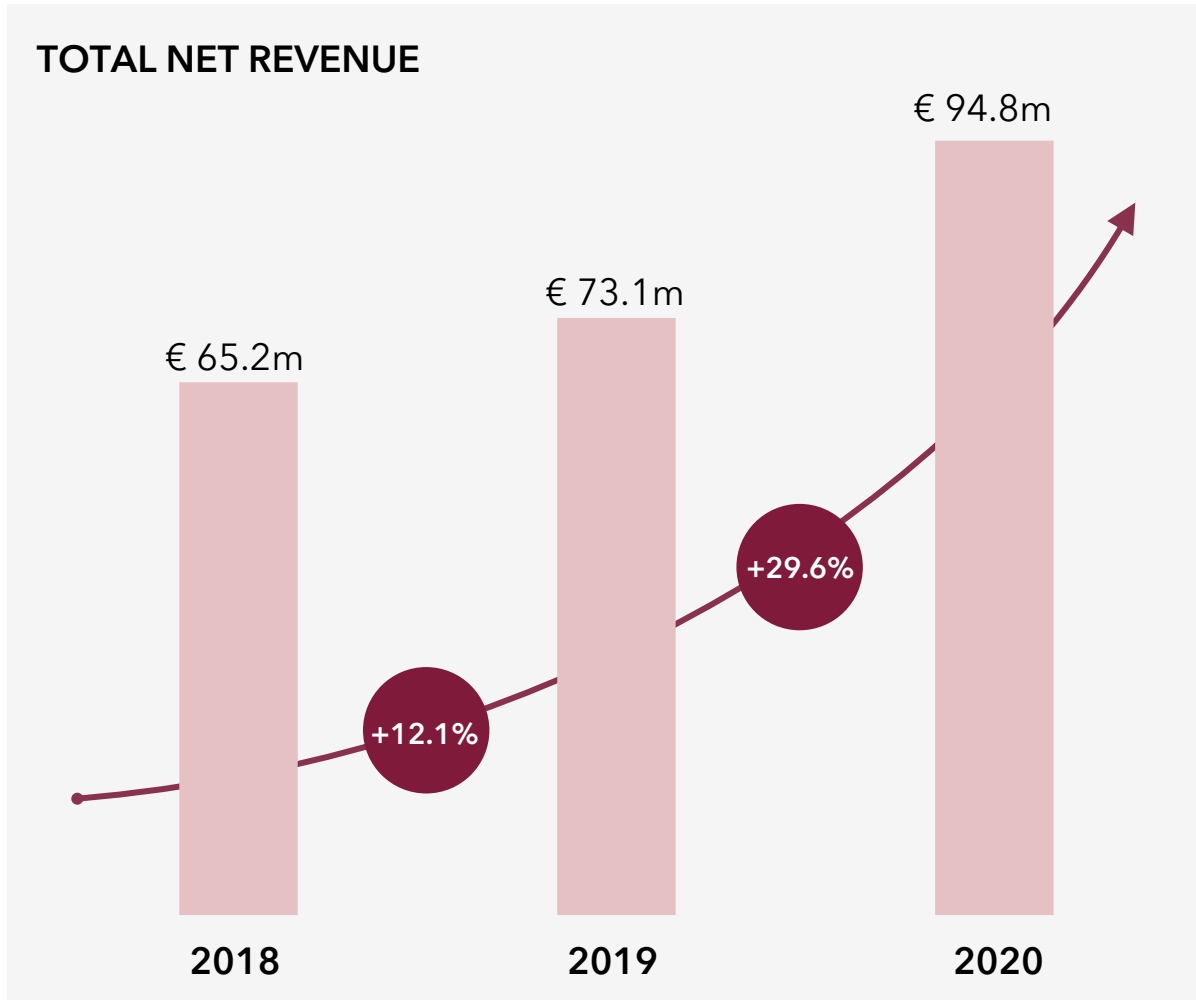
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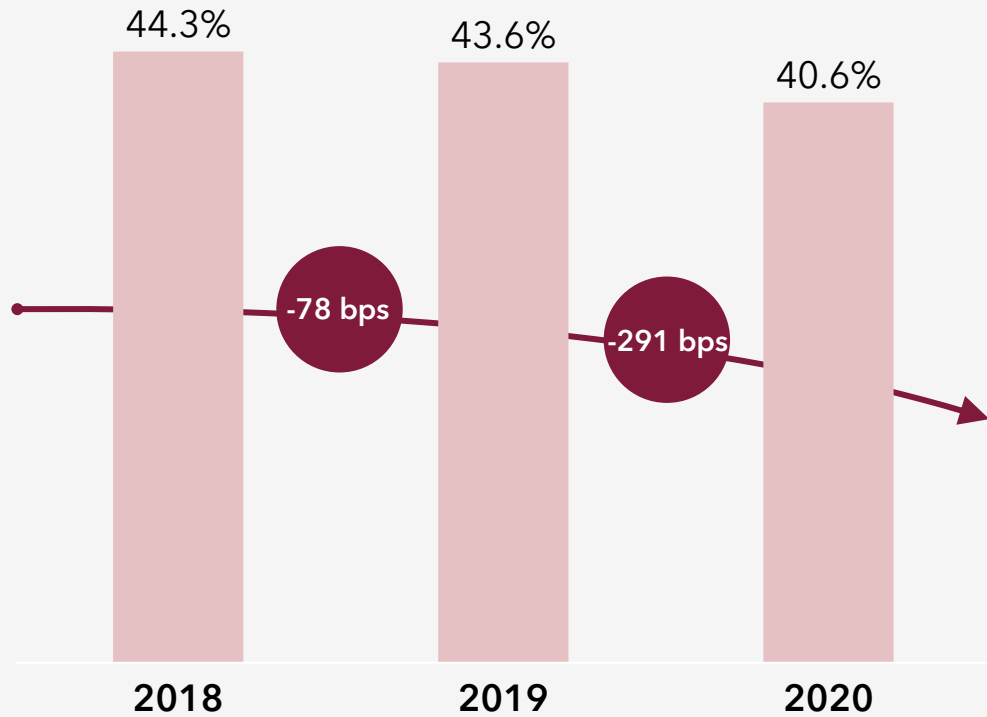


# STRONG NET REVENUE GROWTH DRIVEN BY A SIGNIFICANT INCREASE OF ORDERS FROM NEW AND ACTIVE CUSTOMERS

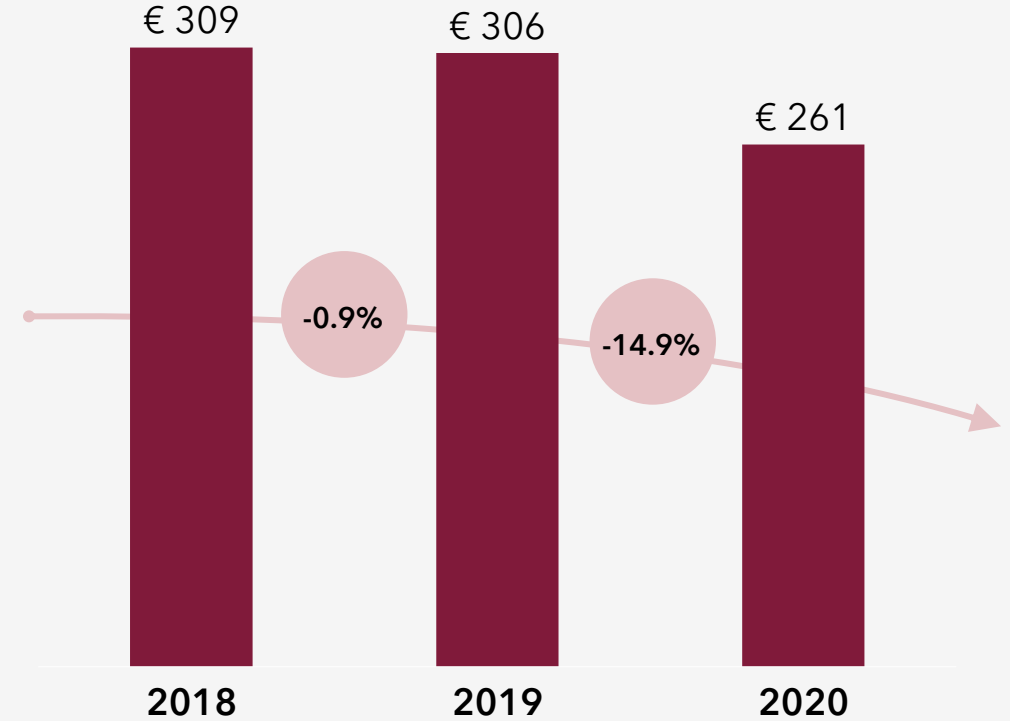


# IMPROVEMENT OF RETURN RATE AND STRONG AVERAGE ORDER VALUE DESPITE REVENUE MIX IMPACT FROM NEW CATEGORIES

RETURN RATE (in % of Order Value)



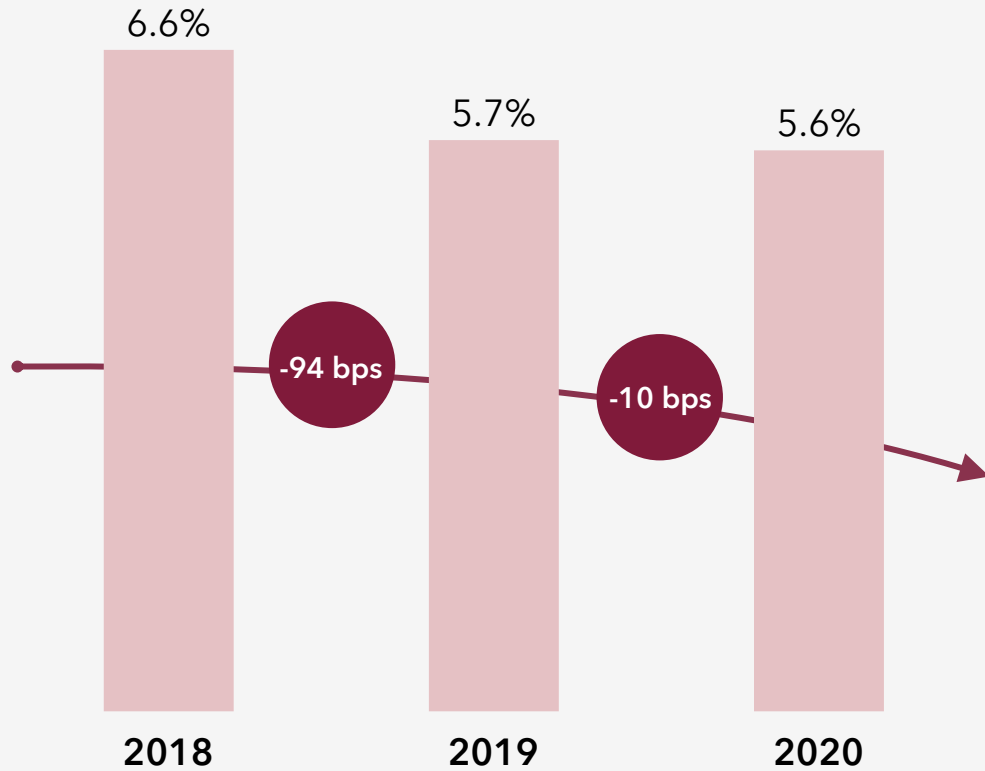
AVERAGE ORDER VALUE\*



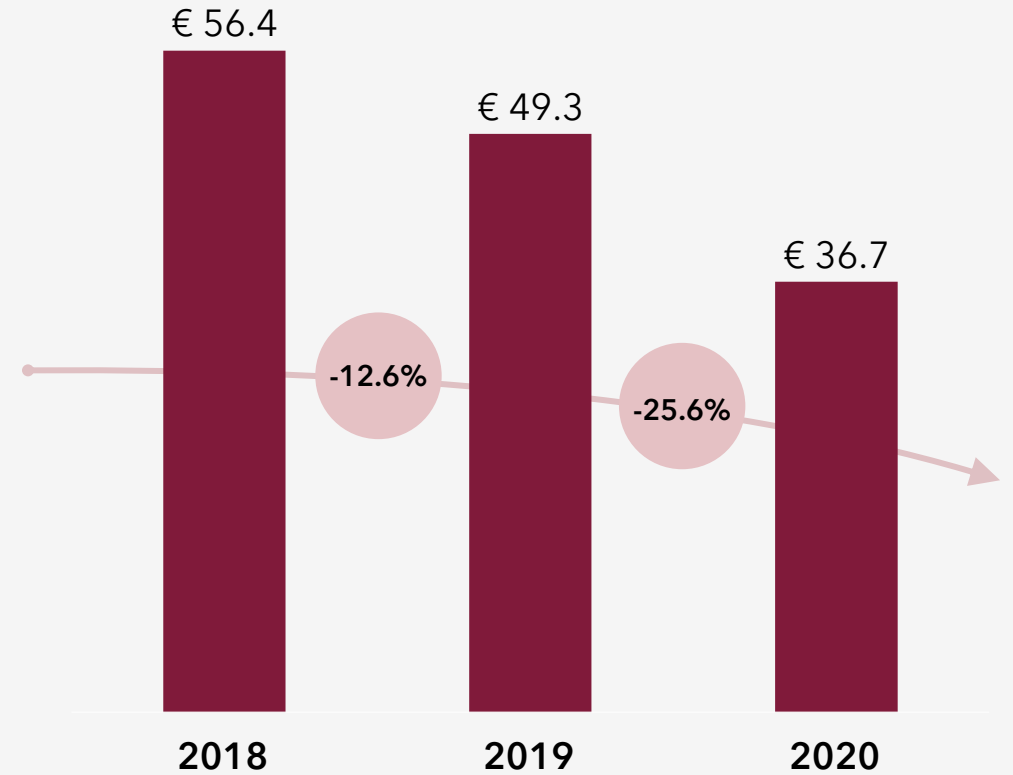
\* Decreasing Average Order Value driven by selection expansion and continuously growing revenue share of new categories (e.g. sunglasses, jewelry and watches)

# DATA DRIVEN MARKETING RESULTS IN STRONG CUSTOMER GROWTH, DEMONSTRATING OPERATING LEVERAGE FROM EFFICIENCIES & SCALE

MARKETING COST RATIO (in % of Order Value)



CUSTOMER ACQUISITION COST



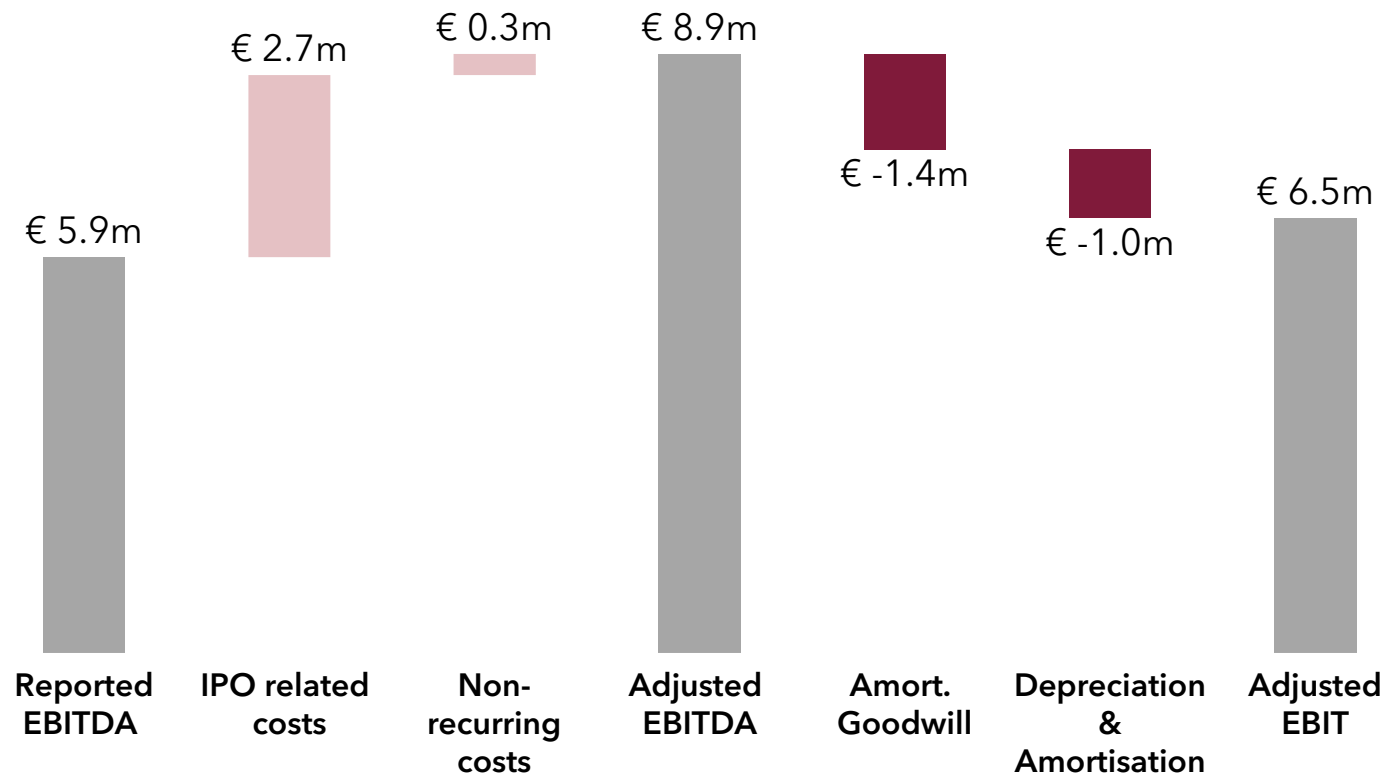


# INCOME STATEMENT REFLECTS OUR FOCUS ON PROFITABLE GROWTH

(in % of Net Revenue)	FY 2018	FY 2019	FY 2020	YoY
Gross Margin	41.8%	40.9%	39.6%	-129 bps
Distribution Cost Ratio	-11.4%	-10.5%	-11.6%	-109 bps
Profit Contribution I	30.5%	30.4%	28.0%	-238 bps
Marketing Cost Ratio	-11.9%	-9.9%	-9.3%	61 bps
G&A Ratio	-12.4%	-12.2%	-10.5%	169 bps
Other Oper. Income Ratio	1.5%	1.5%	1.1%	-30 bps
Adj. EBITDA Margin	7.7%	9.8%	9.4%	-39 bps

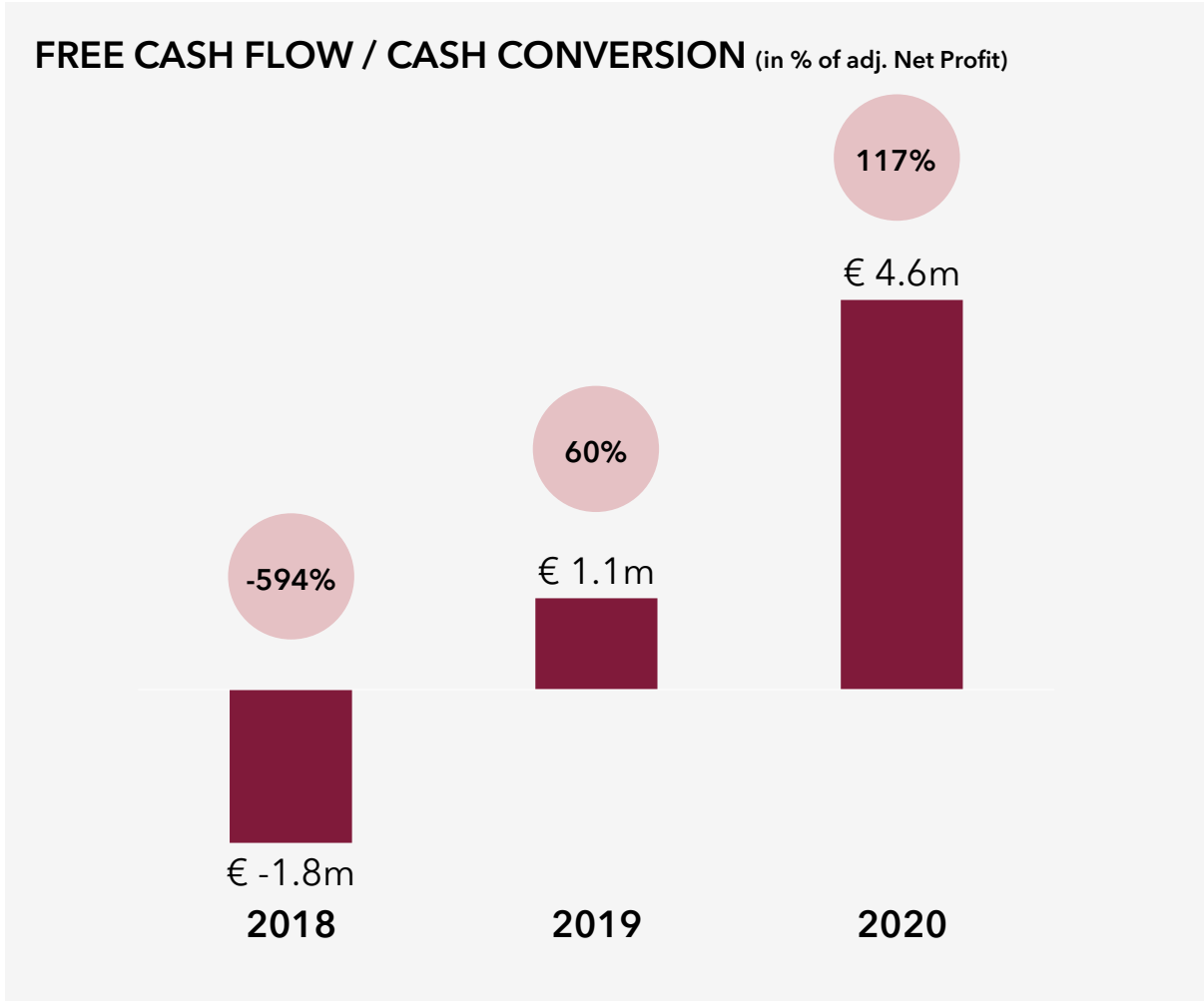
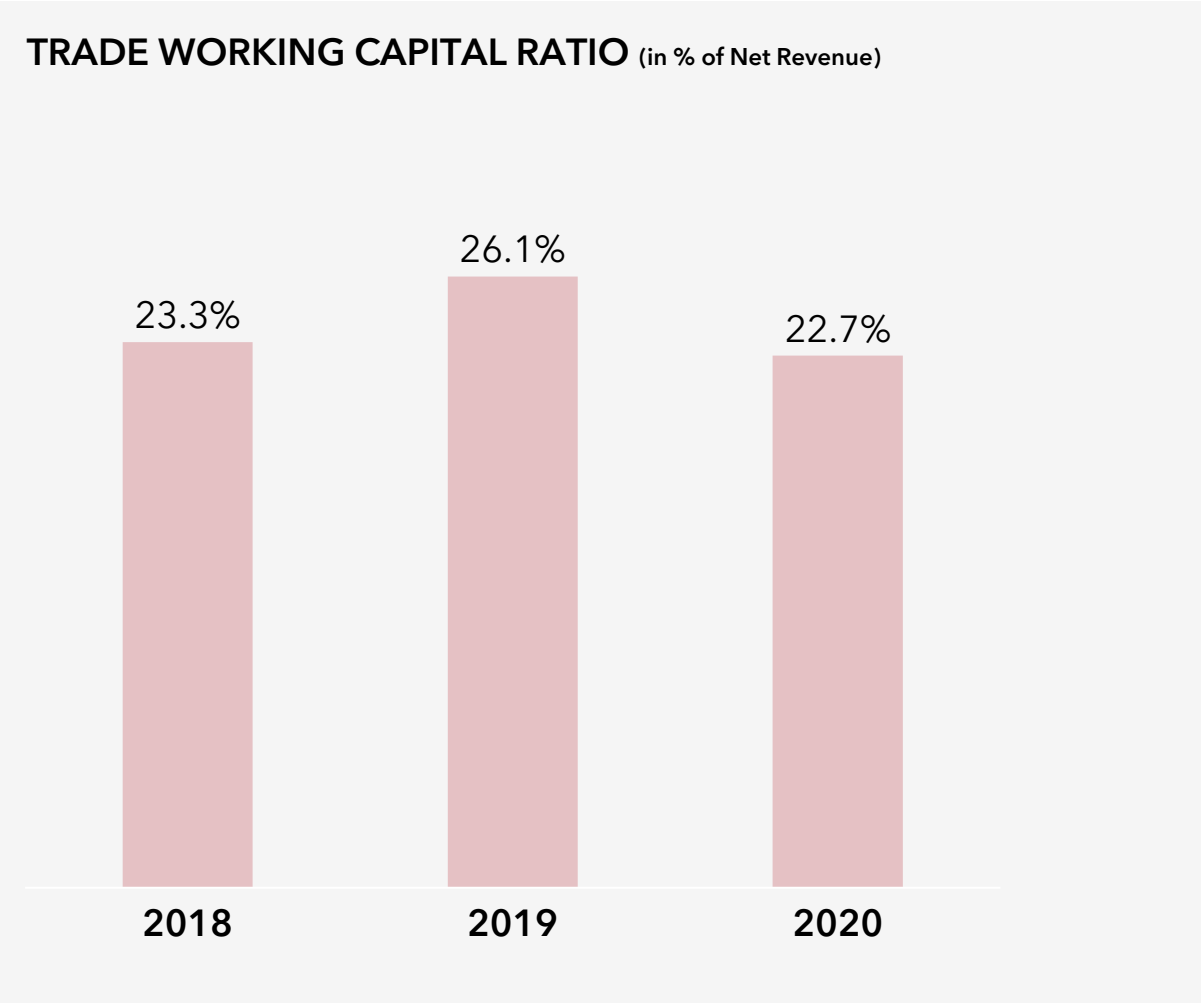
- Product category mix led to slightly lower gross margins (e.g. sunglasses and watches)
- Order growth (+46% YoY) led to increased distribution costs. However, distribution costs per order further decreased to € 18.07 (-1.5% YoY)
- Change in other operating income mainly driven by re-mapping of dunning charges into revenues

# STRONG EBITDA DEVELOPMENT RESULTS IN A FREE CASH FLOW OF €4.6M

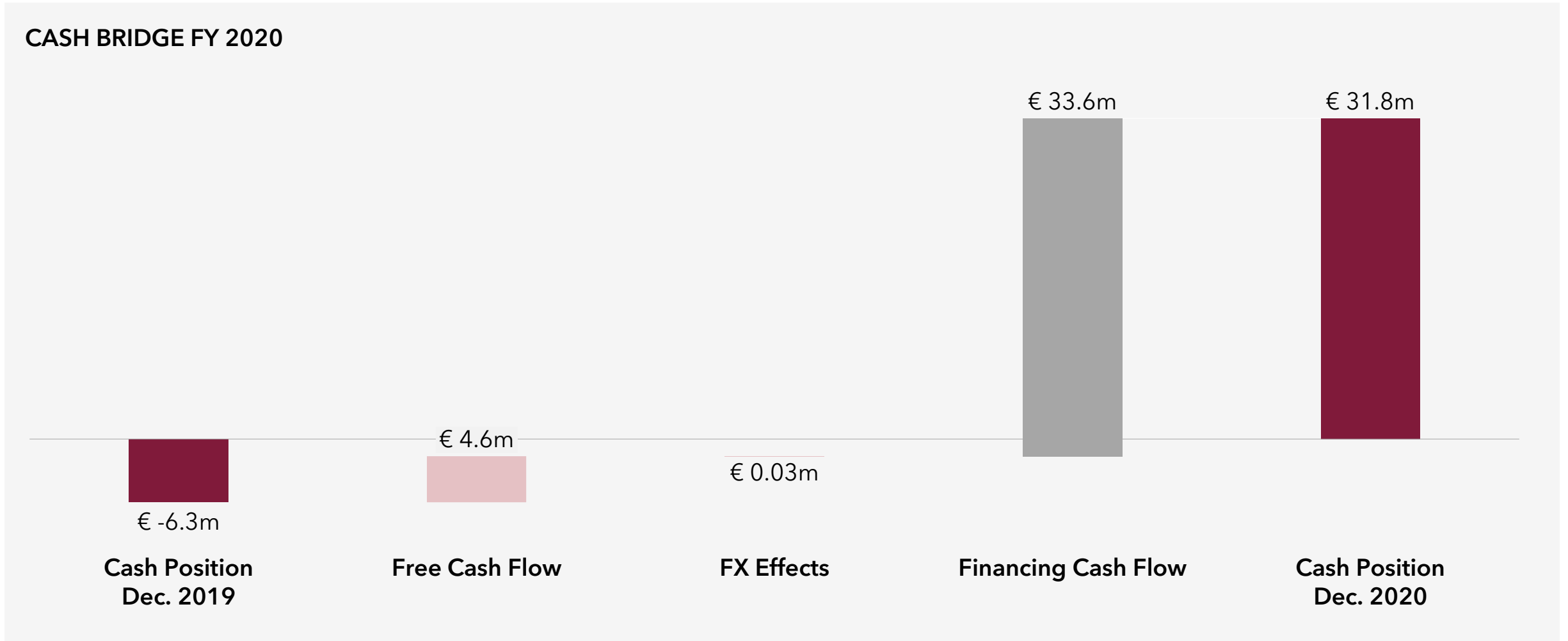


- In accordance with local GAAP HGB, the goodwill generated in 2016 will be amortized linear over a period of 15 years. The amortization of approx. € 1.4m per annum has no effect on liquidity or tax base
- Under IFRS, goodwill is subject to an annual impairment test and will not be amortized on a linear basis
- The depreciation and amortization item of € 1.0m includes € 0.9m amortization of intangible assets and € 0.1m depreciation of tangible assets

# IMPROVED TRADE WORKING CAPITAL RATIO AND STRONG CASH CONVERSION CONFIRM OUR CAPITAL EFFICIENCY



# NET CASH POSITION PROVIDES OPPORTUNITY TO INVEST IN ORGANIC AND INORGANIC GROWTH OF OUR PLATFORM



# STRATEGIC ACQUISITION OF BRANDFIELD TO ACCELERATE INTERNATIONAL PROFITABLE GROWTH



**Brandfield is a leading online retailer** for premium fashion accessories based in Groningen, Netherlands



Attractive financial profile with an expected **Net Revenue of approx. € 40m** and **approx. € 2.8m EBITDA** in FY 2021\*



**Net Revenue share ~75%** generated in core region **Netherlands and Belgium\***



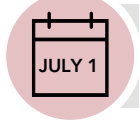
**Complementary non-fashion product category focus** with ~48% jewelry share and ~10% leather goods share



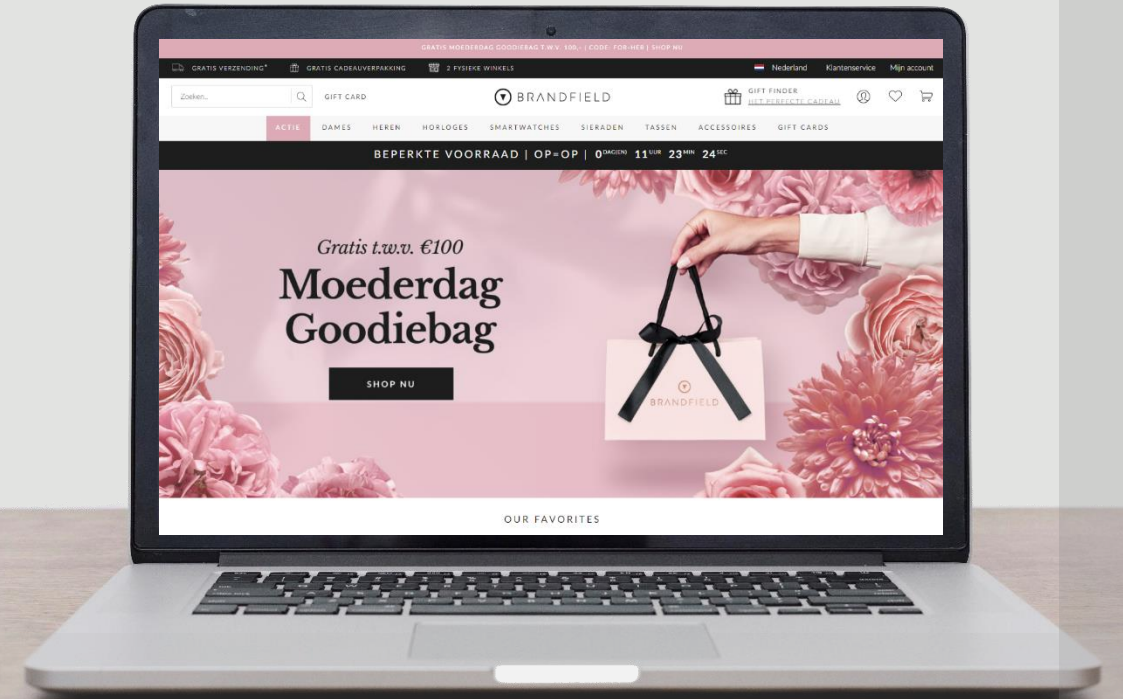
While offering >8k SKUs\*\* Brandfield proves vertical brand expertise with **~40% own brands revenue share\***



Strong customer base leading to **>450k\* orders** at an **Average Order Value of >€ 80\***



**Expected closing on July 1<sup>st</sup>** - Net purchase price in the lower double-digit million Euro range



\* Proforma consolidated forecast FY 2021 (July 2020 - June 2021)

\*\* April 2021 (3<sup>rd</sup> party and own brands)

# PROFITABLE GROWTH OUTLOOK 2021 ACCELERATED BY STRATEGIC ACQUISITION

		PROFORMA 2021 VIEW:	CONSOLIDATED GUIDANCE*:
<b>TOTAL NET REVENUE</b> 	 	€ 118m - € 123m Net Revenue  € 42m - € 47m Net Revenue	€ 118m - €123m Net Revenue  € 23m - € 27m Net Revenue
		€ 160m - € 170m Net Revenue	€ 141m - € 150m Net Revenue
	<b>ADJUSTED EBITDA</b> 	 	€ 4.1m - € 5.5m adj. EBITDA  € 1.9m - € 2.6m adj. EBITDA
		€ 6.0m - € 8.1m adj. EBITDA	€ 5.0m - € 6.9m adj. EBITDA

PLEASE NOTE: Closing of Brandfield acquisition expected for July 1<sup>st</sup> - Brandfield guidance reflects July to December 2021 Net Revenue and adj. EBITDA (proforma consolidated)

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# Q&A



## *Last thoughts*

Technology has been the driving force behind the huge changes we have seen within the fashion industry over the last 20 years. But a lot of the change has come from us – the population. Attitudes have shifted and people are standing up for the things that they believe in, spurred on by the reach and conversations happening within social media. Allowing the ordinary person a platform from which to voice their concerns and injustices has enabled everyone to push forward for change.

Be culturally aware and diverse. I have only touched on a few moments in the book: #TimesUp, plus-size models, the abolition of fur and the movement to become not only more diverse and inclusive, but to reach a stage where those words aren't needed any more, where everyone is living in a world of equal opportunities. They are all issues that have been spoken of before, but not loudly enough that it would ever make a difference. With social platforms, everyone has a voice, everyone has an opinion and there's no way to muffle the noise. Awareness is growing because we have all used our voices.

But we must stay attuned to everything that is happening within this industry. Be aware of the impacts – not only to improve our understanding of the fashion industry's inner workings, but to protect the fashion world, and the physical world, which we adore.



# KPI DEFINITIONS

<b>NET REVENUE</b>	Defined as gross revenue including dunning charges, marketing support less returns and credit notes.
<b>EBITDA</b>	Defined as earnings before interest, taxes, depreciation and amortization.
<b>ADJ. EBITDA</b>	Defined as earnings before interest, taxes, depreciation and amortization excluding extraordinary income / expenses.
<b>FREE CASH FLOW / CASH CONVERSION</b>	Defined as free Cash Flow divided by adjusted Net Profit. Free Cash Flow consist of the Cash Flow from operating activities and the Cash Flow from investing activities. Adjusted Net Profit consist of Net Profit excluding extraordinary income / expenses.
<b>ACTIVE CUSTOMERS</b>	Defined as the number of customers placing at least one order in the last twelve months on one of the Company's websites in the measurement period, irrespective of returns.
<b>NEW CUSTOMERS</b>	Defined as the number of orders placed by customers which have placed the first not canceled order on one of the Company's websites in the measurement period, irrespective of returns.
<b>SITE VISITS</b>	Defined as the number of daily unique page requests from the same device and source on the same domain in the measurement period.
<b>MOBILE VISIT SHARE</b>	Defined as the number of site visits through a mobile device divided by the total number of site visits in the measurement period.
<b>NUMBER OF ORDERS</b>	Defined as the number of customer orders placed on one of the Company's websites in the measurement period after cancelations and irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period.
<b>NET ORDER VALUE</b>	Defined as the total amount spent (excluding VAT) on one of the Company's websites by customers in the measurement period after cancelations and net of returns.
<b>ORDER VALUE</b>	Defined as the total amount spent (excluding VAT) on one of the Company's websites by customers in the measurement period after cancelations and irrespective of return.
<b>ORDER QUANTITY</b>	Defined as the number of customer orders placed on one of the Company's websites in the measurement period after cancelations and irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period.
<b>AVERAGE ORDER VALUE</b>	Defined as the order value divided by the number of orders in the measurement period.
<b>MARKETING COST RATIO</b>	Defined as total marketing costs divided by the order value for the measurement period. Total marketing costs consist of all marketing related costs including advertising expenses for all marketing channels, content production and related license fees as well as cost for marketing related tools and all other marketing related expenses. Total marketing costs do not include salaries.
<b>CUSTOMER ACQUISITION COST</b>	Defined as total marketing costs during a specific period divided by the number of new customers acquired during the same period. Customer Acquisition Cost is calculated at a high level of detail for each marketing activity.
<b>TRADE WORKING CAPITAL RATIO</b>	Defined as Trade Working Capital divided by Net Revenue. Trade Working Capital consist of inventories and trade receivables less trade payables.

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Further, the Company presents other operating, non-financial and financial information throughout this presentation which are key performance indicators, not derived from its financial statements, but based on data from the Company's management reporting systems ("**KPIs**"). The KPIs may not be comparable to similarly titled information by other companies. They are for illustrative purposes only, unaudited and based on management's estimates, judgements and experience. While the KPIs should not be considered as a substitute for an analysis of the Company's operating results prepared in accordance with the German generally accepted accounting principles of the HGB, the Company nevertheless believes that such data assists in evaluating the efficiency of the Company's marketing efforts.

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