

fashionette AG / Key word(s): 9 Month figures/Quarterly / Interim Statement

fashionette AG reports strong net revenue growth of +41.6% year-on-year in Q3 2021 with first time consolidation of Brandfield

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- Strong net revenue growth of +41.6% year-on-year to EUR 31.8 million in Q3 2021
- fashionette platform delivers stellar growth of active customers of +41.2% compared to Q3 2020, +92.0% compared to Q3 2019
- Brandfield successfully consolidated and strongly contributed to fashionette AG's financial development in Q3
- Management reiterates 2021 guidance: EUR 133-143 million net revenue, translating into approximately +40% to +51% year-on-year growth and EUR 3.3 to 4.3 million adjusted EBITDA

All stated figures refer to guidance view, thus include Brandfield figures from July 1 2021, onwards unless stated otherwise.

Dusseldorf, 16 November 2021. fashionette AG ([ISIN DE000A2QEFA1](#) / [GSIN A2QEFA](#)), a leading European data-driven e-commerce group for premium and luxury fashion accessories today announced financial results for the third quarter of 2021.

Financial Commentary

- Net revenue for Q3 2021 has increased by +41.6% year on year, reaching EUR 31.8 million. For the nine months period, net revenue increased by +31.0% year-on-year resulting in EUR 80.7 million for the period
- Gross profit margin has increased to 39.6% in Q3 2021, driven by consolidation of Brandfield and high accompanying own brand share with higher level of profitability. For the first nine months, gross profit margin is largely flat at 38.4%
- For the first quarter of 2021 the adjusted EBITDA has decreased to EUR -0.3 million, predominantly driven by a planned increase in marketing costs. In the first nine months, the adjusted EBITDA was EUR -0.1 million
- Cash flow from operating activities reached EUR -19.6 million in the first nine months of 2021. This includes EUR -15.5 million in inventories and trade receivables. The buildup of inventory ensures to have sufficient stock for Q4, the seasonally strongest quarter of the year
- Cash flow from investing activities came in at EUR -17.2 million in the first nine months of 2021 driven by the payment of the purchase price of the Brandfield acquisition (pre-earn-out)
- Cash flow from financing activities is EUR -1.0 million driven by the costs associated to the installment plan payment option

Daniel Raab, CEO of fashionette AG: *"Q3 was an important quarter for us, given the integration of Brandfield and the migration to our new logistics service provider. Regarding Brandfield, we are very happy with the progress of the integration and proud of the team for delivering strong Q3*

results. The teams have already started to leverage Brandfield's own brand expertise by building a dedicated own brand strategy for both platforms, which provides a significant opportunity for our group. The migration to the new logistics service provider was concluded on September 28th, with the restatement of the shipping promise to approximately two working days to the same level prior to the logistics migration. With the improved customer experience, we can confirm a strong re-acceleration of fashionette's growth starting at the end of September but mainly in October and the first days of November, which came in above our expectations."

Condensed Income Statement (unaudited)

in EUR k	9M 2021	9M 2020	Δ	Q3 2021	Q3 2020	Δ
Total revenue	136,812.1	107,678.2	+27.1%	50,993.8	36,985.2	+37.9%
Credits	-56,158.3	-46,111.1	+21.8%	-19,233.1	-14,553.6	+32.2%
Net revenue	80,653.8	61,567.1	+31.0%	31,760.7	22,431.6	+41.6%
Cost of materials/ Cost of merchandise purchased	-49,710.2	-38,039.9	+30.7%	-19,196.3	-14,170.9	+35.5%
Gross profit	30,943.6	23,527.2	+31.5%	12,564.4	8,260.7	+52.1%
Gross profit margin	38.4%	38.2%	0.2PP	39.6%	36.8%	2.7PP
Distribution expenses	-10,590.8	-7,007.7	+51.1%	-4,497.4	-2,500.9	+79.8%
Marketing expenses	-11,561.3	-5,487.7	> +100%	-4,747.8	-1,969.0	> +100%
Personnel expenses	-6,843.0	-5,197.1	+31.7%	-2,733.2	-1,783.7	+53.2%
Other operating expenses	-3,632.6	-2,147.5	+69.2%	-1,643.9	-769.3	> +100%
Other operating income	755.3	601.7	+25.5%	177.8	212.9	-16.5%
EBITDA (reported)	-928.7	4,289.0	> -100%	-880.2	1,450.8	> -100%
EBITDA margin (reported)	-1.2%	7.0%	-8.1PP	-2.8%	6.5%	-9.2PP
EBITDA (adjusted)	-69.5	4,496.3	> -100%	-285.5	1,512.9	> -100%
EBITDA margin (adjusted)	-0.1%	7.3%	-7.4PP	-0.9%	6.7%	-7.6PP

Condensed Balance Sheet (unaudited)

in EUR k	30 Sep. 21	31 Dec. 20	Δ
Fixed assets	31,901.7	16,253.2	+96.3%
Current assets	55,858.6	62,112.1	-10.1%
Prepaid expenses	956.1	712.7	+34.1%
Deferred tax assets	88.8	0.0	
ASSETS	88,805.1	79,078.0	+12.3%
Equity	62,571.9	66,369.0	-5.7%
Provisions	2,062.2	1,074.0	+92.0%
Liabilities	24,171.0	11,635.0	> +100%

EQUITY AND LIABILITIES **88,805.1** **79,078.0** **+12.3%**

Condensed Cash Flow Statement (unaudited)

in EUR k	9M 2021	9M 2020	Δ	Q3 2021	Q3 2020	Δ
Cash flow from operating activities	-19,576.9	1,887.1	> -100%	-10,373.1	-2,403.2	> +100%
Cash flow from investing activities	-17,181.6	-482.2	> +100%	-16,542.4	-164.9	> +100%
Cash flow from financing activities	-957.7	-1,117.6	-14.3%	-309.4	-427.8	-27.7%
Cash and cash equivalents at end of period	-5,261.9	-6,007.5	12.4%	-5,261.9	-6,007.5	12.4%

Business Highlights

- For both platforms fashionette and Brandfield together, the number of active customers reached 917 thousand in Q3 2021*
- Number of active customers on fashionette.com reached 426 thousand in Q3 2021, which corresponds with +41.2% increase compared to Q3 2020 and +92.0% increase compared to Q3 2019
- Continued investments in marketing increased the number of new customers on both platforms, fashionette and Brandfield, by +23.5% in pro forma view
- Number of orders has increased by +25.4% year-on-year, leading to 283 thousand orders in pro forma view

*Active customers defined as the number of customers placing at least one not cancelled order in the last twelve months on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns.

Non-Financial Performance Indicators (unaudited)

The numbers for Q3 2020 are restated to include Brandfield

	Q3 2021	Q3 2020	Δ
		Pro Forma	
Number of orders (in thousands)	283	226	25.4 %
Average order value (in EUR)	179	196	-8.3 %
Active customers (in thousands, LTM)	917	302*	> +100%
New customers (in thousands)	147	119	23.5 %

* Only fashionette

Other commercial highlights

- 7 of the top selling brands on fashionette.com have been already introduced in Brandfield

- Own brand "Isabel Bernard" is the 2nd best-selling jewelry brand on [fashionette.com](https://www.fashionette.com)
- In Q3, own brands of the Group represent 10% of order sales
- fashionette AG establishes new sourcing policy to endorse animal and species welfare

Guidance

The management confirms its guidance for the financial year 2021. Including the acquisition of Brandfield as of 1 July 2021, fashionette AG expects its consolidated net revenue to grow by approximately +40% to +51% to approximately EUR 133 million to EUR 143 million in the financial year 2021. The adjusted EBITDA is expected to reach approximately EUR 3.3 million to EUR 4.3 million.

Main announcements since August 31, 2021

Sourcing policy (28 October 2021) - **fashionette AG introduces new sourcing policy for suppliers and establishes sourcing commitment to endorse animal and species welfare**

- No sale of products containing materials from exotic and protected animals, including but not limited to alligators, crocodiles, snakes, ostriches, corals, shells, snails and turtle shells, and products made of angora wool and non-certified mohair wool
- Commitment to a fur-free assortment in accordance with the Fur Free Retailer Program
- Publication of a binding sourcing policy to ensure supplier compliance

Beauty Launch (3 November 2021) - **Online platform [fashionette.com](https://www.fashionette.com) adds more than 100 premium and luxury brands to its assortment as part of its beauty launch**

- Launch of beauty category with more than 100 premium and luxury beauty brands
- New beauty assortment covers all relevant beauty product categories, including body, facial and hair care, fragrances, make-up and beauty accessories
- Since IPO in October 2020, assortment expansion by 78%, including more than 3,000 new premium and luxury beauty products

WEBCAST

A webcast for analysts, institutional investors and press will be held at 10:00am (CET) on Tuesday, November 16, 2021. To register please email ir@fashionette.com. The slides (PDF) will be available ahead of the webcast. A replay of the audiocast will also be available at [ir.fashionette.com](https://www.fashionette.com).

Please note:

Figures are unaudited. Adjusted EBITDA is excluding extraordinary costs and share-based compensation expenses. Rounding differences may occur.

Detailed information:

To not miss any publications or news about fashionette AG, please register [here](#) for all Investor Relations mailings.

About fashionette AG:

fashionette AG is a leading European data-driven e-commerce group for premium and luxury fashion accessories. With its online platforms fashionette.com and brandfield.com, the fashionette-group offers not only inspiration, but a curated assortment of premium and luxury handbags, shoes, small leather goods, sunglasses, watches, jewelry and beauty products from more than 300 brands, including own brands. Reinforcing more than ten years of fashion accessory experience, fashionette AG developed a compelling proprietary IT and data platform using cutting-edge technology and artificial intelligence to make personalized online shopping of premium and luxury fashion accessories available to all women in Europe. For more information about fashionette AG, please visit corporate.fashionette.com or the online platforms www.fashionette.com and www.brandfield.com.

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