



fashionette[®] —  BRANDFIELD

9M / Q3 2022 Results Presentation

15 November 2022

PRESENTING TODAY



Georg Hesse

CEO

Q3 2022 HIGHLIGHTS



Net revenue growth of +22% YoY despite strong macroeconomic headwinds



Solid new customer growth (+27% YoY)



Marketing cost per order (-1.7%) and Customer Acquisition Cost (-2.6%) improve YoY



Positive Operating cash flow (€ +1.1m) led to a comfortably stable liquidity of € 9.5m end of Q3 2022



Adjusted guidance for 2022: Net revenue € 165m to €175m (+7 to +13%) and adjusted EBITDA € 1m to 4m



LAUNCH OF ISABEL BERNARD LEATHERWARE ON FASHIONETTE

RATIONALE

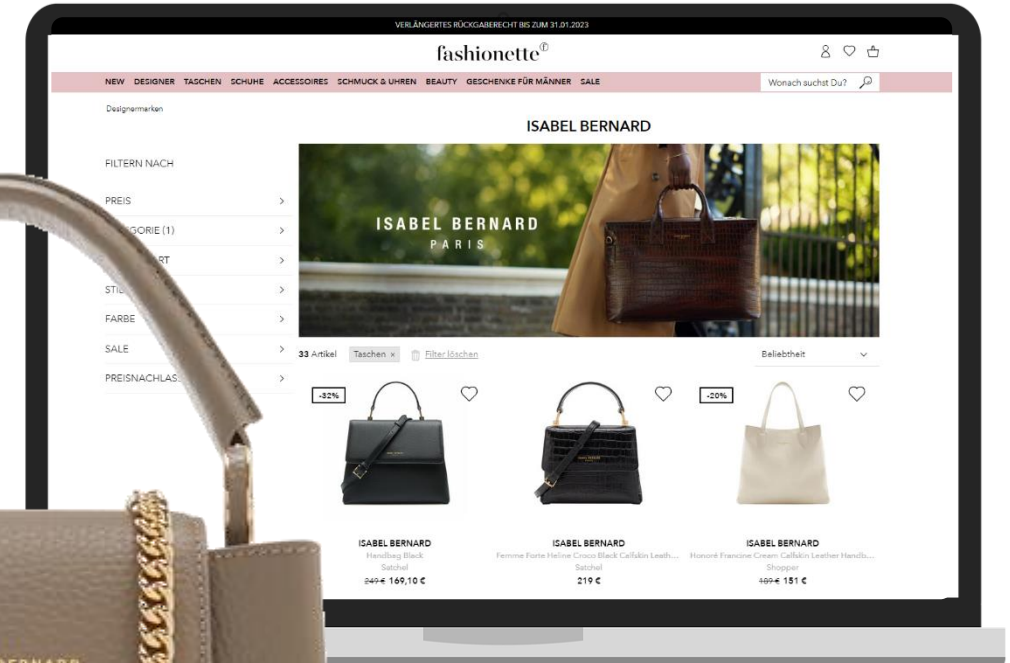
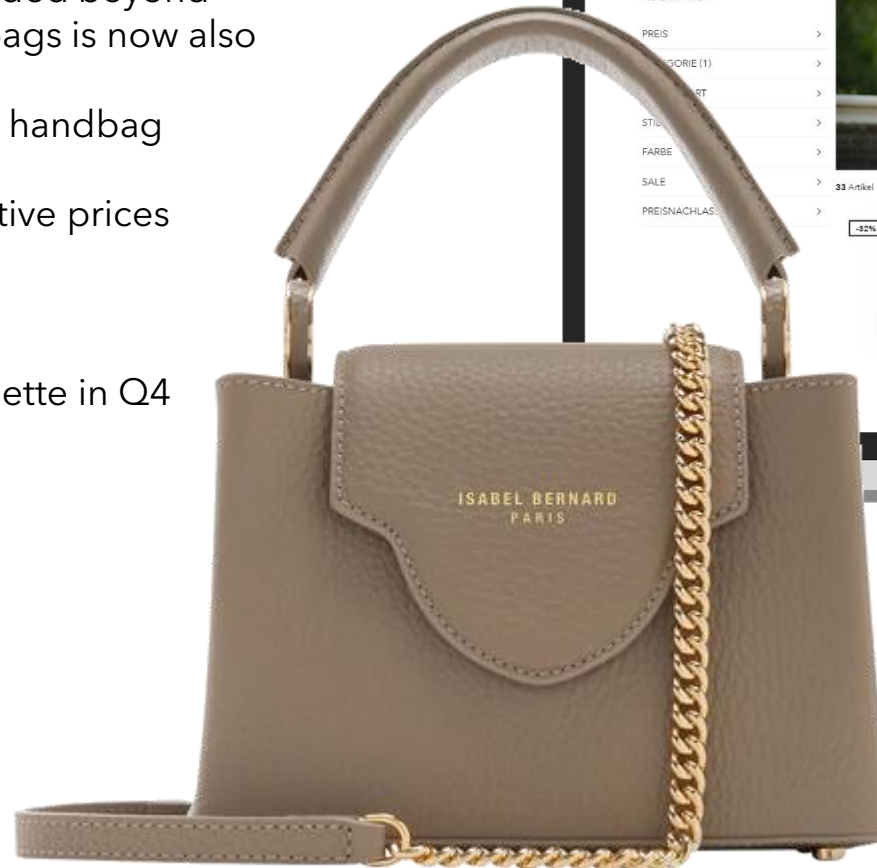


Our own brand Isabel Bernard has expanded beyond Jewelry. It's premium collection of handbags is now also available on fashionette

- complementing the existing premium handbag portfolio on fashionette
- positioning: premium quality at attractive prices
- attractive gross margin



Isabel Bernard shoe collection on fashionette in Q4



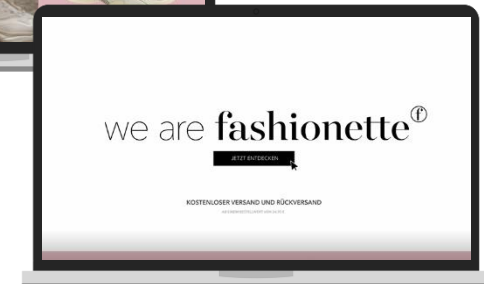
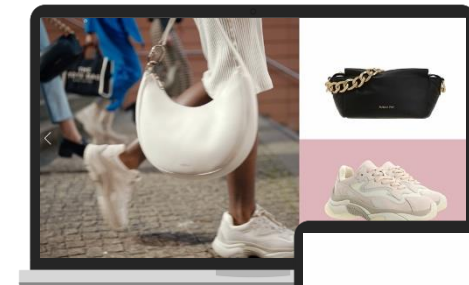
LAUNCH OF NEW BRAND CAMPAIGN "WE ARE FASHIONETTE"

RATIONALE

- ♥ Drive awareness and engagement by sharpening and further emotionalizing our brand
- 🎯 Reinforce our unique positioning
 - as approachable premium and luxury fashion accessories retailer
 - as community which strives for individuality, inspiration & inclusion
- 🛍 Foster demand and shop traffic by combining emotional moving content with product inspiration

KEY INFORMATION

- 🎬 One main spot with various adaptations for TV, online and social media, incl. Q4/Q1 events (cyber week, Christmas, sale)
- 👤 Addressing a broad female target group, focusing women 18 - 44 years

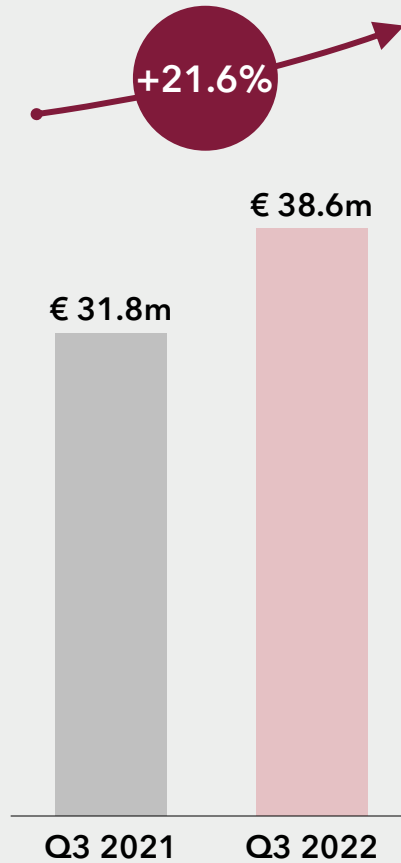




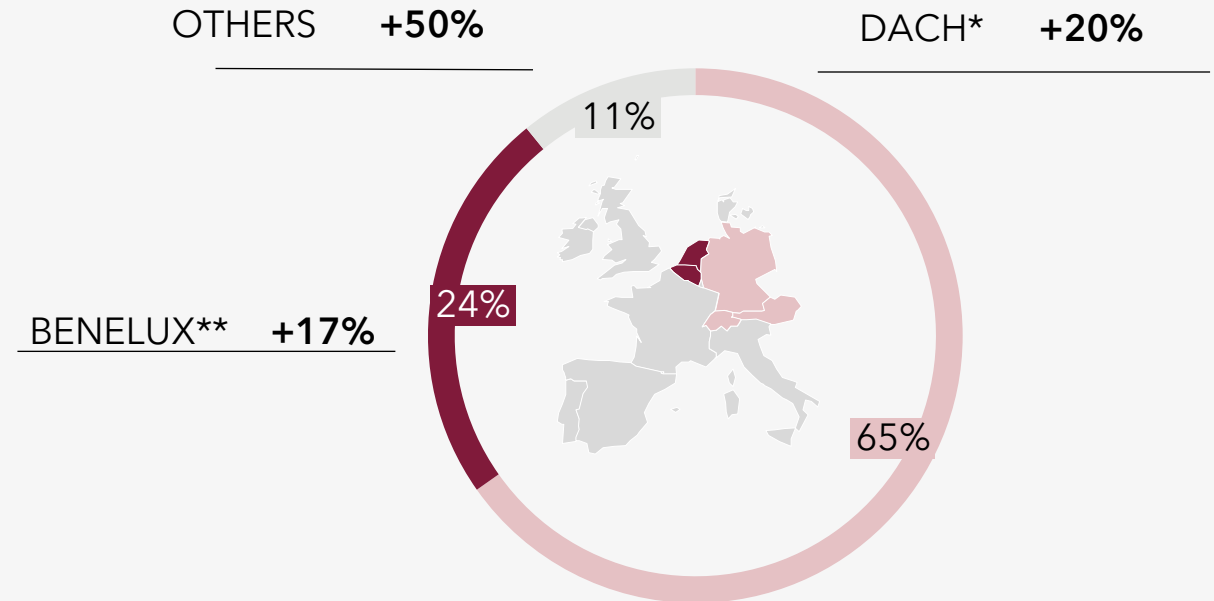
FINANCIAL UPDATE

DOUBLE-DIGIT NET REVENUE GROWTH IN ALL REGIONS

TOTAL NET REVENUE



TOTAL NET REVENUE BY REGION (Q3)

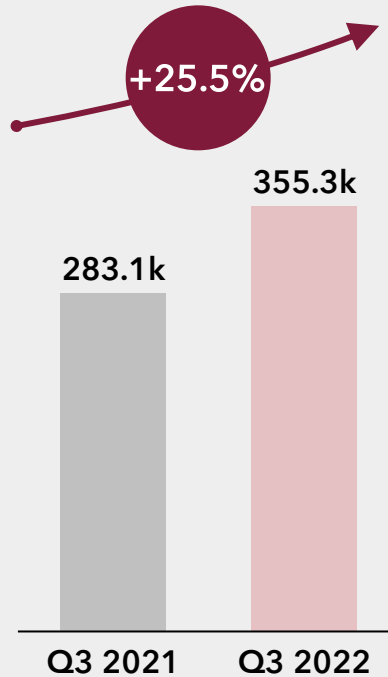


- Strong YoY growth in DACH & BENELUX in Q3 2022
- Brandfield with 40% growth in DACH and 16% in BENELUX
- fashionette main Region DACH grew 18% YoY

* DACH: Germany, Austria, Switzerland. | ** Benelux: Belgium, Netherlands and Luxemburg.

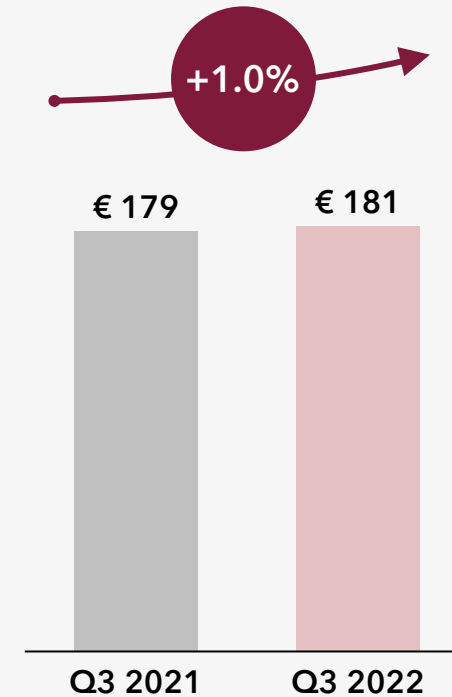
ORDER VALUE RETAINS HIGH LEVEL WHILE ORDERS GROW SIGNIFICANTLY

NUMBER OF ORDERS



- fashionette & Brandfield continuously growing in number of orders in Q3 2022 (fashionette +25.2% / Brandfield +25.9%)

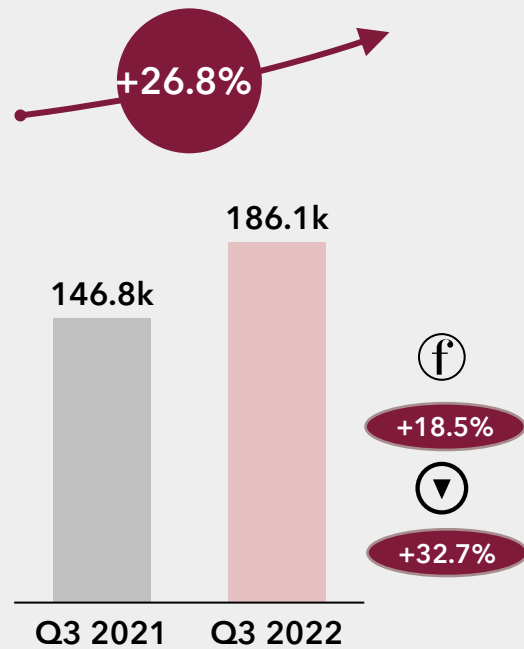
AVERAGE ORDER VALUE



- Brandfield improves AOV by +5.5% while fashionette remains flat YoY

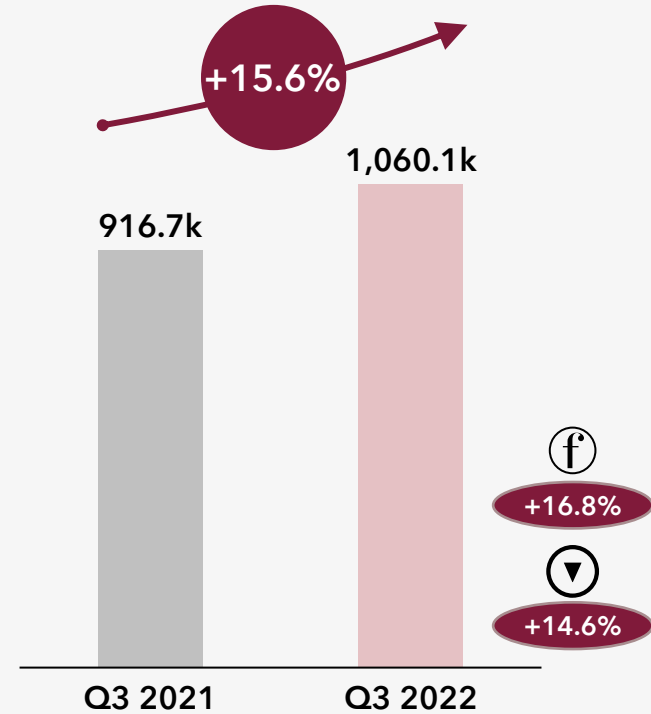
Q3 WITH DOUBLE-DIGIT GROWTH IN NEW CUSTOMERS

NUMBER OF NEW CUSTOMERS (Q3)



- Fast growing number of new customers in Q3 2022 (+26.8% YoY)
- Brandfield contributes 71% to new customer growth

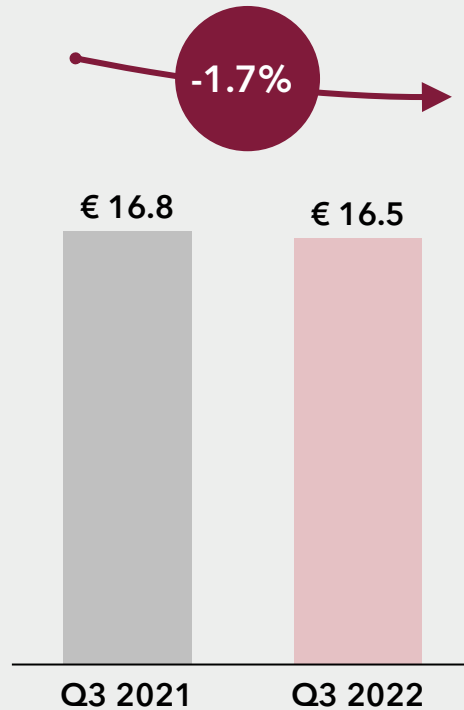
NUMBER OF ACTIVE CUSTOMERS (LTM)



- Continued growth in the number of active customers on both platforms

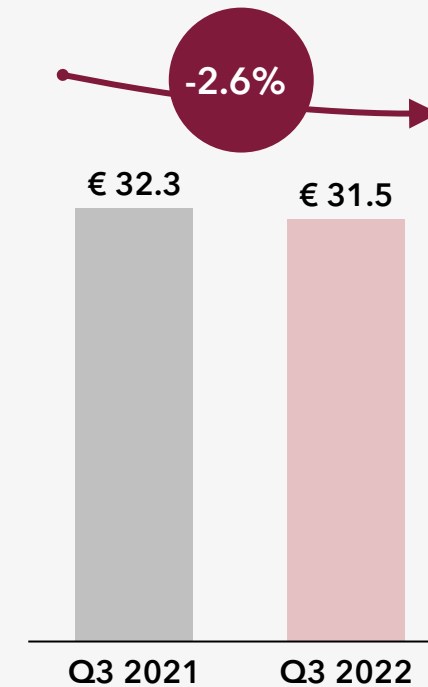
MARKETING COST PER ORDER & CUSTOMER ACQUISITION COST IMPROVE YOY

MARKETING COST PER ORDER



- Improved marketing efficiency led to decreased marketing cost per order in Q3 2022 vs PY. Q3 slightly above Q2 2022 (+ € 0.2)

CUSTOMER ACQUISITION COSTS (CAC)



- Continued CAC improvement in Q3 2022 (Q2 2022: € 32.3)
- fashionette remains flat (-0.3% YoY), Brandfield improves CAC by -0.9% YoY

FINANCIAL PERFORMANCE Q3 & 9M 2022

	Q3 2021	Q3 2022	Pro Forma 9M 2021	9M 2022
Returns (in % of total revenue)	37.7%	40.3%	37.8%	40.7%
Net revenue (EUR m)	31.8	38.6	101.8	112.0
<i>(in % of Net revenue)</i>				
Gross Margin	39.6%	38.2%	40.9%	39.7%
Distribution Cost Ratio	-13.1%	-13.1%	-12.4%	-13.1%
Profit Contribution I	26.5%	25.1%	28.5%	26.7%
Marketing Cost Ratio	-14.9%	-15.2%	-15.4%	-15.3%
G&A Ratio	-12.4%	-11.8%	-12.1%	-12.1%
Other Oper. Income Ratio	0.6%	0.6%	0.8%	0.7%
Adj. EBITDA (EUR m)	-0.1	-0.5	1.7	0.0
Adj. EBITDA Margin	-0.3%	-1.3%	1.7%	0.0%

Q3 Details

Returns

Return rates levelling at pre-COVID rates, category mix affects returns additionally e.g., shoes and sunglasses have higher return rate and increase in share of sales

Gross Margin

Strong competitive on- and offline environment shows effect on gross margin. Q3 slightly below Q2 2022

Distribution Cost

Distribution cost per order in Q3 2022 decreased vs. PY (€ -0.5) despite increased freight and packaging costs

Marketing Cost

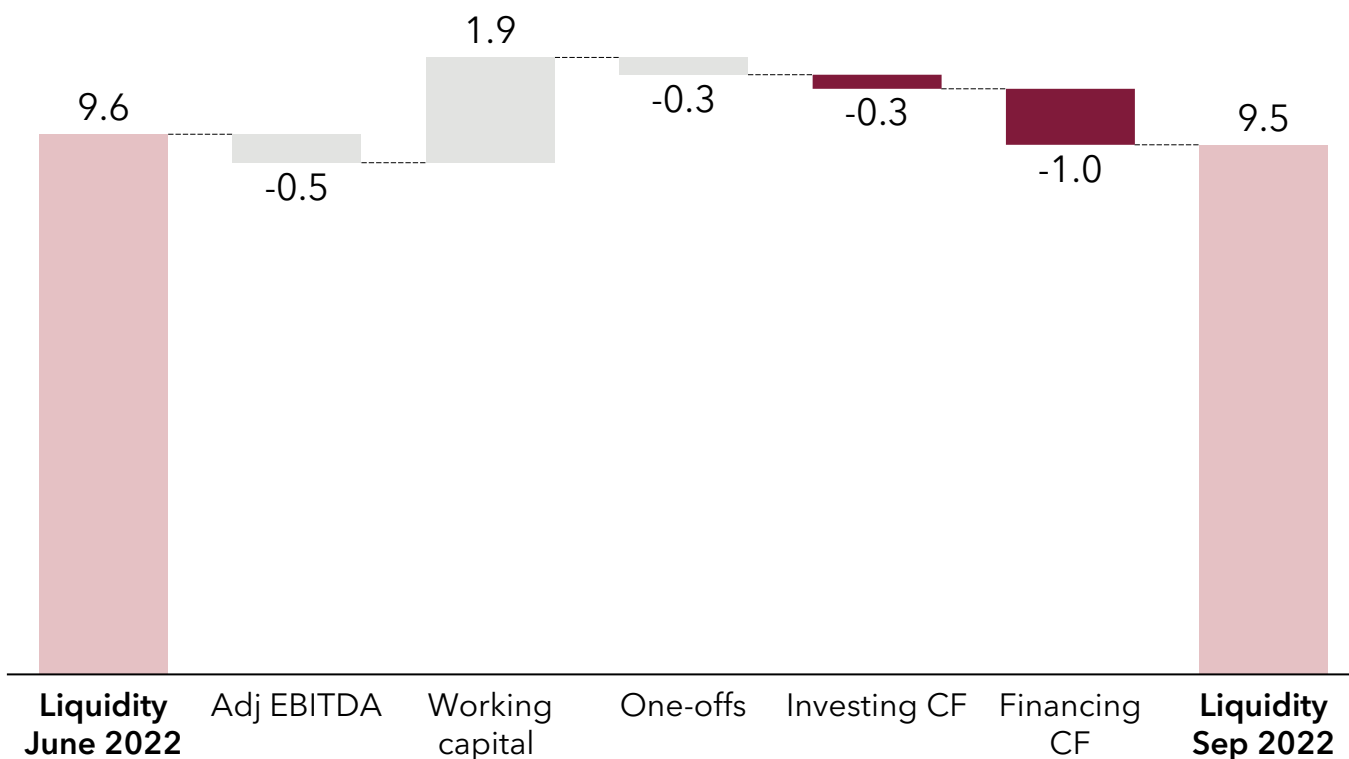
Lower cost per order, however slightly higher marketing cost ratio due to increase return rates yoy

G&A Cost

Declining G&A cost ratio underlines cost awareness

POSITIVE OPERATING CASH FLOW AND STABLE LIQUIDITY

LIQUIDITY BRIDGE Q3 2022 (€ M)



Q3 Details

Operating cash flow

Positive operating cash flow in Q3 2022 of € 1.1m

Financing cash flow

Includes payment of € 0.5m for refinancing of Brandfield and EUR 0.2m for lease-/rent liabilities, rest interest expenses

Liquidity September 2022: € 9.5m (June: € 9.6m)

By the end of September 2022, net cash position was € -2.7m (end of June: € -2.6m) with additional working capital facilities of € 12.2m¹

Net Debt Sep 2022: € 16.7m (June: € 17.2m)

¹ Working Capital facilities of €13m are adjusted for contingencies of € 0.8m (Note 30 in the Annual Report 2021)

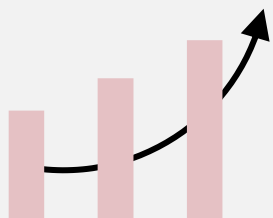


OUTLOOK

ADJUSTED GUIDANCE 2022

IFRS view

GROWTH (TOTAL NET REVENUE)



FY 2021

Consolidated:
€ 133.8m

Pro Forma:
€ 154.8m

FY 2022

€ 165m to € 175 m

Consol.: + 23 to 31%

Pro Forma: + 7 to 13%

PROFITABILITY (ADJUSTED EBITDA)



FY 2021

Consolidated:
€ 4.4m

Pro Forma:
€ 5.7m

FY 2022

€ 1m to € 4m

Key assumptions

- First nine months of 2022 still showed pleasing growth in net revenue on a consolidated basis
- Customer demand in Q4 so far below expectations
- Strong competitive pressure due to overstock in inventories
- Challenging macroeconomic environment
- We assume that the restrained customer demand won't pick up noticeably in the remaining weeks of the year
- Therefore, we decided on an adjusted guidance for the 2022 fiscal year on 8 November 2022

We are convinced that executing our growth strategies will enable us to deliver sustainable, profitable growth and value creation for our shareholders over the long-term

FOCUS ON RESILIENCE TO COUNTER HEADWINDS & UNCERTAINTY

HY2 Resilience Activities to counter uncertainty in 2022 and 2023:



1) Increase Tactical Awareness:

- Proliferation of business intelligence tools, dashboards and capabilities throughout the organization
- Increased frequency of cash planning cycle & outlier scenario management



2) Retain Ambition:

- Strive for double-digit growth in 2022
- Improved in-season inventory management to drive inventory turns and retain cash
- Set up gross margin turnaround in 2023



3) Cost Down - Flexibility Up

- Focus: saying "No for Now" to every non-essential experiment and expansion activity
 - head count freeze pending 2023 actuals
 - relevant cut non-performance marketing spend
 - hibernation of category expansion until clarity about 2023 environment
- 2023 Buying Strategy: conservative, margin-conscious, selective and flexible

KEY TAKEAWAYS



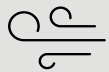
We expect **growth and profitable adj. EBITDA** for FY 2022



Positive operating cash flow & stable liquidity also in Q3. Q4 expected to improve further.



Strategic **initiatives** for long-term growth are established (own premium range, new branding)



We recognize the possibility of continued headwinds through ROY2022 and into 2023 and therefore **optimize for resilience**



We retain flexibility by simplifying, **adjusting costs and risk**, especially in marketing, personnel and inventory.



For 2023 we will drive a **turnaround in gross margin development**



EVENTS & CONTACT

- 8 DEC 2022** Alster Research Investors Roundtable
- 31 MAR 2023** Publication FY 2022 results
- 15 MAY 2023** Publication Interim Statement Q1 2023
- 27 JUN 2023** Annual General Meeting

Subscribe to our IR news if you don't want to miss the next update:



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Q&A





THANK YOU

KPI OVERVIEW

Non-Financial Performance Indicators Unaudited

	Pro Forma					2022	3M 2022	6M 2022	9M 2022	12M 2022	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021						
Number of orders (in thousands) ¹	309	311	283	494	1.396	324	343	355	324	667	1.022
Average order value (in EUR) ²	175	183	179	166	174	184	182	181	184	183	182
Active customers (in thousands, LTM) ³	825	873	917	976	976	984	1.007	1.060	984	1.007	1.060
New customers (in thousands) ⁵	168	165	147	280	760	161	173	186	161	335	521
Number of employees (average)					266						

Definitions

- 1 Number of orders - Defined as the number of customer orders placed on one of the Group's websites or third-party marketplaces in the measurement period after cancellations and irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period
- 2 Average order value - Defined as the order value divided by the number of orders in the measurement period
- 3 Active customer - Defined as the number of customers placing at least one not cancelled order in the last twelve months on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns
- 4 New customers - Defined as the number of orders placed by customers which have placed the first not cancelled order on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns

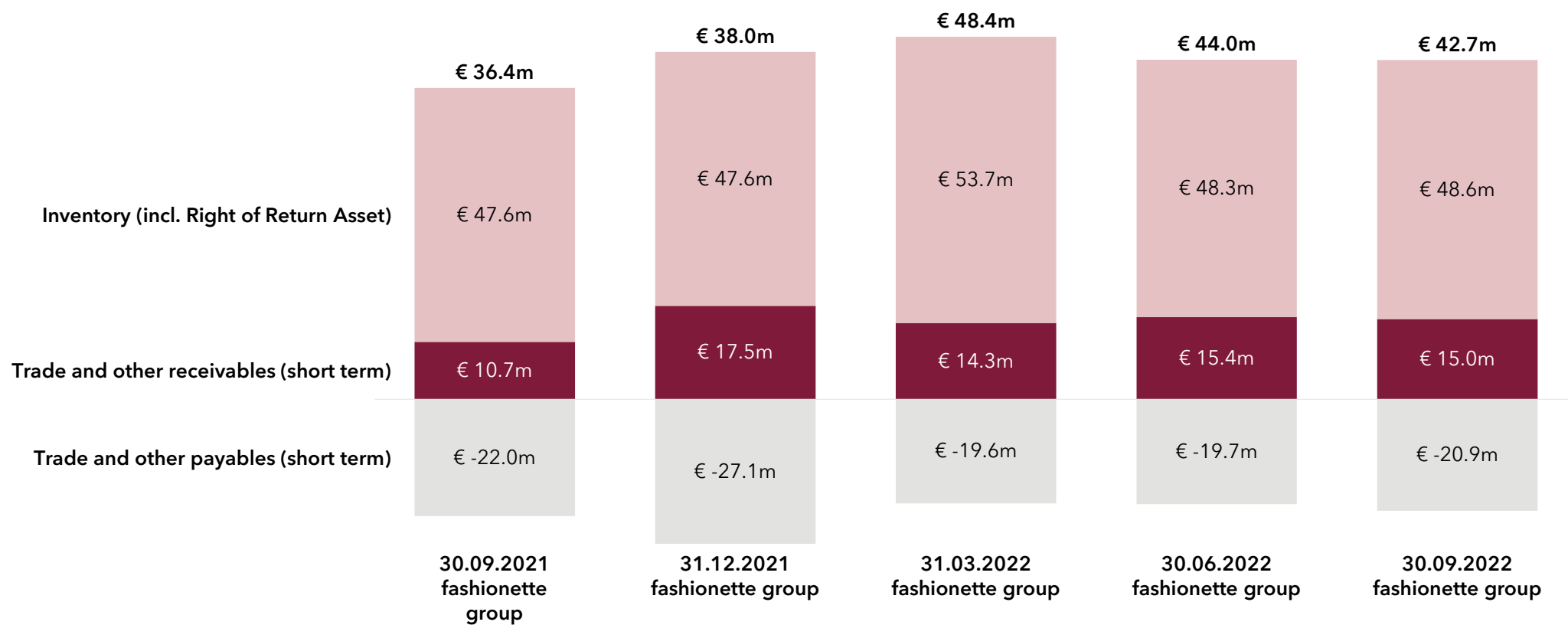
Please refer to IR publications for fashionette factbook



WORKING CAPITAL DEVELOPMENT

Pro Forma

WORKING CAPITAL (IFRS)



Note: All figures unaudited.

CASH FLOW

Pro Forma

in kEUR	01.01.2021 - 30.09.2021	01.01.2022 - 30.09.2022	01.07.2022 - 30.09.2022
Profit (loss) for the period	-3.927	-4.468	-1.619
Depreciation and amortization	1.392	2.032	547
Interest (income) expenses	1.005	1.216	368
Income taxes	-155	-406	-116
Decrease (increase) in trade and other receivables	-17.550	-1.828	544
Decrease (increase) in inventories	1.858	3.688	-68
Increase (decrease) in trade and other payables	2.209	-6.259	1.246
Increase (decrease) in other provisions	4	19	14
Loss on sale of property, plant and equipment	4	0	0
Changes in other operating items	0	0	0
Other non-cash income (expenses)	858	502	0
Income tax paid	-1.325	-480	156
Cash Flow from operating activities	-15.628	-5.984	1.072
Acquisition of subsidiaries	-17.001	0	0
Purchase of property, plant and equipment	-116	-147	-82
Acquisition of intangible assets	-669	-686	-173
Proceeds from sale of property, plant and equipment	0	0	0
Interest received	12	11	4
Cash flow from investing activities	-17.775	-822	-250
Proceeds from borrowings	0	0	0
Repayments of borrowings	-2.478	-1.350	-450
Purchase of shareholder loan	0	0	0
Interest paid	-1.013	-1.227	-373
Proceeds from issuance of shares	0	0	0
Payment of finance lease liabilities	-153	-525	-176
Cash flow from financing activities	-3.644	-3.102	-999
Net increase in cash and cash equivalents	-37.047	-9.907	-176
Exchange rate and valuation-related changes in cash and cash equivalents	-3	-10	0
Net cash and cash equivalents at the beginning of the period	31.829	7.178	-2.564
Net cash and cash equivalents at the end of the period	-5.221	-2.740	-2.740

KPI DEFINITIONS

ACTIVE CUSTOMERS	Defined as the number of customers placing at least one not cancelled order in the last twelve months on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns.
ADJ. EBITDA	Defined as earnings before interest, taxes, depreciation and amortization excluding extraordinary income / expenses.
AVERAGE ORDER VALUE	Defined as the order value divided by the number of orders in the measurement period.
CUSTOMER ACQUISITION COST	Defined as total marketing costs during a specific period divided by the number of new customers acquired during the same period. Customer acquisition cost is calculated at a high level of detail for each marketing activity.
EBITDA	Defined as earnings before interest, taxes, depreciation and amortization.
FREE CASH FLOW / CASH CONVERSION	Defined as free cash flow divided by adjusted net profit. Free cash flow consists of the cash flow from operating activities and the cash flow from investing activities. Adjusted net profit consists of net profit excluding extraordinary income / expenses.
MARKETING COST RATIO	Defined as total marketing costs divided by the order value for the measurement period. Total marketing costs consist of all marketing-related costs including advertising expenses for all marketing channels, content production and related license fees as well as cost for marketing-related tools and all other marketing-related expenses. Total marketing costs do not include salaries.
NET REVENUE	Defined as gross revenue including dunning charges, marketing support less returns and credit notes.
NEW CUSTOMERS	Defined as the number of orders placed by customers who have placed the first not cancelled order on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns.
NUMBER OF ORDERS	Defined as the number of customer orders placed on one of the Group's websites or third-party marketplaces in the measurement period after cancelations and irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period.
ORDER VALUE	Defined as the total amount spent (excluding VAT) on one of the Group's websites or third-party marketplaces by customers in the measurement period after cancelations and irrespective of return.
RETURN RATE (in % OF ORDER VALUE)	Defined as the total amount returned regarding orders placed by customers on one of the Company's websites in the measurement period divided by order value.

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