



fashionette®

ANNUAL REPORT

2020

FASHIONETTE

key figures

NON-FINANCIAL PERFORMANCE INDICATORS	2020	2019	Δ
Site Visits (in thousands)	39,833	27,292	46.0%
Mobile Visits Share (in %)	81.8%	77.3%	5.8%
Number of orders (in thousands)	608	417	45.6%
Average Order Value (in EUR)	261	306	-14.7%
Active customers (in thousands, LTM)	357	239	49.4%
New customers (in thousands)	240	147	63.3%
Number of employees (average) of which working students 38 (2019: 33)	148	136	8.8%
FINANCIAL PERFORMANCE INDICATORS			
	2020	2019	Δ
Net revenue (in EUR k)	94,812	73,160	29.6%
Gross profit (in EUR k)	37,514	29,894	25.5%
Gross profit margin (share in %)	39.6%	40.9%	-1.3 PP
EBITDA reported (in EUR k)	5,881	6,771	-13.1%
EBITDA margin reported (share in %)	6.2%	9.3%	-3.1 PP
EBITDA adjusted (in EUR k)	8,894	7,146	24.5%
EBITDA margin adjusted (share in %)	9.4%	9.8%	-0.4 PP
Cash flow from operating activities (in EUR k)	5,241	1,843	>100%
Cash and cash equivalents at end of the period (in EUR k)	31,829	-6,273	>100%



fashionette is a leading European data-driven online platform for premium and luxury fashion accessories including handbags, shoes, sunglasses, watches and jewelry. Since its foundation in 2008, fashionette has established market-leading brand recognition for premium and luxury handbags in its core market of Germany. fashionette focuses on making personalized online shopping for premium and luxury fashion accessories available to every woman in Europe. For additional information about fashionette, please visit fashionette's websites at corporate.fashionette.com (Corporate Website) and fashionette.com (online shop).

About
FASHIONETTE

CONTENTS

01

Company and Share

Letter from the Management Board	01
The Management Board	04
Strategic positioning and goals	06
fashionette on the capital market	08
Sustainability at fashionette	13
Report of the Supervisory Board	24
The Supervisory Board	29



02

Management Report

Principles of the Company	32
Economic Report	36
Opportunity and Risk Report	43
Forecast Report	47

03

Financial Statements

Statement of Financial Position	51
Statement of Income	53
Statement of Cash Flows	54
Statement of Changes in Fixed Assets	55
Statement of Changes in Equity	56
Notes	57



04

Further Information

Assurance of the Legal Representatives	69
Auditor's Report	70
Financial Calendar	75
Imprint	76



COMPANY AND
SHARE

01

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Letter from the Management Board	01
The Management Board	04
Strategic positioning and goals	06
fashionette on the capital market	08
Sustainability at fashionette	13
Report of the Supervisory Board	24
The Supervisory Board	29

Letter from the MANAGEMENT BOARD

Dear shareholders,
dear business partners,
dear fashionette employees,

We faced very tough challenges in 2020 as a result of the COVID-19 pandemic. Of course, our focus was always on our employees' health and their personal surroundings. I am very proud that we as a Company reacted extremely quickly and agilely to the challenges, by introducing a dedicated hygiene concept, for example. The fact that we as a team not only mastered these challenges, but also exceeded our operational targets, makes me feel even more proud!

2020 was one of the most important years in the history of fashionette because, due to the successful IPO, we are now perceived even more strongly, not only in German-speaking countries, but also internationally, as the leading European data-driven online platform for premium and luxury fashion accessories. This is a great incentive and at the same time an immense responsibility not to rest on our laurels. The stock market listing represents an opportunity to allow our unique online platform to grow even faster. Since our Company was founded in 2008, our brand has convincingly established itself and is now one of the most popular online shops for designer bags in the German-speaking world. With around 14,000 products from more than 180 international brands, fashionette has one of the most relevant product ranges on the market. At fashionette, the focus is on the buying experience of our customers. We not only offer what they are looking for, but also ideas for combining these items with other fashion products to find or complement the perfect look. The personalized shopping experience and our curated product selection through our proprietary online platform are what make the difference.

In the full year 2020, fashionette AG generated net revenue of EUR 95 million compared to EUR 73 million in the previous year. This represents an increase of around 30%. In particular, new customer growth increased significantly by 63% in 2020 and led to a very positive development of fashionette's active customer base, which grew by 49% compared to the previous year in fiscal year 2020. Outside our core markets of Germany, Austria, and Switzerland (GSA), we achieved significant year-on-year growth of 72% for the full year. Our success in France, the UK and Italy, as well as the Netherlands and Sweden, demonstrates fashionette's great international expansion potential. Our

goal is clear: we want to become the leading online platform for premium and luxury fashion accessories in all of Europe.

The operating profit margin reached over 9% on an adjusted EBITDA basis. The bottom line is that we are also profitable in terms of net income. This sets us apart in a peer group comparison.

At the same time, we are increasing the efficiency of our processes by further expanding our platform. It is consistently designed for scaling. This enabled us to nearly double our product range last year. The success of our proprietary, data-driven online platform is also reflected in diversification at the product level. Based on our data-driven personalized consulting approach, we succeeded in increasing the share of sales generated by products outside the main handbag category from 28.9% in the previous year to 37.9% in 2020.

We exceeded our ambitious targets with the growth we achieved in fiscal year 2020. Our innovative approach enables us to operate in a dynamically growing market. According to market researchers, the handbags, luxury leather goods, luxury shoes, and luxury eyewear segments that are of importance to us are expected to grow by up to 17% per year in Europe between 2020 and 2025. The premium and luxury segment is still significantly underrepresented in online retailing and therefore offers strong growth potential in the short and medium term.

The interplay between our already successful proprietary technology platform and the financial flexibility provided by the IPO offers us excellent framework conditions to drive the scaling of fashionette even further. We expect to further benefit from the accelerated shift of brick-and-mortar retail towards e-commerce in the European market segment for premium and luxury fashion accessories. Thus, the timing for our expansion plans is perfect. It is our clear goal to become Europe's leading online platform for high-quality accessories in the premium and luxury segment and to grow faster than the market.

Our growth strategy is based on three pillars. We intend to continue our geographic expansion and extend our product range into existing and adjacent product categories through both organic growth and selective acquisitions. With regard to expanding our product range, we plan to introduce a competitive selection of beauty and care products in the current fiscal year in order to benefit from cross-selling opportunities.

In addition, we will take the next development step in 2021 by applying our data-driven business model to further processes. The goal is to make our processes even more efficient and at the same time offer our customers a personalised and exceptional shopping experience, that they can only find at fashionette in this form.

Sustainability is very important to us in our entrepreneurial activities, particularly in the

e-Commerce. We have discontinued using plastic handles and other non-recyclable shipping boxes in order to offer a more environmentally friendly solution for shipping our products. We already started using 100% recyclable packaging with a self-adhesive feature that is FSC-certified and bears the RESY seal in December 2019. FSC® (Forest Stewardship Council) stands for environmentally friendly, socially acceptable and economically viable management of forests and guarantees that paper products with this seal come from responsibly managed forests. In addition, the shipping boxes can be immediately reused for returns, without requiring additional adhesive tape. RESY is an abbreviation for Recycling System and stands for the recyclability of cardboard boxes. The partners of the system send shipping boxes with this symbol for disposal and recycling. We also participate in reducing greenhouse gas emissions by shipping many of our products with DHL "GoGreen," i.e. CO₂-neutral.

The focus of all our activities has always been on the health of our employees. We have reacted quickly and flexibly to the challenges posed by Corona, found practicable solutions and developed and implemented a dedicated hygiene concept.

2020 was an intense and at the same time great year for fashionette. Only by working together as a team was it possible to achieve such a feat and make the fiscal year a success. Therefore, I would like to extend my thanks to our employees, in particular, for their passionate commitment. I would also like to thank you, our shareholders, for the trust you have placed in us.

We started into the current year with confidence and dynamism. Our significant international growth underscores fashionette's immense expansion potential, with which we are only at the beginning of an exciting development.

I look forward to having you accompany us on this exciting journey.

Dusseldorf, 29 April 2021



Daniel Raab

The Management **BOARD**



THOMAS BUHL
COO/CTO

DANIEL RAAB
CEO

fashionette's management team, consisting of Daniel Raab (Chairman) and Thomas Buhl (COO/CTO), joined in early 2019 to further develop the business through regional expansion, M&A and data-driven insights.

The Management Board is cultivating a data-driven operating model in a rather traditional-minded and emotion-driven industry. It believes to have a unique blend of experience in all aspects of the retail business including a true e-commerce mindset and a deep understanding of technology developed in combined almost 20 years with Amazon in Germany and the United States.

The Management Board's entrepreneurial spirit and long-term commitment are underpinned by their financial investment as existing shareholders. The management team are long term shareholders dedicated to the business.

Daniel Raab (CEO) is head of Strategy, Category Management, Finance, Brand Management and Human Resources. He has experience in management positions in the retail/e-commerce and media industry (Amazon; ProSiebenSat1; Gucci; Hermès) and extensive expertise in the fashion and fashion accessories industry (Gucci; Hermès).

COO/CTO Thomas Buhl is in charge of Operations, Performance Marketing, Business Intelligence, Product Management and IT. He successfully contributes his experience in leading positions in the e-commerce industry (Amazon; Cyberport; Karstadt).

Strategic Positioning AND GOALS

fashionette considers itself to be one of the leading addresses for premium and luxury fashion accessories in its core market, the GSA region (Germany, Austria and Switzerland). These include premium and luxury fashion accessories such as handbags, shoes, sunglasses, watches and jewelry. The Company is represented in eight European countries (Germany, Austria, Switzerland, France, Italy, the Netherlands, Sweden and the UK) with websites under the “fashionette” brand. 85% of its sales are generated in the GSA region. fashionette is also considered a leading online platform for premium and luxury handbags in Germany, according to the market research company Statista, with proven leading brand awareness among the target customer audience of women over 18 years of age.

The management consultancy Bain & Company expects an average annual growth rate of 17% for the European luxury goods market in the period from 2020 to 2025. The share of online retail in the overall premium and luxury market is expected to increase by more than 25% per year through 2025. fashionette is pursuing the goal of continuing its profitable growth at rates above the market average. The growth in new customers in the non-German-speaking countries, France, the UK and Italy, as well as the Netherlands and Sweden, which is above the level of the GSA region, undersco-

res fashionette’s great international expansion potential.

fashionette plans to achieve its goal of becoming the leading online platform for premium and luxury fashion accessories in Europe both by increasing its market share in existing countries and by entering the market in other European countries. The funds raised by the IPO will be used to accelerate further long-term organic and inorganic growth as well as targeted investments in the IT platform. In this context, selected acquisitions are intended to drive its geographic expansion, marketing and customer acquisition initiatives, and the expansion of the product range to scale the current business and realize synergy potential.

fashionette has made a conscious decision to expand its range of premium and luxury fashion accessories. In doing so, the fashionette platform offers opportunities to realize strong cross-selling potential in adjacent categories. Target segments for the expansion of the product selection are current categories such as leather goods, sunglasses and jewelry, as well as potential new categories such as beauty and care products.

fashionette is convinced that the optimization of the shopping experience on the fashionette platform and the continuous focus on opera-

tional excellence and high-quality customer service, combined with a significant increase in demand for its premium and luxury fashion accessories, will help the Company achieve the goals it has set for itself. fashionette sees the increase in active customers as confirmation of this strategic direction, which at the same time confirms the success of the Company's marke-

ting activities. The even stronger increase in the number of orders underscores that fashionette is not only attracting new customers, but is also able to increase the frequency of purchases among its current customers.

fashionette AG on the CAPITAL MARKET

Successful initial public offering

fashionette AG started trading of its shares in the European SME growth segment "Scale" of the Frankfurt Stock Exchange on 29 October 2020, with an issuing price of EUR 31.00. The gross proceeds of EUR 37 million from the IPO will

be used to accelerate further long-term organic and inorganic growth as well as targeted investments in the fashionette IT platform. fashionette AG's market capitalization at the time of the IPO was around EUR 180 million.

fashionette share information

Ticker symbol	FSNT
WKN (Securities identification number)	A2QEFA
ISIN (International securities identification number)	DE000 A2QEFA1
Stock exchange	Xetra, Frankfurt, Berlin, Düsseldorf, Hamburg, Hanover, Munich, Quotrix, Stuttgart, Tradegate
Market segment	EU-registered SME growth market "Scale" (Open Market)
Number of shares	6,200,000
Share class	Ordinary bearer shares without par value (no-par value shares)
Designated sponsor	Hauck & Aufhäuser Privatbankiers AG

Capital market environment faced with challenges from COVID-19

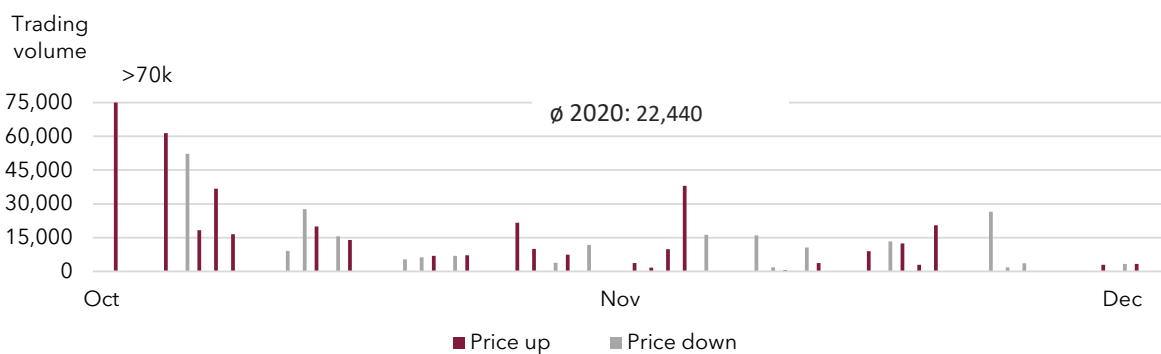
The development of the capital markets in the past stock market year 2020 was characterized in general by effects and challenges resulting from the coronavirus pandemic. Global stock

markets recorded significant price losses with the outbreak of the pandemic and the introduction of containment measures. Later in the year, improved economic data, substantial govern-

ment aid and a flood of central bank liquidity contributed to the unexpectedly rapid recovery of stock markets as a result of relaxed containment measures. Significant corrections in technology stocks weighed heavy on the markets at the end of the third quarter, following the strong rises in previous months. The stock markets achieved in the fourth quarter double-digit gains led by technology stocks. Growth was driven by the outcome of the presidential election in the US and the initial approvals of highly effective

vaccines against COVID-19. European shares on the other hand were down 1.7% due to the lack of technology companies. The German small cap selection index, SDAX, bucked the sluggish performance in Europe by gaining 18.0% in the fourth quarter. (All figures on a price basis excluding dividends and in EUR).

Share: price performance and trading volume



Following the successful IPO and its dynamic business performance in the fourth quarter, including strong sales and revenues as expected, fashionette's share price held its ground extremely well in an overall challenging capital market environment caused by the second wave of the COVID-19 pandemic and the correction of technology stocks. Starting at EUR

29.00 on 29 October, the share price reached its low for fiscal year 2020 of EUR 27.75 on the same trading day. fashionette AG shares peaked at EUR 34.00 on 9 November 2020 and ended the trading year at a closing price of EUR 32.50. Overall, the fashionette AG share price recorded an increase of 17.1% in the past fiscal year since the IPO on 29 October 2020.

Share price development

Issue price		EUR 31.00
Initial listing	29 October 2020	EUR 29.00
Low	29 October 2020	EUR 27.75
High	9 November 2020	EUR 34.00
Closing price	30 December 2020	EUR 32.50
Performance		+17.1%
Market capitalization		EUR 201.5 million

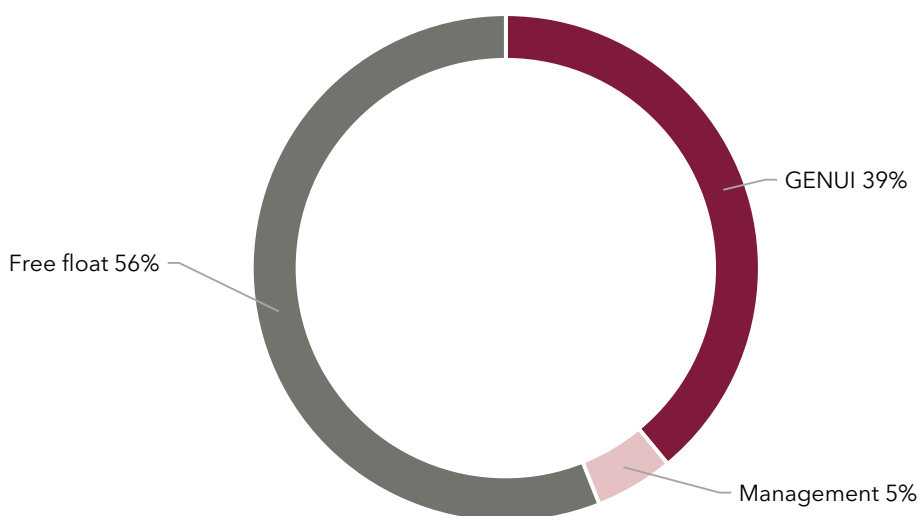
fashionette AG's market capitalization amounted to EUR 201.5 million as of 30 December 2020, based on 6,200,000 shares outstanding. The average daily trading volume in fashionette shares amounted to 22,440 shares on all German trading venues in fiscal year 2020.

Hauck & Aufhäuser Privatbankiers AG acted as designated sponsor and continuously supported the tradability of the fashionette AG share through binding bid and ask prices.

Shareholder structure

As of 31 December 2020, fashionette AG is aware of the shares in the voting share capital that are required to be disclosed to the Company pursuant to Section 20 (5) of the German Stock Corporation Act (AktG) that have been

disclosed voluntarily or that are subject to lock-up periods after the IPO. According to the definition of Deutsche Börse AG, free float includes all shares that are not held by major shareholders (share of share capital exceeding 5%).



fashionette AG has a well-balanced ratio of free float and institutional investors, which ensures liquid tradability of its shares and a stable structure of anchor shareholders in order to pursue the Company strategy in a strategic manner. At around 39%, the pre-existing shareholder Genui GmbH & Co. KG (GENUI) holds the majority of shares outstanding as of 31 December 2020. The management of fashionette AG holds 5% of the voting shares. 56% of the shares are in free float.

Analyst recommendations

Two renowned research houses, Hauck & Aufhäuser Privatbankiers and Edison Investment Research, analyzed and assessed the fashionette AG share after the IPO. In his update on 15 April 2020, Hauck & Aufhäuser analyst Christian Salis emphasized the company's technology orientation with a fashion focus and customer loyalty and reiterated the BUY recommendation for the fashionette share with a target price of EUR 53.00. Russell Pointon and Sara Welford of Edison Investment Research expected strong growth of fashionette AG at the time of the IPO on 29 October 2020.

UPDATE	INSTITUTE	ANALYST	RECOMMEN- DATION	PRICE TARGET
29 October 2020	Edison Investment Research	Russell Pointon, Sara Welford	*	*
15 April 2021	Hauck & Aufhäuser	Christian Salis	BUY (BUY)	EUR 53.00 (EUR 50.00)

Edison Investment Research's qualitative research reports for scale issuers were prepared on behalf of Deutsche Börse without issuing a price target or a recommendation.

Investor relations activities

The fashionette AG share is listed on the EU-registered SME Growth Market "Scale" (Open Market) of the Frankfurt Stock Exchange. The Company informs its shareholders and capital market participants without delay by means of ad hoc announcements or corporate news about important business events or events with

significance for the development of the share price.

The fashionette Management Board maintains an ongoing close dialog with investors and analysts, as well as with the financial and business press, and held several one-on-one meetings during the reporting year.

Financial calendar 2021

30 April 2021	2020 financial statements
17 May - 19 May 2021	Equity Forum - Spring Conference
June 2021	Publication of the quarterly statement for the first quarter
25 June 2021	Annual General Meeting (virtual)
August 2021	Publication of the half-yearly financial statements
November 2021	Publication of the quarterly statement for the third quarter
22 - 24 November 2021	German Equity Forum 2021

The Investor Relations section of the fashionette AG website provides comprehensive insights into business develop-

ments, upcoming events, financial reports and presentations at corporate.fashionette.com.

SUSTAINABILITY

at fashionette

Declaration by the Management Board:
Taking responsibility together

In a world that is becoming ever more interconnected due to increasing globalization and digitalization, we must be aware of our social responsibility – and be prepared to live up to it. At fashionette, we are committed to implementing the principles of economic, social and environmental sustainability not only in our Company culture, but also in our everyday work processes. Accordingly, all fashionette employees are committed to a sustainable way of working. All stakeholders who contribute to value creation at fashionette are involved in this.

Since it was founded in 2008, our brand has established itself convincingly. Today, it is one of the most popular online shops for designer handbags in the German-speaking countries. As one of the leading European data-driven online platforms for premium and luxury fashion accessories, we are aware of the need to act in a value-based manner and responsibly towards people and the environment. As our business grows, so does our responsibility and commitment to helping to shape a better world.

The expansion of customized services to make our customers' digital shopping experience even more convenient, personal, and sustainable is at the heart of our business activities. To this end, we continue to develop our ecological and social commitment. All our goods are delivered in 100% reusable shipping packaging. In addition, we participate in the reduction of greenhouse gas emissions by shipping many of our products with DHL "GoGreen," i.e. CO₂-neutral.

The satisfaction of our employees and customers is close to our hearts. Values such as integrity, equality, responsibility, transparency and mutual respect define our mission statement and are part of our identity. fashionette lives an ethical Code of Conduct that serves as a guideline for our interpersonal relationships within the Company. Respectful interaction with our colleagues and business partners is an integral part of our Company culture. Our success is based on the highest professionalism and commitment of all our employees and business partners. More than 150 people from different countries, different ages, with different interests, skills and talents work at fashionette. Cultural diversity is truly lived at fashionette. It makes us flexible and strong.

This lived diversity serves as the basis for many new ideas and innovations in the various areas of our Company - from technology and logistics to operations and marketing to fashion & lifestyle. This makes us particularly competitive in the international environment. With our service and price guarantee, we work transparently to deliver excellent quality and an unforgettable shopping experience with our products.

Last, but not least, we attach great importance to the conduct and principles of our business partners with regard to human rights, working conditions, corruption prevention and environmental protection. In our Code of Conduct for Business Partners, we define minimum requirements that we expect to be met.

We are very pleased to share our Company values at fashionette and our approach to their implementation with all stakeholders in this chapter of the 2020 Annual Report.

Thomas Buhl

Daniel Raab

BUSINESS ACTIVITIES

of fashionette AG

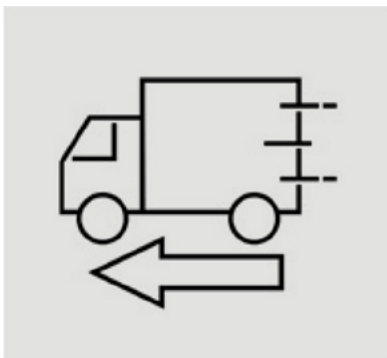
With more than 14,000 products, fashionette is a leading European data-driven online platform for premium and luxury fashion accessories with a focus on the regions of Germany, Austria and Switzerland (GSA). Through its online platform, fashionette sells handbags, shoes, accessories, sunglasses, watches and jewelry from leading premium and luxury brands. fashionette's competitive edge is based on its proprietary

web shop concept: state-of-the-art technology and complex analytics are used with the help of artificial intelligence. The proprietary technology platform significantly supports all data-driven business processes and guarantees smooth scalability. fashionette's focus is on making personalized online shopping for premium and luxury fashion accessories accessible to all customers in Europe.

ESG indicators



Recyclable shipping packaging with FSC and RESY seals



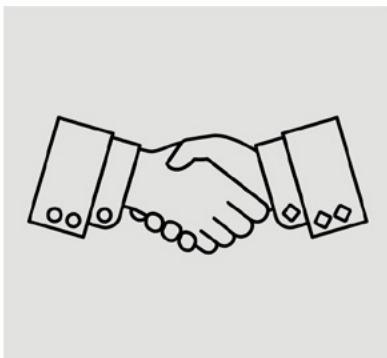
Return rate in 2020: 34.7%



CO2 reduction: Participation in DHL's GoGreen program



Code of Conduct for Employees



Code of Conduct for Business Partners



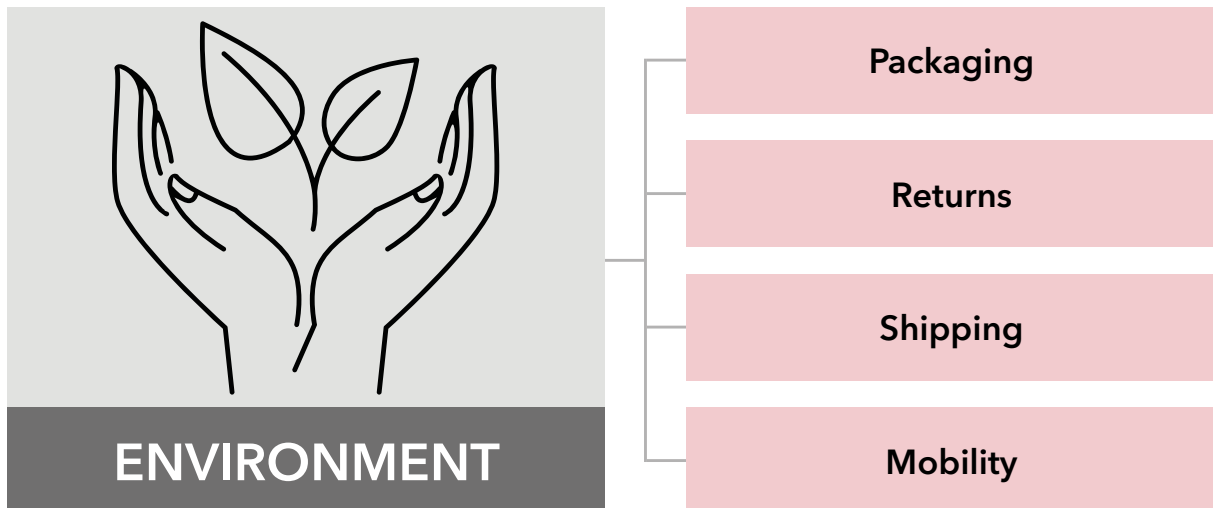
Women's quota in 2020: 67.8%

E AS IN ENVIRONMENT

Respectful treatment of nature

Our sustainable Company values include treating the environment with respect and protecting it. With 784,000 products delivered in 2020,

it is our duty to use the most environmentally friendly packaging possible and to contribute to reducing CO2 emissions.



Packaging

We at fashionette have been using 100% reusable shipping packaging with a self-adhesive feature that is FSC-certified and bears the RESY seal since December 2019. FSC® (Forest Stewardship Council) stands for environmentally sound, socially acceptable and economically viable management of forests. It is thus guaranteed that paper products with this seal originate from responsibly managed forests. In addition, the shipping boxes can be directly reused for returns, without any additional tape. RESY is an

abbreviation for Recycling System. This certification is awarded by the RESY Organisation für Wertstoffentsorgung GmbH that was founded under the auspices of the Verband der Wellpappen-Industrie (Association of the Corrugated Cardboard Industry). The RESY logo stands for the recyclability of shipping boxes. The partners of the system dispose of and recycle the shipping boxes with this symbol that are put into circulation.

Returns

We work every day to improve the customer experience. To this end, we develop tools to give customers the most realistic possible picture of our products. This reduces returns, among other benefits, and thus reduces the environmental impact. We examine the quality of every product and our editors describe it. Besides the standard description (color, material, weight, etc.), we provide many other valuable details to help customers make the right choice on a product, by providing information on what exactly fits into a bag, for example. In addition, we continuously optimize our product photography. Nearly every product is also photographed together with the model by our photographers in our own photo studio. Furthermore, we offer a size comparison tool on our product detail pages. It allows customers to get an accurate idea of the actual product size by comparing it to everyday objects. To give customers an accurate idea of how a new handbag will look on them, for example, they can enter their body and clothing size in the size comparison tool. In this way, they can virtually try on the handbag with the help of a woman's silhouette adjusted to their measurements. Through all these measures, we have been able to reduce the return rate from 39.6% to 34.7% over the past three years.

Shipping

When shipping our products, we rely on our partner DHL, among others, which has been taking responsibility for climate protection for years. DHL has set itself the goal of reducing all emissions by 50% by 2025 and to operate in a completely climate-neutral manner by 2050. With its shipments, fashionette participates in the DHL environmental protection program GoGreen. The surcharge on each parcel is reinvested by DHL in climate protection projects to offset the greenhouse gases generated by transport. Each year, fashionette receives a certificate from DHL for the CO₂ emissions saved. In 2019, fashionette offset a total of 261.88 t of CO₂ emissions through climate-neutral GoGreen products and services.

Mobility

Protecting the environment and thus reducing CO₂ emissions is an important obligation for fashionette. For this reason, we have introduced a subsidy for our employees to use public transport from February 2021 on. In this way, we would like to contribute to improving the environmental balance at fashionette. Furthermore, our management is in a continuous exchange with the HR department with the aim of promoting new projects for more sustainable employee mobility.

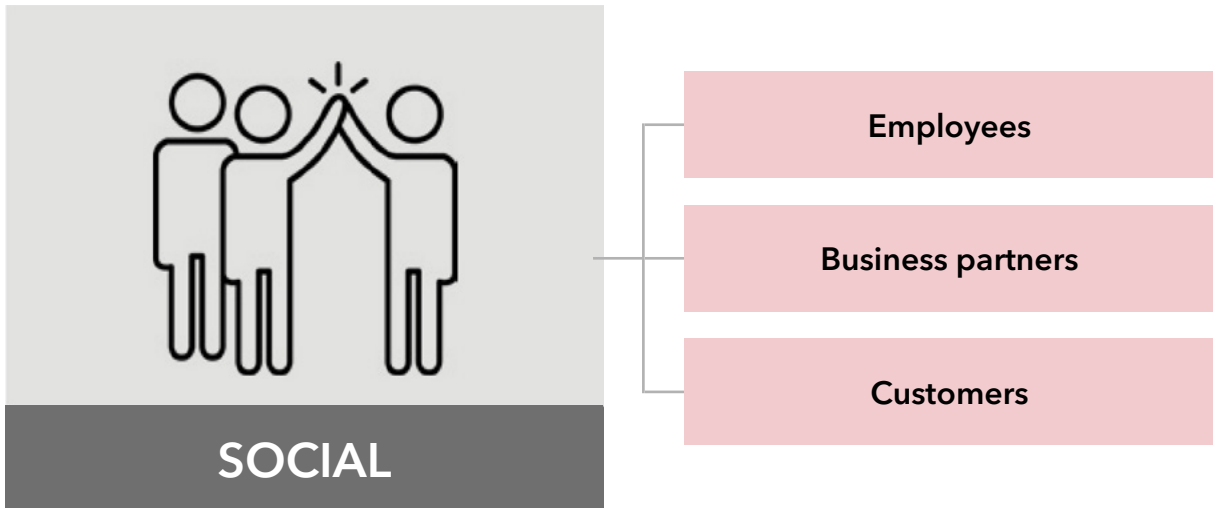


S AS IN SOCIAL

Treating each other fairly

Acting with integrity and maintaining business relationships based on an anchored set of values are absolute necessities to realizing sustainable growth in a competitive world. fashionette is committed to values such as transparency, integ-

riety, equality, responsibility and mutual respect. The Management Board is committed to upholding the Company's values and, together with its executives and the compliance officers, is available as a contact at all times.



Employees

The success of fashionette is based on our motivated employees. Their well-being and health are our top priority. We also require every employee to take personal responsibility as an ambassador for fashionette and to act in accordance with legal requirements and the Code of Conduct at all times.

With 150 employees (as of 31 December 2020), 118 of whom are permanent employees of

various nationalities, age groups and cultures with different interests, skills and talents, fashionette promotes diversity as part of the Company's self-image. No one may be discriminated against or disadvantaged on the basis of nationality, ethnic origin, race, skin color, sexual identity, religion, ideology or disability, or on the basis of gender or age. fashionette promotes a culture of equal opportunities. Structures, customs and traditions of other cultures are respected.

67.8% of the employees at fashionette are women. In addition, fashionette offers 32 working students (as of 31 December 2020) the opportunity to start their careers in an exciting and modern business environment. Each new team member is trained as part of an onboarding process, depending on his/her position. Continuing education and training on legal topics such as data protection and security are planned and implemented for all personnel.

In order to further increase employee motivation and productivity, fashionette is developing a flexible working model with a modern working policy that will be implemented after the end of the coronavirus pandemic. To ensure the health and protection of its employees, fashionette already implemented a flexible working policy for nearly all employees when the coronavirus pandemic first broke out in March 2020 enabling all employees to work from their homes.

In order to create an even more pleasant and modern working environment as well as to promote the exchange among employees, fashionette moved to a new building in March 2021. The new, completely renovated and refurbished Company headquarters with state-of-the-art equipment offers space for individual workplace design and collegial interaction. The first floor of the building was completely furnished as a recreation room with a large kitchen.

Business partners

fashionette observes social and ecological aspects such as human rights, working conditions, corruption prevention and environmental protection in its entrepreneurial activities. fashionette also expects this from its business

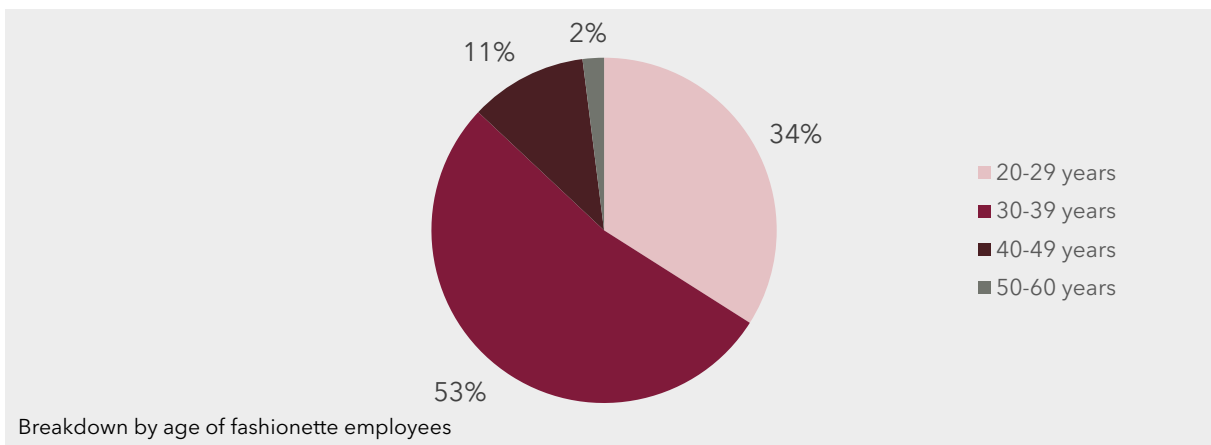
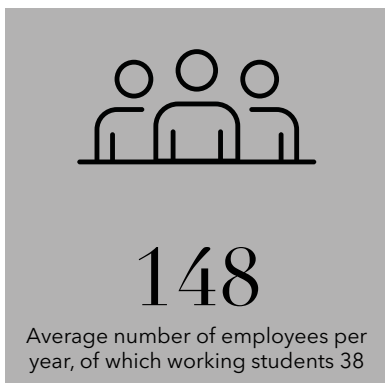
partners. The Company has a Code of Conduct for its business partners that contains all minimum requirements for a fair partnership with fashionette. Business partners are encouraged to communicate these regulations to their subcontractors and suppliers as well and to promote and demand compliance with them appropriately. fashionette expects its business partners to ensure the health and safety of their employees in the workplace. Child labor, forced labor or other involuntary labor in accordance with the conventions of the International Labor Organization (ILO) are not tolerated. Basic employee rights in accordance with the applicable national laws must be observed. The United Nations Universal Declaration of Human Rights must also be recognized and supported. At the same time, it must be ensured that no human rights are violated. The prevention of corruption is one important point among the regulations for business partners. Any form of corruption or conduct detrimental to the Company is consistently rejected. Corrupt acts include in particular bribery and corruptibility, fraud, embezzlement, tax evasion and forgery of documents. fashionette expects its business partners to take appropriate precautions to prevent corruption, such as the implementation of internal company guidelines, training and sanctions in the event of violations. To this end, fashionette reserves the right to terminate contracts with business partners who do not adhere to the rules of the Code of Conduct.

Customers

The satisfaction of our customers is our primary goal. fashionette is committed to ensuring transparent, truthful and legally compliant marketing of all products available on the platform. We provide our customers with tools as early as

during the purchasing process in order to obtain as realistic a picture of the goods as possible. Almost every new product that fashionette offers for the first time in the online shop is measured, weighed, described and photographed by our fashion experts. They pay special attention to the quality and special features of the products and photograph the merchandise on the model in order to optimally represent the look and, above all, the proportions.

All products offered are 100% original and are subject to strict quality controls so that they are sold only in absolutely perfect condition. We are convinced that the combination of high customer satisfaction and attractiveness of the selection of premium and luxury fashion accessories is the decisive key factor for first-class customer loyalty and long-term business success.



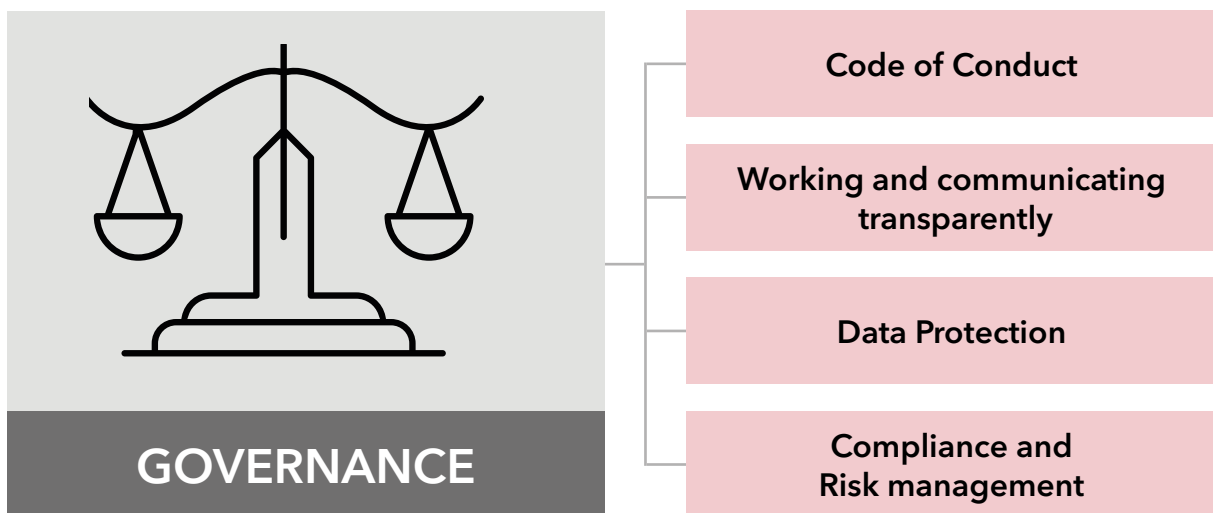
G AS IN GOVERNANCE -

Taking responsibility

The Company's main objective is to act with integrity towards internal and external stakeholders. fashionette is committed to responsible Corporate Governance. The Management Board consisting of Daniel Raab (CEO) and Thomas Buhl (COO/CTO) manages the Company on its own responsibility. It conducts the business of the Company in accordance with the law, the articles of association and the rules of procedure. Each member of the Management Board independently manages the business area assigned to him without prejudice to the overall responsibility. The Management Board manages the business with the aim of creating

sustainable value on a joint and several basis.

The Supervisory Board is composed of five members: Dr. Oliver Serg (Chairman), Stefan Schütze (Vice Chairman), Christian van der Bosch, Karoline Huber and Rolf Sigmund. The Supervisory Board monitors the actions and decisions of the Management Board in terms of their legality, economic efficiency and expediency. Efficient cooperation between the Management Board and the Supervisory Board, as well as open and transparent corporate and financial communication, are essential aspects of fashionette's Corporate Governance.



Code of Conduct

We have established a Code of Conduct as the basis of our compliance program that provides us with guidance on how to conduct our business in accordance with our values and the applicable laws and regulations. Our Code of Conduct applies to all bodies and employees of fashionette. The code is based on the fundamental principles of fashionette and summarizes the essential principles and rules that determine our actions and our entrepreneurial activities. Among the components of the Code of Conduct are the following corporate values:

- Integrity
- Sense of responsibility
- Transparency

Everyone at fashionette is obligated to observe the applicable laws and regulations, the Company's internal guidelines, instructions and directives and to act accordingly. fashionette avoids situations that could lead to a conflict of interests. Private interests and the interests of fashionette are to be strictly separated. Furthermore, the Company rejects any form of corruption. We are obliged to comply with the applicable laws against corruption, including bribery and corruption, fraud, embezzlement, tax evasion and forgery of documents. No employee, alone or with others, may commit acts that violate the regulations prohibiting money laundering. fashionette is committed, without limitation, to fair competition and compliance with applicable antitrust and competition laws.

Working and communicating transparently

We consider transparent and truthful reporting as well as communication on fashionette's business transactions to be of major import-

ance. The Company's internal and external business records contain information that is accurate, comprehensive and appropriate.

Data protection

Protection of personal data is of high priority for fashionette as an online platform and is part of the Company Code. Personal data must be treated confidentially and may only be collected, processed and used within the framework of the relevant data protection regulations.

Compliance and risk management

Compliance and risk management are important management and control components of fashionette AG and are backed by clear organizational responsibilities. In December 2020, two compliance officers at fashionette were commissioned to begin developing a comprehensive compliance management system for the company. In addition, external and internal stakeholders already have the opportunity to submit and report any compliance notices or violations to the Company at compliance@fashionette.com.

Report of the SUPERVISORY BOARD

Dear Shareholders,

With the change in our legal form from being a limited liability company to become a stock corporation on 22 September 2020, the Supervisory Board of fashionette AG constituted itself for the first time by notarial resolution. Since this date, the Supervisory Board of fashionette AG has fully performed the tasks incumbent upon it under the German Stock Corporation Act (AktG), the Articles of Association and the Rules of Procedure of the Company and has regularly monitored and advised the Management Board. This was based on the regular written and verbal reports submitted by the Management Board on all issues relevant to the Company concerning the Company's IPO, planning, business development, the risk situation and risk management. The Supervisory Board was and is closely involved in the procedures and measures of the Management Board at all times and was kept informed by it in an appropriate manner.

Composition of the Supervisory Board

The Supervisory Board of fashionette AG is composed of five members. The members of the Supervisory Board were appointed in accordance with a notarial resolution dated 22 September 2020 until the Annual General Meeting that resolves on fiscal year 2020.

The Supervisory Board appointed Dr. Oliver Serg to serve as its Chairman and Stefan Schütze as its Vice Chairman. Other members of the Supervisory Board are Christian van der Bosch, Karoline Huber and Rolf Sigmund.

The composition of the Supervisory Board has many years of board experience, extensive market knowledge, particularly in the luxury brand segment, and stock market experience.

Meetings

With the constitution of the Supervisory Board, a total of four Supervisory Board meetings were held. These were also held as telephone or video conferences due to COVID-19-related requirements. In accordance with § 15 (4) of the Articles of Association, resolutions may also be adopted outside meetings. This option was exercised four times in the reporting period.

All members of the Supervisory Board took part in the meetings and resolutions. We disclose the Supervisory Board's attendance and resolutions in individualized form in the following table:

	Dr. Oliver Serg (Chairman)	Stefan Schütze (Vice Chairman)	Karoline Huber	Christian van der Bosch	Rolf Sigmund
22/09/20 Constituent meeting	x	x	x	x	x
10/10/20 Circular resolution	x	x	x	x	x
13/10/20 Circular resolution	x	x	x	x	x
17/10/20 Conference call	x	x	x	x	x
27/10/20 Conference call	x	x	x	x	x
06/11/20 Circular resolution	x	x	x	x	x
10/11/20 Video conference	x	x	x	x	x
18/11/20 Circular resolution	x	x	x	x	x

Main topics

At the constituent meeting of the Supervisory Board on 22 September 2020, the Supervisory Board appointed Mr. Thomas Buhl and Mr. Daniel Raab to the Management Board of fashionette AG initially for a term of one year. By resolution of 6 November 2020, the Supervisory Board extended the term of the Management Board contracts until 31 December 2023. Mr. Daniel Raab was appointed Chairman of the Management Board by Supervisory Board resolution on 17 October 2020.

The Advisory Board of the former company Fashionette GmbH had already accompanied the tender of the current logistics framework agreement with the objective of further optimizing logistics processes. In the course of the circular resolution on 10 October 2020, the Supervisory Board approved the Company's proposal to change its service partner.

On 13 October 2020, the Supervisory Board gave its approval by circular resolution to the conclusion of a new lease agreement, which is an essential operational basis for the implementation of the planned growth strategy.

In the Supervisory Board meetings held on 17 and 27 October 2020, and 6 November 2020, the

focus of the Supervisory Board's deliberations was on the technical and operational implementation and follow-up of the initial public offering of fashionette AG, which was completed on 29 October 2020. The resolutions required for this were issued by the Supervisory Board after review. The capital increase resolutions of the Extraordinary General Meeting on 16 October 2020 served as the basis for this.

The Extraordinary General Meeting on 16 October 2020 also approved the creation of conditional capital. On this basis, the Supervisory Board gave its approval to the formation of a stock option program (SOP 2020) for the Management Board of fashionette AG.

At the Supervisory Board meeting on 10 November 2020, the Management Board of fashionette AG provided a detailed overview of the status of the IPO and presented the Supervisory Board with the forecast for 2020, including the business update and the preliminary budget planning for 2021. The Supervisory Board discussed the planning intensively with the Management Board, addressing in particular the potential impact of the Brexit on fashionette AG's business model. Further growth prospects in the course of M&A activities were also the subject of the discussions.

In the course of ongoing risk management, the Company already made the decision in August 2020, with the involvement of the then Advisory Board, to terminate the current service agreement with Wirecard Bank AG as the payment service provider and to transfer the procedure to proven payment service partners that are already used in the fashionette online shop. In the course of the circular resolution of 18 November 2020, the Supervisory Board granted the necessary approval for the conclusion of a contract with Ratepay GmbH.

Approval of the 2019 annual financial statements

The 2019 Annual Financial Statements of Fashionette GmbH were adopted by the Shareholders' Meeting on 21 September 2020.

Trustful cooperation with the Management Board

Even before his appointment, the Chairman of the Supervisory Board had been able to establish an open and trustful working relationship with the Management Board in his capacity as an Advisory Board member. This cooperation was also continued in his function as Chairman of the Supervisory Board.

The Chairman of the Supervisory Board also remained in regular contact with the Management Board between meeting dates and was kept informed of all significant developments and pending decisions of particular importance to the Company. The Chairman of the Management Board informed the Chairman of the Supervisory Board without delay of all significant events of material importance for the assessment of the situation and development and for the management of the Company. All members of the Supervisory Board were fully informed of these matters by the Chairman of the

Supervisory Board at the latest at the following meeting.

Corporate governance

fashionette AG is listed on the Regulated Unofficial Market of the Frankfurt Stock Exchange and is therefore not subject to the requirements of the German Corporate Governance Code. Irrespective of this, good corporate governance is an essential basis for responsible corporate management.

Open and trustful cooperation between the Management Board and the Supervisory Board is essential for control and management. This requires the Supervisory Board to be familiar with the Company's business and industry. Only under these conditions is a control and advisory function of the highest quality possible. This is ensured at fashionette due to the upstream cooperation within the Advisory Board of Fashionette GmbH for the Chairman of the Supervisory Board. In his function as an Advisory Board member and in anticipation of the planned change of legal form, the Chairman of the Supervisory Board had included another Supervisory Board member in the Advisory Board meetings as a guest. Furthermore, two other Supervisory Board members have relevant industry experience from their previous activities.

In accordance with § 14 (1) of the Articles of Association, the Supervisory Board has adopted rules of procedure and, in the interests of good corporate governance, publishes them on the website in the Corporate Governance section.

The Supervisory Board has not formed any committees at present. We are of the opinion that focused and strategic support of the Company requires the experience and expertise of the entire Board, which has been specifically put together to meet the Company's business objectives.

There were no conflicts of interest involving members of the Supervisory Board in the reporting period.

Annual financial statements for fiscal year 2020

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was appointed auditor for the fiscal year from 1 January to 31 December 2020 by resolution of the Annual General Meeting on 22 September 2020 and commissioned accordingly by the Chairman of the Supervisory Board. A declaration of independence by the auditor has been submitted to the Supervisory Board.

The Annual Financial Statements for the fiscal year from 1 January to 31 December 2020, prepared by the Management Board in accordance with the rules of the German Commercial Code (HGB), as well as the Management Report of fashionette AG, were the subject of the audit.

At the conclusion of the audit, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft issued an unqualified audit opinion on the Annual Financial Statements of fashionette AG. The auditor's audit

also includes the measures required under Section 91 (2) of the German Stock Corporation Act (AktG) for the establishment of an early risk detection system.

The Annual Financial Statements, the Management Report of the Company and the auditor's report on their audit were made available to all members of the Supervisory Board in good time before the resolution and approval by the Supervisory Board on 29 April 2021. The auditors reported to the Supervisory Board on the progress and main findings of their audit at the Supervisory Board meeting convened to approve the financial statements and were available to answer questions, discuss matters and provide additional information.

Following a detailed examination of the documents and taking into account the audit reports, the Supervisory Board approved the Annual Financial Statements at its meeting on 29 April 2021. The Annual Financial Statements for 2020 are thus adopted in accordance with Section 172 sentence 1 of the German Stock Corporation Act (AktG).

In conclusion, the Supervisory Board would like to express its thanks to the Management Board and all employees of fashionette for the good and trustful cooperation in the past year. Furthermore, we also extend our thanks to all shareholders for the trust they have placed in us.

Dusseldorf, 29 April 2021
For the Supervisory Board



Dr. Oliver Serg
Chairman of the Supervisory Board

The Supervisory **BOARD**



Dr. Oliver Serg
Chairman



Stefan Schütze
Vice Chairman



Christian van der Bosch



Karoline Huber



Rolf Sigmund



MANAGEMENT REPORT

02

Management Report

Principles of the Company	32
Economic Report	36
Opportunity and Risk Report	43
Forecast Report	47

Principles of the COMPANY

History of fashionette

The roots of fashionette AG go back to 2008. The official launch of the website took place in 2009 under fashionette.de. From the beginning, the focus of the range was on premium and luxury fashion accessories. Already in 2013, fashionette broke even operationally with sales revenues of EUR 13 million and broadcast its first TV commercials in 2014. With a new logistics concept and a website design that is continuously adapted to the current zeitgeist, fashionette already generated more than EUR 50 million in sales in 2017.

Business model

fashionette is a leading European data-driven online platform for premium and luxury fashion accessories. The focus of fashionette is on making personalized online shopping for premium and luxury fashion accessories accessible to all customers in Europe. According to the market research company Statista, fashionette is both the best-known online store for designer handbags in Germany and the first place to go when buying designer handbags. Since the Company was founded in 2008, the brand has established itself in eight countries and, according to the market research institute Innofact, is now one of the most popular online shops for designer handbags, shoes and accessories, as well as sunglasses, watches and jewelry, in the German-speaking countries. With around 14,000 products from more than 180 interna-

tional brands, fashionette already has one of the most relevant assortment on the market. fashionette has annual, double-digit organic growth with a multi-year track record of EBITDA profitability since 2013.

fashionette's data-driven business model contributes significantly to its profitability and is based on intelligent algorithms for, among other things, efficient inventory management and a personalized shopping experience through tailored marketing campaigns and curated product selection. fashionette's focus is on linking the curated assortment of designer accessories with the personal ideas and wishes of each customer. In this way, expenses for customer acquisition already pay off with the first order. In fashionette's opinion, the best possible shopping experience leads to increasing order volumes and is reflected in the growth of the average shopping cart over time as customer confidence increases.

With its service and price guarantee, fashionette works transparently and strives to provide its customers with excellent quality and an unforgettable shopping experience. Thus, shopping at fashionette becomes part of one's individual lifestyle. The goal is to expand individualized services to make the digital shopping experience more inspiring, more convenient and

more personal. To this end, fashionette is further expanding its local websites and service offerings throughout Europe.

Business activity

An important factor in fashionette's success, according to the Company, is based on the webshop concept it has developed in-house: The proprietary technology platform significantly supports all data-driven business processes and guarantees smooth scalability. At fashionette, state-of-the-art technology and complex analyses through artificial intelligence are used with the aim of more than just meeting its customers' growing demand for a very personal shopping experience.

Tailored to their personal preferences, customers receive a selection of sought-after high-quality premium and luxury fashion accessories to complete their outfits. The suggested products go beyond short-term fashion trends and have a long-lasting appeal with timeless brands. fashionette's goal is to offer a broad but well-sorted and curated range of premium and luxury fashion accessories. To this end, fashionette style experts select the appropriate

products to complement individual styling.

fashionette is convinced that its secure, robust and scalable IT platform will enable it to continuously improve operational efficiency and effectiveness at the same time. This results in targeted and automated marketing campaigns, simplified control of the purchasing selection and decision-making processes, and active support for inventory management. The scalability also includes the required quality in the creation of content for the web shop, such as product photos and descriptions. The scalable results minimize dependency on third-party vendors and create the flexibility needed to respond to market changes and opportunities in a timely manner. This is where fashionette sees a profitable competitive advantage.

The Company is convinced that the combination of high customer satisfaction and the attractiveness of its selection of premium and luxury fashion accessories is the decisive key factor for first-class customer loyalty and long-term business success.

fashionette AT A GLANCE

EUR 94.8m

Net revenues 2020

240k

New customers

608k

Orders 2020

39.8m

Site visits 2020

39.6%

Gross profit margin

9.4%

EBITDA margin adjusted

Control system

Financial performance indicators

The key financial performance indicators used to manage fashionette AG are net revenue revenue, gross profit and the gross profit margin, reported EBITDA and the reported EBITDA margin, and adjusted EBITDA and the adjusted EBITDA margin.

NON-FINANCIAL PERFORMANCE INDICATORS	2020	2019	Δ
Site Visits (in thousands)	39,833	27,292	46.0%
Mobile Visits Share (in %)	81.8%	77.3%	5.8%
Number of orders (in thousands)	608	417	45.6%
Average Order Value (in EUR)	261	306	-14.7%
Active customers (in thousands, LTM)	357	239	49.4%
New customers (in thousands)	240	147	63.3%

Non-financial performance indicators

The most important non-financial performance indicators for the management of fashionette AG are page views, the share of mobile page views, the number of orders, value of the order, the average shopping cart, the number of active customers and the number of new customers.

Site Visits

The number of daily unique page requests from the same device and source on the same domain.

Mobile Visits Share (in %)

Ratio of site views via a mobile device to the total number of site visits.

Number of orders

Number of customer orders placed on one of the Company's websites 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.

Average Order Value

Ratio of the order value to the number of orders.

Active customers (past twelve months, LTM)

The number of customers placing at least one order in the last twelve months on one of the Company's websites irrespective of returns.

New customers

Number of Orders placed by customers which have placed the first not canceled order on one of the Company's websites irrespective of returns.

ECONOMIC REPORT

Macroeconomic development

fashionette is active in the area of online retail of premium and luxury fashion accessories in eight European countries. The economic development in Germany and Europe as well as the underlying conditions in the market segment for premium and luxury fashion accessories are thus extremely important for fashionette.

According to the International Monetary Fund (IMF), the COVID-19 pandemic had less of an impact on global economic activity in fiscal year 2020 than had been assumed in October. This was due to supportive fiscal and expansionary monetary policies in the advanced economies. After a better-than-expected recovery from the effects of the April lockdown in the second and third quarters, the global economy remained vulnerable to setbacks as the pandemic spread again toward the end of the year. According to the IMF, the global economy shrank by 3.5% in 2020 as a result of the coronavirus pandemic. Taking an unexpectedly strong recovery in the second half of the year into account, this represents an increase of 0.9 percentage points compared to the IMF's October outlook. Following an expansion rate of 2.9% in the previous year, the IMF had still assumed global economic growth of 3.3% at the beginning of fiscal year 2020.

The IMF even raised its forecast for the euro zone by 1.0 percentage point as a result of an unexpectedly more moderate decline in GDP in the second and third quarters and in response to the aid programs launched by the European Union and its member countries. The agreement reached in December 2020 on the terms of the United Kingdom's exit from the European Union eliminated a major risk to economic development. Due to the slowdown in the recovery as well as rising infection figures and renewed containment measures in the fourth quarter, the IMF expects GDP in the euro area to decline by 7.2% for the full year 2020.

In Germany, the IMF expects economic output to decline by 5.4% for 2020 as a whole following a forecast increase of 0.7 percentage points. The outbreak of the coronavirus pandemic thus ended a ten-year growth phase for the German economy. The economic slump was less severe than in the financial and economic crisis of 2008/2009 (-5.7%), yet left clear scars in all segments of the economy, according to the Federal Statistical Office (Destatis). Production was massively curtailed in both service sectors and manufacturing. With a particularly drastic slump of 6.3% overall, developments in the individual service sectors were mixed. Online retail, for example, increased significantly, while brick-and-mortar retail posted sharp declines in some

areas. Private consumer spending, previously a pillar of the economy, dropped by 6.0% in 2020, the sharpest decline since statistical surveys first began. By causing employment figures to decline by 1.1%, the coronavirus pandemic also ended a 14-year upward trend in the job market.

Industry conditions

According to the consulting firm Bain & Company, the global luxury goods market experienced its first recession in more than 10 years in 2020 as a result of the pandemic-related economic downturn and the resulting cutbacks in consumer spending. Sales of luxury goods fell by around 23% to EUR 217 billion and had a disproportionate impact on profitability across the industry. As a result, the operating profit of globally active luxury goods companies fell by an average of around 60% in 2020 and margins declined from 21% to 12%. While the European luxury goods market recorded a drop in sales of 36% to EUR 57 billion, the consumption behavior of European consumers was significantly more resilient by international comparison.

The global trend from offline to online retailing accelerated in the luxury goods market in 2020, with the share of purchases made online almost doubling year-on-year to 23%. Shoes and skin care products achieved the strongest increase, with growth of around 60%. In connection with this development, companies invested more heavily in digital and customer-focused marketing and in online store systems, while developments in brick-and-mortar retail were dominated by cost optimization measures and the postponement of store openings.

E-commerce sales in Germany rose by 14.6%

to EUR 83 billion in 2020 and, according to the German E-Commerce and Distance Selling Trade Association (bevh), were 3.3 percentage points higher than the average growth of 11.3% in the previous three years, despite the corona pandemic-related stagnation in the first quarter. At the same time, the use of e-commerce also increased in all age groups of German society. For example, nearly 75% of online customers said they intended to order via e-commerce more than once a week in the future, compared to around 50% in 2019.

Broken down by merchandise group, the "clothing and shoes" category continued to hold the top spot in 2020 after posting growth of 13.2% to total sales of EUR 21 billion. For the bevh, the very high orders are not merely the result of the lockdowns, but in particular due to the logistical excellence of retailers and mail order companies, which in the perception of customers increased by a further 0.8 percentage point compared to the previous year to over 95.3% despite the challenges caused by the pandemic.

Course of business

In fiscal year 2020, fashionette AG achieved growth in net revenue after credit notes for returns and discounts of 29.6% to EUR 94,812k (2019: EUR 73,160k) with increases in all product categories. The 63.3% increase in the number of new customers and the associated increase in active customers contributed in particular to the growth in revenue.

With a share of net revenue of 85.0% (2019: 88.6%), the GSA region, which remains fashionette's most important geographical market, recorded growth of 25.5%. However, non-German-speaking countries are also becoming increasingly important, with growth of

71.9% to EUR 14,146k (2019: EUR 8,227k). With the growth of new customers the number of orders increased by 45.6% to 608k (2019: 417k). At the end of fiscal year 2020, fashionette had 357k active customers (31 December 2019: 239k).

In this context, different price margins in the categories due to the planned volume expansion into lower-margin categories had an impact on the gross profit margin of 39.6% (2019: 40.9%). Overall, gross profit increased by 25.5% to EUR 37,514k (2019: EUR 29,894k).

Income Statement (condensed)

	2020 EUR k	2019 EUR k	Δ
Total revenue	162,584	128,698	26.3%
Credits	67,772	55,538	22.0%
Net revenue	94,812	73,160	29.6%
Cost of materials / Cost of merchandise purchased	57,298	43,267	32.4%
Gross profit	37,514	29,894	25.5%
Gross profit margin	39.6%	40.9%	-1.3 PP
Other operating income	1,705	1,061	60.7%
Personnel expenses	7,500	6,677	12.3%
Other operating expenses	25,838	17,507	47.6%
EBITDA (reported)	5,881	6,771	-13.1%
EBITDA margin (reported)	6.2%	9.3%	-3.1 PP

Earnings before interest, taxes, depreciation and amortization (EBITDA), mainly adjusted for non-recurring effects for the IPO, increased by 24.5% to EUR 8,894k in the past fiscal year 2020 (2019: EUR 7,146k) with an adjusted EBITDA margin of 9.4% (2019: 9.8%). Reported EBITDA decreased by 13.1% to EUR 5,881k (2019: EUR 6,771k) with a reported EBITDA margin of 6.2% (2019: 9.3%).

Special effects are mainly included in the form of expenses for the IPO of fashionette AG in the fourth quarter of 2020 and for project-related

tenders and consulting in connection with logistics services totaling EUR 3,013k (2019: EUR 375k). These non-recurring effects are not included in adjusted EBITDA.

The reconciliation to adjusted EBITDA and the allocation of non-recurring effects to the income statement items are as follows:

Reconciliation to EBITDA (adjusted)

	2020 EUR k	2019 EUR k	Δ
Non-recurring effects			
Expenses and income in connection with the IPO	2,699	0	
Non-recurring consulting expenses	156	183	
Expenses not attributable to operating activities	158	191	
Total non-recurring effects	3,013	375	
EBITDA (adjusted)	8,894	7,146	24.5%
EBITDA margin (adjusted)	9.4%	9.8%	-0.4 PP

Economic situation

Earnings position

In fiscal year 2020, fashionette AG achieved growth in net revenue after credit notes for returns and discounts of 29.6% to EUR 94,812k (2019: EUR 73,160k). In particular, the 63.3% rise in the number of new customers contributed to the growth in revenues.

The cost of materials increased by 32.4% to EUR 57,298k (2019: EUR 43,267k) due to higher volumes.

Other operating income increased by 60.7% to EUR 1,705k (2019: EUR 1,061k), in particular due to non-recurring effects in connection with the IPO.

Personnel expenses increased by 12.3% to a total of EUR 7,500k (2019: EUR 6,677k) in the reporting year due to the 8.8% increase in the average number of employees to 148 (31 December 2019: 136).

At EUR 2,434k, amortization of intangible assets and depreciation of property, plant and equipment was on par with the previous year (2019: EUR 2,501k). Of this amount, EUR 1,415k related to the straight-line amortization of goodwill in accordance with the German Commercial Code (HGB) (2019: EUR 1,416k).

Other operating expenses increased by 47.6% to EUR 25,838k (2019: EUR 17,506k) due to the increase in sales, marketing and other operating costs. Other operating expenses include IPO expenses of EUR 2,834k. Marketing expenses as a percentage of net revenue decreased by 0.7 percentage points to 9.6%, while selling

expenses increased by 0.9 percentage points to 7.1%.

Financial position

Financial and liquidity management plays an important role in the growth of fashionette AG as well as the limitation of financial risks and the optimization of capital costs. The financing strategy is geared towards securing liquidity for the implementation of the Company strategy as well as to meet operational financing requirements.

No dividend payment is planned for fiscal year 2020. fashionette AG intends to continue investing future profits in the development of the Company after deducting the legal reserve.

In the past fiscal year 2020, fashionette AG generated nearly tripled cash flow from operating activities of EUR 5,241k (2019: EUR 1,843k). The increase is due to the higher net income adjusted for the non-recurring expenses in connection with the IPO as well as the increase in provisions and trade payables.

Cash flow from investing activities amounted to EUR -685k (2019: EUR -776k) and primarily reflects capitalized development costs for the Company's own web shop.

Cash flow from financing activities of EUR 33,578k (2019: EUR -1,500k) mainly includes the issue proceeds from the IPO and the related non-recurring expenses and income of fashionette AG.

Liquidity position

In fiscal year 2020, fashionette AG recorded an inflow of cash and cash equivalents of EUR 38,134k (2019: EUR -433k). Cash and cash equivalents amounted to EUR 31,829k (31 December 2019: EUR -6,273k). As of the reporting date, there were no significant current liabilities to banks of EUR 6k (31 December 2019: EUR 8,545k) and, as in the previous year, no non-current liabilities to banks. There are still unused short-term credit lines totaling EUR 15,000k with the principal banks.

fashionette AG has sufficient liquid funds to finance its further growth plans.

Asset position

At the end of fiscal year 2020, fashionette AG's total assets increased by 72.5% to EUR 79,078k (31 December 2019: EUR 45,848k), in particular as a result of the Company's IPO in October.

Non-current assets decreased by 9.6% to EUR 16,253k (31 December 2019: EUR 17,983k), mainly due to scheduled amortization of goodwill. The share of non-current assets in total assets decreased to 20.6% (31 December 2019: 39.2%).

Current assets increased by EUR 34,832k to EUR 62,112k in fiscal year 2020 (31 December 2019: EUR 27,280k). Inventories increased by EUR 5,913k to EUR 21,852k (31 December 2019: EUR 15,939k). In order to reduce negative interest rates, EUR 10,000k was invested in fixed-interest commercial paper in November 2020 and reported as other securities. The term to maturity is three months. Cash and cash equivalents increased by EUR 19,562k to EUR 21,835k in fiscal year 2020 (31 December

2019: EUR 2,273k) mainly due to the cash inflow in connection with the IPO.

Equity increased by 134.5% to EUR 66,369k (31 December 2019: EUR 28,297k), particularly in connection with the IPO. As a result, the strong equity ratio improved further to 83.9% (31 December 2019: 61.7%), reflecting the long-standing profitable nature of the business model.

Provisions decreased by 10.5% to EUR 1,074k (31 December 2019: EUR 1,201k). Tax provisions amounted to EUR 0k (31 December 2019: EUR 793k) due to high prepayments. Other provisions increased to EUR 1,074k (31 December 2019: EUR 408k), mainly due to outstanding invoices, personnel expenses and audit and year-end closing costs.

Liabilities declined by 28.8% to EUR 11,635k (31 December 2019: EUR 16,350k). This decrease mainly resulted from the decrease in liabilities to banks by EUR 8,539k. Trade payables, advance payments received on orders and other liabilities increased by 49.0% to EUR 11,629k (31 December 2019: EUR 7,805k). Liabilities as a percentage of total capital decreased to 14.7% (31 December 2019: 35.7%).

Overall statement by the Management Board on the economic development

fashionette AG developed very successfully in 2020. Thanks to the successful IPO, the past fiscal year was one of the most important in the Company's history in order to be perceived even more strongly internationally as a leading European data-driven online platform for premium and luxury fashion accessories.

With an increase of 29.6%, fashionette significantly increased its net revenue in 2020. The very positive development of the active customer base with an increase of 49% is due in particular to the significant growth in new customers by 63%. Growth outside our core markets of Germany, Austria and Switzerland (GSA) was even stronger at 72%.

This strong growth is attributable in particular to the increase in the number of new customers.

Earnings before interest, taxes, depreciation and amortization (EBITDA), mainly adjusted for the non-recurring effects of the IPO, increased by 24.5% in the past fiscal year 2020. At over 9%, the adjusted EBITDA margin was roughly on par with the previous year.

fashionette achieved very strong profitable growth for the full year 2020.

The previous year's forecast, which assumed an increase in sales at least on a par with the previous year, was significantly exceeded based on increased demand due to the rise in the number of new customers. The non-financial performance indicators, which were expected to remain unchanged, were also exceeded in almost all categories. Only the average order value (in EUR) showed a category-mix-driven decline.

Opportunity and RISK REPORT

This opportunity and risk report lists the significant risks and opportunities for fashionette that are currently classified as the most probable/highest risk.

Overall risk

The main risks for the Company have not changed since the securities prospectus was published.

There are no known risks to the Company as a going concern due to insolvency or over indebtedness.

Risk management system

Risk management at fashionette includes not only risks, but also opportunities. A risk is defined as a future event, the occurrence of which could lead to a negative deviation from planned to actual data. In contrast, an opportunity is defined as an event that could lead to a positive deviation in the Company's data.

The Management Board of fashionette AG bears overall responsibility for establishing and maintaining an effective risk management system and is responsible for developing and implementing effective measures to mitigate risks and seize opportunities within the relevant areas of responsibility.

The goal of the risk management system as an integral part of systematic decision-making processes is to ensure risk- and opportunity-conscious actions for sustainable growth by creating transparency.

The identification and assessment of potential risks and opportunities is carried out on an ongoing basis by the Management Board and in consultation with the relevant department heads.

Presentation of material risks

Liquidity situation

Due to the current liquidity situation, no financial risks (default risk and liquidity risk) exist. In addition to its current financial resources, fashionette has two unused revolving credit lines of EUR 7,500k each.

As part of its liquidity management, the Company has also concluded agreements with factoring companies that bear the risk of default by debtors. The termination of current factoring agreements could have a negative impact on the liquidity situation and also on the sales and earnings situation.

fashionette is convinced that it will continue to generate increasing profits in the future through sales growth and profitability increases and thus

be able to finance its ongoing business activities and investments in international expansion.

Competitive intensity

„fashionette“ operates in a dynamic, fragmented and highly competitive market segment. Its many competitors operate under different brands and include fashion generalists as well as specialists for accessories in both online and offline retail. In addition, fashionette’s suppliers are predominantly manufacturers themselves or retailers with their own end-customer sales. Therefore, additional competitive intensity is to be expected should suppliers take advantage of the lower-cost access to goods to set up and/or expand online shops. Increasing competition in the European market for premium and luxury fashion accessories could have a negative impact on the Company’s growth as well as on its sales and earnings situation and thus also on its competitive situation.

fashionette is convinced that its proprietary, data-driven business model will enable it to dynamically and flexibly anticipate new trends, changes in demand or technological progress, and to secure and expand its market share vis-à-vis current and new competitors.

Supplier relationships

The discontinuation or legal and/or competitive restriction of purchasing relationships with relevant brand owners or suppliers could have an impact on fashionette’s sales opportunities for premium and luxury fashion accessories and negatively affect the sales and earnings situation and thus also its competitive situation.

fashionette is convinced that, as a leading online platform for premium and luxury handbags in

Germany with many years of market presence as well as continuous investments in marketing and brand building, it will be able to maintain reliable relationships with numerous brands and suppliers throughout Europe in the future.

Brand management

Awareness and the reputation of the “fashionette” brand among customers and suppliers are crucial for growth and competitiveness in the European market for premium and luxury fashion accessories, as market share is related to brand awareness. The following factors can have a negative impact on customer growth and purchase volumes: Deficiencies in the presentation of premium and luxury fashion accessories, deficiencies in the offer of competitive prices and favorable conditions or in customers’ satisfaction with the service orientation of fashionette especially with regard to deliveries, returns and payments. Moreover, in an increasingly competitive environment, the effort required for brand management could increase.

fashionette is convinced that it can secure and expand the Company’s reputation and the popularity of its online shop through excellent customer service and a range of high-quality premium and luxury fashion accessories.

COVID-19 pandemic

fashionette sells premium and luxury fashion accessories in Germany, Austria, and Switzerland, as well as in select European countries and the United Kingdom. In times of economic uncertainty and recessions, economic conditions in the respective markets could affect the purchasing power and consumer behavior of consumers and, as a result of lower online orders, have a negative impact on the Compa-

ny's growth and the development of operating profitability. In particular, the COVID-19 pandemic makes further economic development uncertain and could lead to changes in demand behavior.

fashionette is convinced that it will be able to cope with possible market changes and continue to benefit from the trend towards online shopping as well as from changes in shopping behavior in connection with the COVID-19 pandemic.

Overall opportunity situation

The main opportunities for the Company have not changed since the securities prospectus was published.

The Company knows of no opportunities that could lead to significant overachievement of its ambitious targets.

Presentation of significant opportunities

Risks that could affect the competitive situation and economic development of the Company are offset by opportunities that have the potential to also promote growth and profitability.

Demand for premium and luxury fashion accessories

With its positioning in the European market for premium and luxury fashion accessories, fashionette has a proven and profitable business model. In this context, according to market research company Statista, fashionette is considered the first port of call in Germany when buying a designer handbag. The Company can benefit from this, as well as from an accelerated trend towards online shopping, with increases

in sales and earnings. In this context, the European market for premium and luxury fashion accessories offers higher growth potential than generalized product segments and markets due to the lower online penetration.

Proprietary, data-driven platform

The following capabilities of the proprietary, data-driven fashionette online platform are critical to the Company's demand for premium and luxury fashion accessories: providing a relevant and broad product offering, speed of order delivery, attractiveness of premium and luxury fashion accessories and price offerings, and successful product marketing and customer service excellence. By expanding the range of premium and luxury fashion accessories, optimizing the shopping experience on the fashionette platform and continuously focusing on operational excellence and high-quality customer service, fashionette is convinced that it can continue to benefit from an increase in demand for premium and luxury fashion accessories.

Brand awareness

fashionette is a leading online platform for premium and luxury handbags in Germany with high brand awareness. According to the market research company Statista, fashionette is the best-known online shop for designer handbags in Germany. The long-standing market presence of the "fashionette" brand and continuous investments in marketing and brand building have enabled the Company to establish many long-term relationships with numerous brands and suppliers in Europe, creating market entry barriers for new competitors. The ability to compare premium and luxury fashion accessories from different brands, to identify

current trends and thereby minimize the risk of counterfeit products, contributes to trust in the "fashionette" brand and thus to its awareness. fashionette is convinced that website visitors become active customers through the customer experience and that the corresponding repeat purchases are strengthened and can thus contribute decisively to sales and operating results.

Customer loyalty

fashionette is convinced that an inspiring customer experience will increase customer loyalty and build loyal and lasting relationships with its customers. Customer loyalty is essential to increasing the frequency of repeat purchases and consequently the order volume at lower marketing costs in relation to sales. In order to increase the average value of an order, the Company is continuously expanding the selection of current product categories and investing in value-added content as well as a further improved customer experience. fashionette is convinced that by increasing the average order value, it will be able to simultaneously make considerable investments in marketing and increase its operational profitability.

Forecast REPORT

Future macroeconomic and sector-specific situation

According to the International Monetary Fund (IMF), the global economy will grow by 5.5% again in 2021 following a decline of 3.5% the previous year. Growth is expected to be 0.3 percentage points stronger than assumed in the WEO forecast from October 2020. The forecast increase is particularly pronounced for the advanced economies and reflects the additional political support. Combined with the expected widespread availability of vaccines in the summer of 2021, the production losses in advanced economies are expected to be lower than assumed compared to pre-crisis levels. The IMF expects a full recovery in the USA and Japan as early as the second half of 2021, and in the euro region and the United Kingdom from 2022.

For the euro region, the IMF even lowered its forecast for 2021 by 1.0 percentage points due to weaker economic activity from the end of the past fiscal year as a result of a renewed rise in infection figures and new lockdowns. For 2021 as a whole, the IMF expects gross domestic product (GDP) in the euro region to increase by 4.2%, below the pre-corona level of 2019.

In Germany, the IMF expects economic output to increase by 3.5% for 2021 as a whole following a forecast reduction of 0.7 percentage points.

According to the management consulting firm Bain & Company, the global market for luxury goods is expected to grow by up to 20% to EUR 260bn in 2021 and reach pre-coronavirus pandemic levels again between 2022 and 2023.

The ability to anticipate customer needs in good time will be crucial to success here.

In operational terms, according to Bain & Company, globally active luxury goods companies will be able to recover around 50% of the losses incurred in the past fiscal year in 2021, but will still be around a quarter below the level of 2019. Margins are expected to rise again to an average of around 17%, compared to up to 21% before the pandemic.

The global trend from offline to online retailing will also continue to accelerate in the luxury goods market, according to Bain & Company, and will grow the fastest of all sales channels in the coming years.

The German e-commerce industry expects to be able to retain a large proportion of the corona-related additional demand in 2021, even when stores reopen. The German E-Commerce and Distance Selling Trade Association (bev) expects sales to grow by around 13% to over EUR 100 billion

Future development of the Company

The Management Board of fashionette AG is entering the year 2021 with confidence and dynamism. In the opinion of the Management Board, the significant international growth in the past fiscal year underscores the great expansion potential of fashionette.

For fashionette, the focus is on the customer's shopping experience. Customers should not only be offered what they are looking for, but also ideas for combining it with other fashion products in order to find or complement the perfect look. The Management Board is convinced that a personalized shopping experience and curated product selection through fashionette AG's proprietary online platform will make the difference in a dynamically growing market.

In this context, the interaction of the proprietary technology platform and the financial flexibility provided by the IPO offers, in the opinion of the Management Board, excellent framework conditions to further drive the scaling of fashionette. The Management Board expects to benefit further from the accelerated shift of brick-and-mortar retail towards e-commerce in the European market segment for premium and luxury fashion accessories.

Therefore, fashionette AG is pursuing the goal of growing significantly faster than the online fashion market and further increasing the Company's market share in order to become Europe's leading online platform for high-quality fashion accessories in the premium and luxury segment. The Management Board is convinced that this strategy will maximize the value of the Company in the long term.

fashionette AG's growth strategy is based on three pillars. The Management Board intends to continue the geographic expansion as well as the extension of the product range into existing and related product categories through both organic growth and selective acquisitions. The launch of a competitive range of beauty and care products is already planned in the current fiscal year in order to benefit from additional cross-selling opportunities.

The expansion of the data-driven business model to include other processes will be yet another development step in 2021. In this way, the processes are to be set up even more efficiently and, at the same time, customers will be offered a personalized and extraordinary shopping experience that they can only have in this form at fashionette.

The number of new customers in 2021 is expected to be around 20% - 30% higher than in the previous year and to further expand the active customer base. The other non-financial performance indicators are also expected to continue to develop positively as in the previous year.

For 2021, the Management Board of fashionette AG expects net revenues to increase by around 25% to 30% to around EUR 118 million to EUR 123 million. With investments in further growth, especially for marketing expenses, the adjusted EBITDA margin is expected to be in the mid single-digit percentage range.

Dusseldorf, 30 March 2021

Daniel Raab

Thomas Buhl



FINANCIAL STATEMENTS

03

Financial Statements

Statement of Financial Position	51
Statement of Income	53
Statement of Cash Flows	54
Statement of Changes in Equity	55
Statement of Changes in Fixed Assets	56
Notes	57

Statement of Financial Position

as of 31 December 2020

ASSETS in EUR k	31/12/2020	31/12/2019
A. FIXED ASSETS		
I. Intangible assets		
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	1,275	2,087
2. Goodwill	14,149	15,564
3. Prepayments	544	56
	15,968	17,707
II. Property, plant and equipment		
Other equipment, furniture and fixtures	285	276
	16,253	17,983
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	72	88
2. Merchandise	21,545	15,687
3. Prepayments	236	164
	21,853	15,939
II. Receivables and other assets		
1. Trade receivables	7,636	8,497
2. Other assets	788	571
	8,424	9,068
III. Securities		
Other securities	10,000	0
IV. Cash on hand and bank balances	21,835	2,273
	62,112	27,280
C. PREPAID EXPENSES	713	585
TOTAL ASSETS	79,078	45,848

LIABILITIES in EUR k	31/12/2020	31/12/2019
A. EQUITY		
I. Subscribed capital	6,200	25
II. Capital reserve	59,200	28,175
III. Net retained profit	969	97
	66,369	28,297
B. PROVISIONS		
1. Provisions for taxes	0	793
2. Other provisions	1,074	408
	1,074	1,201
C. LIABILITIES		
1. Liabilities to banks	6	8,545
2. Advance payments received on orders	178	115
3. Trade payables	7,790	5,253
4. Other liabilities	3,661	2,437
	11,635	16,350
TOTAL EQUITY AND LIABILITIES	79,078	45,848

Statement of Income

for the period from 1 January to 31 December 2020

in EUR k	2020	2019
1. Revenue	94,812	73,160
a) total revenue	162,584	128,698
b) less credits	67,772	55,538
2. Other operating income	1,705	1,061
thereof from currency translation EUR 368k (prior year: EUR 215k)		
	96,517	74,221
3. Cost of materials		
Cost of purchased merchandise	57,298	43,267
4. Personnel expenses		
a) Wages and salaries	6,487	5,703
b) Social security contributions and expenses for pensions and other employee benefits thereof for pensions EUR 7k (previous year: EUR 7k)	1,013	974
5. Amortization, depreciation and impairment of intangible assets and property, plant and equipment	2,434	2,501
6. Other operating expenses	25,838	17,506
thereof from currency translation EUR 529k (previous year: EUR 255k)		
	93,070	69,951
7. Other interest and similar income	18	21
8. Depreciation of securities held as current assets	9	0
9. Interest and similar expenses	1,460	1,521
thereof from discounting of provisions EUR 0.2k (previous year: EUR 0.3k)		
10. Income taxes	1,124	1,370
11. Earnings after taxes	872	1,400
12. Net income	872	1,400
13. Profit/loss carried forward from the previous year	97	-1,303
14. Net income for the period	969	97

Statement of Cash Flows

for the period from 1 January to 31 December 2020

in EUR k	2020	2019
Cash flow from operating activities		
Result for the period	872	1,400
Amortization, depreciation and impairment of intangible assets and property, plant and equipment	2,434	2,501
Increase / decrease in provisions	666	76
Other non-cash expenses / income	32	-6
Increase / decrease in inventories, trade receivables and other assets	-5,313	-3,214
Increase / decrease in trade accounts payable and other liabilities	3,557	-1,020
Gain / loss on disposal of fixed assets	0	-2
Interest expenses / interest income	1,442	1,500
Expenses / income of exceptional amount or extraordinary importance	2,215	0
Income tax expenses / income	1,124	1,370
Income tax payments	-1,787	-762
Cash flow from operating activities	5,241	1,843
Cash flow from investing activities		
Cash paid for investments in intangible assets	-596	-742
Proceeds from disposals of property, plant and equipment	0	2
Cash paid for investments in property, plant and equipment	-107	-57
Interest received	18	21
Cash flow from investing activities	-685	-776
Cash flow from financing activities		
Proceeds from equity contributions from other shareholders	37,200	0
Proceeds received in connection with income of exceptional amount or extraordinary importance	618	0
Payments in connection with expenses of exceptional amount or extraordinary importance	-2,833	0
Interest paid	-1,407	-1,500
Cash flow from financing activities	33,578	-1,500
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	38,134	-433
Exchange rate and valuation-related changes in cash and cash equivalents	-32	6
Cash and cash equivalents at the beginning of the period	-6,273	-5,846
Cash and cash equivalents at the end of the period	31,829	-6,273
Composition of cash and cash equivalents		
Cash and cash equivalents	21,835	2,272
Securities*	10,000	0
Current liabilities due to banks	-6	-8,545
Cash and cash equivalents at the end of the period	31,829	-6,273

* Securities reported in cash and cash equivalents have a maturity of 3 months and were subject to a restraint on disposal until 26 February 2021.

Statement of Changes in Fixed Assets

for the period from 1 January to 31 December 2020

in EUR k	Acquisition costs				
	01/01/2020	Additions	Transfers	Disposals	31/12/2020
Intangible assets					
Licenses, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	5,143	95	13	0	5,251
Goodwill	21,227	0	0	0	21,227
Prepayments made	56	501	-13	0	544
Total intangible assets	26,426	596	0	0	27,022
Technical equipment and machinery					
Other equipment, operating and office equipment	741	108	0	56	793
Total property, plant and equipment	741	108	0	56	793
Total fixed assets	27,167	704	0	56	27,815

in EUR k	Amortization, depreciation and impairment				Book values	
	01/01/2020	Additions	Disposals	31/12/2020	01/01/2020	31/12/2020
Intangible assets						
Licenses, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	3,056	920	0	3,976	2,087	1,275
Goodwill	5,663	1,415	0	7,078	15,564	14,149
Prepayments made	0	0	0	0	56	544
Total intangible assets	8,719	2,335	0	11,054	17,707	15,968
Technical equipment and machinery						
Other equipment, operating and office equipment	465	99	56	508	276	285
Total property, plant and equipment	465	99	56	508	276	285
Total fixed assets	9,184	2,434	56	11,562	17,983	16,253

Statement of Changes in Equity

as of 31 December 2020

in EUR k	Subscribed capital	Capital reserve (§ 272 (2) No.4 HGB)	Accumulated profit/loss	Total equity
Status 31 December 2019	25	28,175	97	28,297
Capital increase from company funds	4,975	-4,975	0	0
Issue of shares	1,200	36,000	0	37,200
Net income/loss for the year	0	0	872	872
Status 31 December 2020	6,200	59,200	969	66,369

Notes

to the Annual Financial Statements from 1 January 2020 to 31 December 2020

A. General Information

fashionette AG (the "Company") is a limited liability Company incorporated in Germany with its registered office in Dusseldorf, Germany. The Company is registered under the name fashionette AG in the commercial register of the local court of Dusseldorf under HRB 91139. The Company was converted from a limited liability Company (GmbH) into a stock corporation (Aktiengesellschaft) by way of a change of legal form resolution on 22 September 2020 and entry in the commercial register on 1 October 2020.

fashionette AG is a stock corporation in accordance with the German Stock Corporation Act. fashionette ordinary shares have been listed on the stock exchange in Frankfurt/Main (Scale segment/Open market) since 29 October 2020.

These annual financial statements have been prepared in accordance with Sec. 242 et seq. and Sec. 264 et seq. HGB and in accordance with the relevant provisions of the German Stock Corporation Act, applying the going concern principle. The provisions for large corporations pursuant to Sec. 267 (3) sentence 2 HGB in conjunction with Sec. 264 d HGB apply. The structure of the balance sheet and the income statement complies with Sec. 266, 275 HGB and Sec. 150 et seq. AktG. Revenues are presented in the income statement as gross revenues less credit notes. The fiscal year is the calendar year.

As in the previous year, the income statement was prepared using the total cost method in accordance with Sec. 275 (2) HGB.

The disclosures required by law on the balance sheet and income statement items and the disclosures which may be made in either the balance sheet, income statement or the Notes to the Financial Statements are mostly made in the Notes in the interest of greater clarity of presentation.

The annual financial statements have been prepared in accordance with the same accounting and valuation principles as in the previous year. In fiscal year 2020, the Company will report equity and the income statement in accordance with the amendments to the German Commercial Code under stock corporation law. Fiscal year 2019 has also been adjusted accordingly.

B. Accounting policies

The following accounting policies, which have essentially remained unchanged compared to the previous year, were used to prepare the annual financial statements.

Purchased intangible fixed assets are recognized at acquisition cost and amortized using the straight-line method over their estimated useful lives.

Purchased goodwill is recognized as the excess of the value of the individual assets less liabilities at the time of the acquisition over the consideration and amortized over its limited useful life.

Property, plant and equipment are recognized at acquisition cost and are depreciated if they

have a limited life.

Property, plant and equipment are depreciated over their estimated useful lives on the basis of their economic lives. Fixed assets are depreciated using the straight-line method. Low-value assets with a value between EUR 250.00 - EUR 1,000.00 are pooled in an account and depreciated on a straight-line basis over a period of five years. Assets up to EUR 250.00 are immediately depreciated. Depreciation of additions to property, plant and equipment is otherwise charged pro rata temporis.

Inventories are recorded at acquisition cost or nominal value in accordance with the lower of cost or market principle. Merchandise with reduced marketability is written down to the lower net realizable value.

Adequate allowances provide for all identifiable inventory valuation risks resulting from slow-moving stock, reduced usability and lower replacement costs.

Apart from normal retentions of title and partial assignments of inventories as collateral for liabilities to banks in the amount of EUR 6k (previous year: EUR 8,487k), inventories are free of third-party rights.

Receivables and other assets are stated at their nominal value. Specific bad debt allowances provide for all foreseeable valuation risks. The general credit risk is provided for by a general bad debt allowance. F-10

Revenue recognition is adjusted by an appropriate allowance on receivables in the amount of the expected returns, recognized in accor-

dance with the gross method. Both the profit share of returns and the cost of materials of the expected re-turns are deducted from revenue.

Other marketable securities are stated at the lower of cost or market value as of the balance sheet date in accordance with Section 253 (4) HGB.

Cash on hand and bank balances are stated at nominal value.

Prepaid expenses relate to expenses before the reporting date to the extent that they relate to expenses for a certain period after this date. They do not include any items within the meaning of Sec. 250 (3) HGB.

Tax provisions and other provisions account for all identifiable risks, potential losses and uncertain liabilities on the basis of prudent business judgment. They are recognized at the settlement value deemed necessary, i.e., including future cost and price increases. Provisions with a residual term of more than one year are generally discounted using the average market interest rate for their respective residual term.

Liabilities and prepayments received are generally recognized at their settlement value or nominal value.

Deferred income comprises income before the reporting date to the extent that it relates to a certain period after this date.

Foreign currency assets and liabilities are generally translated using the mean spot rate on the reporting date. In the case of residual terms of more than one year, the realization principle

(Sec. 252 (1) No. 4 HGB) and the historical cost principle (Sec. 253 (1) Sentence 1 HGB) were applied.

The "thereof" items presented in the income statement under income and expenses from currency translation mainly include realized exchange differences.

C. Notes to the balance sheet

Fixed assets

The development of the individual items of fixed assets is shown in the statement of changes in fixed assets as an appendix to the notes, together with details of depreciation and amortization for the fiscal year.

The derivative goodwill is amortized over a period of 15 years, as it is assumed that the acquired customer relationships, market position and know-how will have an impact over this period

Receivables and other assets

As in the previous year, all receivables and other assets are due in up to one year. As in the previous year, trade receivables do not include any receivables from the shareholders. Receivables from factoring companies from customer receivables sold but not yet paid are presented under trade receivables. Other assets mainly include receivables from creditors from credit notes, advertising cost subsidies, bonus agreements amounting to EUR 469k (previous year: EUR 294k) and VAT and input tax receivables amounting to EUR 113k (previous year: EUR 61k).

Other securities

The other securities in the amount of

EUR 10,000k represent a short-term risk-free cash investment with a maturity of three months for the reduction of custody charges.

Capital stock

The Company's capital stock amounts to EUR 6,200,000.00 as of 31 December 2020 (previous year: EUR 25,000.00). The share capital is divided into 6,200,000.00 no-par value shares with a nominal value of EUR 1.00 per share. The Company does not hold any treasury shares.

As part of the change in legal form, EUR 4,975,000.00 was converted into share capital from the reported capital reserve by resolution dated 22 September 2020. The capital increase was carried out by creating new shares at EUR 1.00 each.

At an Extraordinary General Meeting of the Company on 16 October 2020, a resolution was passed to increase capital against cash contributions by issuing 1,200,000 new shares with a nominal value of EUR 1.00 per share as part of the planned and executed initial public offering (IPO).

As of 31 December 2020, the capital reserves amounted to EUR 59,200k (previous year: EUR 28,175k) and developed as follows in fiscal year 2020:

By resolution of 22 September 2020, EUR 4,975,000.00 was converted into share capital.

In October 2020, 1,200,000 new shares were issued at an issue price of EUR 31.00 as part of the IPO. The amount exceeding the nomi-

nal value of EUR 1.00 per share, totaling EUR 36,000k, was recognized in capital reserves.

Authorized Capital 2020

The Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before 15 October 2025 by up to a total of EUR 3,100,000.00 by issuing up to 3,100,000 new no-par value bearer shares of common stock in return for cash contributions and/or contributions in kind and, with the approval of the Supervisory Board and subject to certain conditions, to exclude shareholders' subscription rights within certain limits. This authorized capital is entered in the commercial register as Authorized Capital 2020.

Conditional Capital 2020/I

The share capital of the Company was conditionally increased by up to EUR 310,000.00 by issuing up to 310,000 new no-par value bearer shares.

The Conditional Capital 2020/I serves to execute option rights from the "Stock Option Program 2020" for members of the Management Board and employees of the Company. The term ends on 15 October 2024. This conditional capital has been entered in the commercial register as Conditional Capital 2020/I.

Conditional Capital 2020/II

The share capital of the Company was conditionally increased by up to EUR 2,190,000.00 by issuing up to 2,190,000 new no-par value bearer shares.

The conditional capital increase serves to grant shares to the holders or creditors of bonds with

warrants or convertible bonds as well as profit participation rights with option or conversion rights issued by the Company, companies dependent on it or companies in which the Company holds a majority interest by 15 October 2025 in accordance with the authorization resolved by the Annual General Meeting on 16 October 2020. The new shares shall participate in profits from the beginning of the fiscal year in which they are created through the exercise of conversion or option rights or the fulfillment of conversion or option obligations or the exercise of tender rights. The conditional capital increase shall only be implemented to the extent that option or conversion rights under the bonds are exercised or conversion obligations under such bonds are fulfilled, unless treasury shares or new shares from the authorized capital are used for fulfillment.

No use has been made yet of the authorization to issue bonds. This conditional capital is entered in the commercial register as Conditional Capital 2020/II.

Other provisions

Other provisions of EUR 1,074k (previous year: EUR 408k) mainly comprise provisions for personnel expenses of EUR 471k (previous year: EUR 317k), provisions for financial statements and the audit of EUR 164k (prior year: EUR 70k) and provisions for outstanding invoices of EUR 398k (prior year: EUR 0k).

Liabilities

The remaining terms of the liabilities are presented separately in the statement of liabilities:

Type of liability (in EUR k)	Amount	31 Dec 2020 remaining term			31 Dec 2019 remaining term			
		up to 1 year	more than 1 year	more than 5 years	Amount	up to 1 year	more than 1 year	more than 5 years
Liabilities to banks	6	6	0	0	8,545	8,545	0	0
Prepayments received on account of orders	179	179	0	0	115	115	0	0
Trade payables	7,790	7,790	0	0	5,253	5,253	0	0
Other liabilities	3,661	3,661	0	0	2,437	2,437	0	0
- thereof for taxes	3,470	3,470	0	0	2,306	2,306	0	0
- thereof for social security	5	5	0	0	6	6	0	0
Total	11,635	11,635	0	0	16,350	16,350	0	0

Off-balance sheet transactions

In order to obtain liquid funds to finance its operating activities, fashionette AG has concluded agreements with Arvato Payment Solutions GmbH, Verl (formerly BFS finance GmbH) and Ratepay GmbH on the purchase of end consumer receivables. Under these agreements, fashionette AG offers both factoring companies receivables from invoices and installments on a daily basis, with the latter bearing the del credere risk. As of the reporting date, receivables amounting to EUR 828k (previous year: EUR 3,564k) had been sold.

Other financial obligations

Other financial obligations comprise long-term rental obligations to third parties. The financial obligation amounts to EUR 2,905k in future fiscal years, EUR 523k of which is due in 2021. Apart

from the other financial obligations presented and the off-balance sheet transactions described above, there are no other transactions that are not shown in the balance sheet.

Contingent liabilities

There were no contingent liabilities as of the reporting date.

D. Notes to the income statement

Revenues

In addition to revenue from orders, gross revenue also includes revenue from dunning fees and other in the amount of EUR 571k (previous year: EUR 564k) that were reported under other operating income in fiscal year 2019. Credit notes include returns and discounts. As

of 31 December 2020, the returns were increased by a provision for returns in the following year in the amount of EUR 3,304k. In the previous year 2019, the provision for returns amounted to EUR 3,705k and reduced gross revenue in contrast to the disclosure in 2020.

85.0% (previous year: 88.6%) of revenue is attributable to the GSA (Germany, Austria, and Switzerland) region, 8.2% (previous year: 6.3%) to the other EU countries (excluding the UK), and 6.8% (previous year: 5.1%) to the UK.

Other operating income

Other operating income includes income items of an exceptional nature amounting to EUR 618k from the recharging of IPO expenses. Income from receivables written off is included in the amount of EUR 245k (prior year: EUR 4k) as well as income from the reduction of specific bad debt allowances in the amount of EUR 164k (prior year: EUR 0k). As in the previous year, there was no income relating to other periods.

Personnel expenses

On average, 148 people were employed in fiscal year 2020 (previous year: 136). As in the previous year, all employees are salaried employees. Personnel expenses totaled EUR 7,500k (previous year: EUR 6,677k), of which EUR 1,013k (previous year: EUR 974k) was attributable to

social security contributions and pension expenses.

Other operating expenses

Other operating expenses mainly include premise expenses of EUR 560k (previous year:

EUR 457k), advertising expenses of EUR 9,136k (previous year: EUR 7,648k), distribution costs of EUR 6,774k (previous year: EUR 4,585k), payment transfer costs of EUR 3,006k (previous year: EUR 2,441k), losses on receivables of EUR 726k (previous year: EUR 226k), IT expenses of EUR 547k (previous year: EUR 531k), and currency translation expenses of EUR 529k (previous year: EUR 255k). Expenses of an exceptional nature were incurred in connection with the IPO and amounted to EUR 2,834k. As in the previous year, expenses relating to other periods are not included.

Financial result

Other interest and similar income in the amount of EUR 18k (prior year: EUR 21k) resulted from customer-related interest on arrears. Interest and similar expenses of EUR 1,460k (previous year: EUR 1,521k) relate to interest of EUR 1,283k (previous year: EUR 1,267k) for factoring and EUR 176k (previous year: EUR 252k) for the utilization of overdraft facilities.

Income tax expense

Income tax expense is solely attributable to earnings before taxes.

E. Other mandatory disclosures

Auditor's fee

The auditor's fee for the fiscal year related to audit services amounts to EUR 62k. In addition, EUR 302k relates to other assurance services (services in connection with the IPO) and EUR 4k to other services.

Management Board

The members of the Management Board acting in fiscal year 2020 were Daniel Raab (Chief Executive Officer) and Thomas Buhl (Chief Operating Officer / Chief Technology Officer). In total, the members of the Management Board of fashionette received salary payments of EUR 1,017k in fiscal year 2020. The remuneration of the Managing Directors in 2019 totaled EUR 661k. The obligation to disclose the remuneration of the members of the Management Board on an individualized basis is waived with reference to Section 286 (5) HGB.

Supervisory Board

The remuneration of the members of the Supervisory Board is governed by the Articles of Association of fashionette AG.

The members of the Supervisory Board receive a fixed basic remuneration for each fiscal year of the Company amounting to EUR 25k. The Chairman of the Supervisory Board receives fixed basic remuneration of EUR 40k, the Vice Chairman EUR 30k.

The remuneration is due after the end of the Annual General Meeting that approves the financial statements for the fiscal year for which the remuneration is paid. Members of the Supervisory Board who are in office for only part

of the fiscal year receive corresponding prorated compensation.

In addition to fixed remuneration, fashionette AG reimburses the members of the Supervisory Board for their reasonable out-of-pocket expen-

ses incurred in the performance of their duties as well as the value-added tax payable on their remuneration and out-of-pocket expenses.

Furthermore, the members of the Supervisory Board are included in the D & O liability insurance policy for members of the Management Board, which provides coverage against financial loss. The premiums for this insurance policy are paid by the Company.

In accordance with the Articles of Association (§ 11 (1)), the Supervisory Board is composed of five members. It is not subject to co-determination by employees. All members of the Supervisory Board are elected by the Annual General Meeting as shareholder representatives.

Further details on the members of the Supervisory Board are provided below.

The Supervisory Board did not form any committees in fiscal year 2020.

During the fiscal year, the Supervisory Board was composed of the following members:

Name	Function
Dr. Oliver Serg, Managing Director of Genui GmbH	Chairman of the Supervisory Board
Stefan Schütze, Member of the Management Team of FinLab AG	Vice Chairman of the Supervisory Board
Karoline Huber, Exec. VP of Marketing of SWAROWSKI	Member of the Supervisory Board
Christian van der Bosch, Investment Professional at Genui GmbH	Member of the Supervisory Board
Rolf Sigmund, Consultant	Member of the Supervisory Board

Dr. Oliver Serg and Christian van der Bosch waive their right to their annual Supervisory Board remuneration as long as Genui is a shareholder of fashionette AG.

The members of the Supervisory Board of fashionette AG are furthermore represented in supervisory boards as well as controlling bodies of the following companies:

Dr. Oliver Serg:

Genui GmbH (Managing Director)
Genui GP II GmbH (Managing Director)
Genui GP GmbH (Managing Director)
Genui Zweite Beteiligungsgesellschaft mbH (Managing Director)
Genui Vierte Beteiligungsgesellschaft mbH (Managing Director)
Genui Sechste Beteiligungsgesellschaft mbH (Member of the Advisory Board)
Genui Siebte Beteiligungsgesellschaft mbH (Managing Director)
Genui Achte Beteiligungsgesellschaft mbH (Managing Director)
Genui Sechzehnte Beteiligungsgesellschaft mbH (Managing Director)
Genui 21. Beteiligungsgesellschaft mbH (Managing Director)
Genui 22. Beteiligungsgesellschaft mbH (Managing Director)
Genui 23. Beteiligungsgesellschaft mbH (Member of the Advisory Board)
Genui 25. Beteiligungsgesellschaft mbH (Managing Director)
Genui 26. Beteiligungsgesellschaft mbH (Managing Director)
Genui 27. Beteiligungsgesellschaft mbH (Managing Director)
Mindcurv Holding GmbH (Member of the Advisory Board)
Physio Group GmbH (Chairman of the Advisory Board)
Chrilian AG (Member of the Supervisory Board)

Stefan Schütze:

Patriarch Multimanager GmbH (Managing Director)
Coreo AG (Member of the Supervisory Board)
Kapilendo AG (Member of the Supervisory Board)
Cyan AG (Member of the Supervisory Board)
Heliad Management GmbH (Managing Director)
TubeSolar AG (Member of the Supervisory Board).

Christian van der Bosch:

Cotopaxi Beteiligungs-GmbH (Managing Director)
Liimex GmbH i.L. (Liquidator)
Schendel & Pawlaczyk Holding GmbH (Member of the Advisory Board)

Rolf Sigmund:

Rauch Möbelwerke Gesellschaft mit beschränkter Haftung (Member of the Advisory Board)

Proposal for the appropriation of profit

The unappropriated profit will be carried forward to new account.

Announcement pursuant to Section 20 (6) sentence 2 AktG

We received the following notifications pursuant to Section 20 (6) sentence 2 AktG in fiscal year 2020:

Genui I GmbH & Co. KG with its registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under the registration number HRA 117986 ("Genui I GmbH & Co. KG"), has notified us pursuant to Section 20 (5) and (4) AktG that it no longer directly owns a majority shareholding (majority of shares and votes) in our Company within the meaning of Section 16 (1) AktG.

Genui GP GmbH, with its registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under the

registration number HRB 133228 ("Genui GP GmbH"), has notified us pursuant to Section 20 (5) and (4) AktG in conjunction with Section 16 (4) AktG that it no longer indirectly holds a majority shareholding (majority of shares and votes) in our Company, as it continues to hold the now reduced shareholding of Genui Fund GmbH & Co. KG in our Company is still attributable to it pursuant to Section 16 (4) AktG.

Genui GmbH, with its registered office in Hamburg, registered in the Commercial Register of the Local Court of Hamburg under the registration number HRB 131130, has notified us pursuant to Section 20 (5) and (4) AktG in conjunction with Section 16 (4) AktG that it no longer indirectly holds a majority shareholding (majority of shares and votes) in our Company, as the now reduced shareholding of Genui Fund GmbH & Co. KG in our Company is still attributable to it via Genui GP GmbH pursuant to Section 16 (4) AktG.

F. Supplementary Report

There were no significant events after the close of the fiscal year of significance to the assets, liabilities, financial position and financial performance.

Dusseldorf, 30 March 2021



Daniel Raab
CEO



Thomas Buhl
COO/CTO



FURTHER
INFORMATION

04

Further Information

Assurance of the Legal Representatives	69
Auditor's Report	70
Financial Calendar	75
Imprint	76

Assurance of the Legal REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the 2020 Financial Statements of fashionette AG give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Dusseldorf, 30 March 2021



Daniel Raab
CEO



Thomas Buhl
COO/CTO

Auditor's REPORT

Independent Auditor's Report

To fashionette AG (formerly: Fashionette GmbH)

Audit opinions

We have audited the Annual Financial Statements of fashionette AG (formerly: Fashionette GmbH), Düsseldorf, comprising the Consolidated Statement of Financial Position as of 31 December 2020 and the Consolidated Statement of Income for the fiscal year from 1 January 2020 to 31 December 2020, the Consolidated Statement of Cash Flows for the fiscal year from 1 January 2020 to 31 December 2020, the Consolidated Statement of Changes in Equity for the fiscal year from 1 January 2020 to 31 December 2020, and the Notes to the Consolidated Financial Statements, including a description of the accounting and valuation methods. In addition, we have audited the Management Report of fashionette AG (formerly: Fashionette GmbH) for the fiscal year from 1 January 2020 to 31 December 2020.

In our opinion, based on the findings of our audit,

- the enclosed Annual Financial Statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the company as of 31 December 2020 and of its results of operations for the fiscal year from 1 January 2020 to 31 December 2020 in accordance with German principles of proper accounting and
- the enclosed Management Report as a whole provides a suitable view of the company's position. In all material respects, this Management Report is consistent with the Annual Financial Statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the Annual Financial Statements and the Management Report.

Basis for our audit opinions

We conducted our audit of the Annual Financial Statements and Management Report in accordance with Section 317 of the German Commercial Code ("HGB") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the company in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Annual Financial Statements and Management Report.

Other information

The company's legal representatives are responsible for the other information. The other information comprises the voluntary assurance provided by the legal representatives. Furthermore, the other information comprises the following components intended for the Annual Report, a version of which we have obtained up to the date of this opinion: the Report of the Supervisory Board pursuant to Section 171 (2) and (3) or (4) of the German Stock Corporation Act (AktG), information on the company and its share (Letter from the Management Board, Strategic positioning and objectives, fashionette on the Capital Market, Sustainability at fashionette).

Our audit opinions on the Annual Financial Statements and Management Report do not cover the other information, therefore we do not express an audit opinion or any other form of conclusion thereupon.

In connection with our audit, our responsibility is to read the other information and, in doing so, to assess whether the other information

- is materially inconsistent with the Financial Statements, the Management Report or our knowledge obtained in the course of the audit, or
- otherwise appears to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the Annual Financial Statements and the Management Report

The company's legal representatives are responsible for the preparation and fair presentation of these Financial Statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. Furthermore, the company's management is responsible for such internal control as it 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 company's legal representatives are responsible for assessing the company's ability to continue as a going concern. It is also their responsibility to disclose, as applicable, matters related to the company's ability to continue as a going concern. Furthermore, it is their responsibility to prepare the Financial Statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, its legal representatives are responsible for the preparation of the Management Report, which as a whole provides a suitable view of the company's position, is consistent in all material respects with the Annual Financial Statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, its legal representatives are responsible for the arrangements and measures (systems) that it deems necessary to enable the preparation of a Management Report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the Management Report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the Annual Financial Statements and the Management Report.

Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance as to whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Management Report as a whole provides a suitable view of the company's position and is consistent, in all material respects, with the Annual Financial Statements and with the findings of our audit, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the Annual Financial Statements and Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this Management Report.

We exercise professional judgment and maintain a critical attitude while conducting our audit. Furthermore,

- we identify and assess the risks of material misstatement of the Annual Financial Statements and Management Report, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher for noncompliance than for inaccuracy, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal control;
- we obtain an understanding of internal control system relevant to the audit of the Financial Statements and of arrangements and actions relevant to the audit of the Management Report 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 systems;
- we assess the appropriateness of the accounting policies applied and the reasonableness of accounting estimates and related disclosures made by management, as well as the reasonableness of accounting policies used and related disclosures made by management;
- we draw conclusions regarding the appropriateness of the going concern basis of accounting used by management 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 to the related disclosures in the Financial Statements and the Management Report in the auditor's report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the company to cease to be able to continue as a going concern;
- we assess the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in such a way that the Annual Financial Statements give a true and fair view of the net assets, financial position and results of operations of the company

in accordance with German principles of proper accounting;

- we assess the consistency of the Management Report with the Annual Financial Statements, its compliance with the law and the view of the company's situation conveyed by it.
- we perform audit procedures on the forward-looking statements made by management in the Management Report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

Among other topics, we discuss the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in internal control that we identify during our audit, with those responsible for governance.

Dortmund, 28 April 2021

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

Muzzu
German Public Auditor

Schmolders
German Public Auditor

Financial Calendar

2021

30 April 2021	2020 Annual Financial Statements
17 - 19 May 2021	Equity Forum - Spring Conference
June 2021	Publication of quarterly statement for Q1
25 June 2021	(Virtual) Annual General Meeting
August 2021	Publication of half-yearly financial statements
November 2021	Publication of quarterly statement for Q3
22 - 24 November 2021	German Equity Forum

IMPRINT

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Important Note

This document contains forward-looking statements. These statements reflect the current views, expectations and assumptions of the management of fashionette AG and are based on information currently available to the management of fashionette AG. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual results and developments may therefore differ materially from the expectations and assumptions reflected in this document due to various factors. These factors include, in particular, changes in the general economic conditions and the general competitive environment. In addition, developments on the financial markets and changes in exchange rates as well as changes in national and international laws, in particular with regard to tax regulations, as well as other factors influence the future results and developments of the Company. fashionette AG does not assume any responsibility, liability or guarantee whatsoever for the correctness of the forward-looking statements in this document or the assumptions on which they are based. fashionette AG does not undertake to update the statements contained in this document.

This Annual Report has also been translated into English. The German version and the English translation are available for download on the Internet at www.corporate.fashionette.de. In the event of any discrepancies, the German version of the Annual Report shall take precedence over the English translation.

A woman with long brown hair, wearing a light pink button-down shirt, is looking out a window. She is wearing a gold watch with a metal link bracelet and a gold ring on her left hand. The background shows a window with white curtains and a wooden table.

fashionette[®]

ANNUAL REPORT

2020

STAY HEALTHY!