



Global Fashion Group S.A.,
Société anonyme

**SPECIAL REPORT OF THE MANAGEMENT BOARD OF GLOBAL FASHION GROUP S.A. (THE
“COMPANY”) TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS WITH RESPECT TO THE
AUTHORISED SHARE CAPITAL**

The Company wishes to have the flexibility to issue convertible bonds, option bonds and/or income bonds and/or profit participation rights (or combinations of these and similar instruments convertible into common shares of the Company) (“**Additional Instruments**”) in the future. In this context, it is contemplated to renew the current authorised capital and amend the sixth allocation of the already authorised 112,997,064 common shares within section 1 of the special report of the board of directors of the Company dated 22 May 2019 detailing the use of the authorised capital of the Company on the date of the present report (the “**Initial Report**”) in order to introduce the flexibility to use it for Additional Instruments in the future.

The Initial Report detailed, amongst other things, the usage of the authorised capital relating to up to 112,997,064 common shares for which the management board of the Company (the “**Management Board**”) wishes to broaden the usage as explained in the previous paragraph and regulate the conditions relating to such usage. The Initial Report did not contemplate Additional Instruments which the management board now wishes to address.

The Management Board contemplates to propose to the annual general meeting of shareholders to be held on or about 26 June 2020, in accordance with the provisions of article 420-26 (5) of the law of 10 August 1915 regarding commercial companies, as amended, to authorise the management board (with the approval of the supervisory board of the Company (the “**Supervisory Board**”)) to issue common shares and waive the preferential subscription right of existing shareholders in relation to the issue of shares of the Company within the limits of the authorised capital as set out in the Initial Report, as amended in accordance with this special report of the Management Board.

The Management Board wishes to amend and restate the sixth allocation within section 1 of the Initial Report as follows (amendments to the Initial Report are in underline):

“- *to issue up to one hundred twelve million nine hundred ninety-seven thousand sixty-four (112,997,064) common shares as follows:*

- i. *to issue up to forty-nine million two hundred thirteen thousand nine hundred ninety-eight (49,213,998) common shares or instruments convertible into forty-nine million two hundred thirteen thousand nine hundred ninety-eight (49,213,998) common shares against contribution in cash for a subscription price between eighty-five percent (85%) and one hundred fifteen percent (115%) of the XETRA daily closing price of the Company's common shares on a date within five (5) business days prior to the date of subscription and, with respect to instruments convertible into common shares, the date of subscription or the date of exercise as determined by the management board with the consent of the supervisory board without reserving a preferential subscription right for the existing shareholders; and/or*
- ii. *to issue up to one hundred twelve million nine hundred ninety-seven thousand sixty-four (112,997,064) common shares or instruments convertible into one hundred twelve million nine hundred ninety-seven thousand sixty-four (112,997,064) common shares to existing shareholders for a subscription price between one euro cent (EUR 0.01) and one hundred fifteen percent (115%) of the XETRA daily closing price of the Company's common shares on a date within five (5) business days prior to the date of subscription and, with respect to instruments convertible into common shares, the date of subscription or the date of exercise as determined by the management board with the consent of the supervisory board without waiving the preferential subscription right for the existing shareholders; and/or*
- iii. *to issue up to one hundred twelve million nine hundred ninety-seven thousand sixty-four (112,997,064) common shares against contributions made in kind for a minimum subscription price of eighty-five percent (85%) of the XETRA daily closing price of the Company's common shares on a date within five (5) business days prior to the date of subscription as determined by the management board with the consent of the supervisory board shall apply to the issuance of common shares against contributions made in kind."*

In view of the foregoing, the Management Board has prepared this report in accordance with article 420-26 (5) of the Luxembourg law of 10 August 1915 on commercial companies, as amended, and proposes to the annual general meeting of shareholders to acknowledge the above amendments to the Company's Authorised Capital (as defined in the Initial Report), to grant the authorisation to the Management Board (with the approval of the Supervisory Board) to issue common shares of the Company and specifically to proceed to such issue with or without reserving a pre-emptive subscription right (if any and except where otherwise indicated in the Initial Report as amended by the present report) for existing shareholders in a period of five (5) years as from the date of the relevant resolutions approving such proposals.

Other than as set out in the present report, all provisions of the Initial Report shall remain in full force and effect.

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Luxembourg, on 19 May 2020

For and on behalf of the Management Board,

Christoph Barchewitz

Christoph Barchewitz
Co-CEO & Member of the Management Board

[Signature page to Board report on authorised capital]