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PRESENTATION

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

Good morning, everyone, and welcome to the presentation of the Global Fashion Group's results for Q4 2020. I am Patrick Schmidt, and I'm joined today by my co-CEO, Christoph Barchewitz; and our CFO, Matthew Price. I will talk about our strategic priorities over the quarter and then look at our KPIs. Matthew will take us through the financial results of the quarter and our guidance for 2021. After that, we'll open it up for Q&A.

First of all, I'd like to look back on a year like no other. Despite a significant drop in demand in our key categories like dresses and heels and a very challenging March and April, we delivered a strong year. We ramped up growth to 26% year-over-year with NMV of just shy of EUR 2 billion. Our active customer base grew in line with sales to more than 16 million customers. Thanks to a significant improvement in gross margins and leverage and cost, we were able to deliver EUR 16 million in EBITDA, a 400 basis point improvement versus last year. These results were driven by a rapid pivot into in-demand categories, Marketplace platform. All of this has been achieved while prioritizing the health and safety of our people and customers.

Let me now turn to Q4. As usual, we are presenting constant currency growth rates today. In Q4, we achieved net merchandise value of EUR 595 million, up 29% year-over-year. Once again, Marketplace was the strongest driver of growth, up 89%. NMV was almost entirely driven by order growth, also up 29% to 13.3 million orders.

Gross margin was 44%, up 360 basis points year-on-year. This drove EBITDA margin, which came in at 4.6%, up 440 basis points. Finally, we ended the year with a pro forma cash balance of more than EUR 372 million.

Let's now have a look at the progress of our strategic priorities in the final quarter of 2020. Our strategic priorities are: to build an inspiring and seamless customer experience, to be the strategic partner to leading brand and to build scalable operations and technology, and of course, to do all of this while being people and planet positive. We continue to focus on progressing on all of these priorities in Q4.

Let me walk you through the details on this now, starting with our customers on Slide 6. As we've seen in Q2, we continue to expand our active customer base in record number, with more than 2 million new customers shopping with us for the first time in Q4, a 15% increase versus Q4 2019. These new customers, like those earlier in the year, are more likely to make a second purchase in the same quarter compared with a cohort from Q4 2019. As we are onboarding a record number of new customers, this is really good news. It proves that we can scale up while maintaining a great customer experience.

Turning over to Slide 7. I would also like to share with you some early but encouraging data on customer demand in Australia. We believe that Australia will give us helpful insight into how demand is going to change when countries reopen, like Australia did in Q4. Let's start by zooming in on so-called COVID loser categories, which underperformed while people were socially distancing.

You'll note that demand for dresses, heels and sandals saw a steep drop in demand in March and April. This recovered somewhat, but demand was still weak, especially for dresses and heels, as many states were partially in lockdown. But the state of Victoria came out of lockdown in November, and summer started on the 1st of December in Australia, and these categories took off again. And we see this trend continuing in the first quarter.

Now turning to what we call COVID winner categories, where we saw increased demand during the lockdowns. And by the way, we also call these categories above-the-keyboard categories, meaning products like tops, jewelry and knit wear. The interesting insight is that these products still see higher demand in Q4 and even in quarter 1, even as Australia has returned to a more or less normal life.

Let's now look at -- let's now turn to our progress on our operational priorities on Slide 8. Despite a record volume in Q4, we improved our last mile delivery offering in a number of regions. This included same-day delivery on Christmas Eve in Australia and an expansion of transit hubs in CIS, bringing a further 60 cities online for 2021. Looking at app penetration, we saw our highest-ever level of NMV placed by our apps at 61%. This is important given that we see the best customer experience and highest stickiness with our customers.

Turning to look at our development against our sustainability agenda. Q4 was another busy period for advancing our people and planet positive agenda. We completed a carbon footprint assessment covering all of our operating countries, which will allow us to formalize our carbon mitigation strategy. In line with our sustainability commitment, we also released our own brand factory list in Southeast Asia, adding to Australia and LatAm, which are already available. We also launched our third sustainability shopping edit, this time, CIS, building on those already available in ANZ and Southeast Asia.

The Lamoda sustainability edit enables customers to shop according to their values across 6 categories such as vegan and recycling. It already lists 3,500 products from 400 brands. Like in other regions, products within this sustainable edit attract a significantly higher average NMV per SKU, indicating strong demand for sustainable products. Our people and planet positive report released next week, alongside our annual report, will be another step-up in our ESG disclosures and provide more detail about our plans for 2021. There's no doubt that we are doubling down on sustainability in 2021.

Turning now to look at our KPIs from Slide 11. NMV growth was driven almost entirely by a 29% increase in orders. AOV was flat year-over-year in constant currency terms but fell in real terms as a result of currency weakness. Marketplace penetration was 32%, up 10 percentage points year-over-year, continuing the strong trend we've seen in prior quarters.

Let's now look at a -- let's now take a closer look at our customer metrics on Slide 12. Our active customer base grew by almost 25% in Q4 to 16.3 million, an acceleration over Q3. Order frequency declined year-over-year. However, the drop was significantly lower than what we saw in Q2 and Q3. Just as a reminder, the drop in order frequency started in March, in line with global lockdown, and reflects a change of behavior of existing customers who simply buy fewer dresses, heels and similar products while mostly being at home. NMV per active customer was up by 1%.

Turning now to our regional performance. Starting with LatAm. Here, we saw the highest active customer growth at 31% year-over-year and great NMV growth also at 31%. Across CIS, NMV also grew by 31%, once again driven by an expansion of the Marketplace model. Active customers grew by 21%, and we saw a near 10% improvement in NMV per active customer. Our business in Southeast Asia grew NMV by over 33% and active customers by

27%. In ANZ, we continue to see positive momentum with 18% NMV growth and a 3.6% increase in active customers. In Q4, we were still being held back by inventory shortages in ANZ, but the situation is improving. Overall, we are very pleased with a 29% NMV growth and another quarter of significant customer acquisition.

With that, I'd like now to hand over to Matthew.

Matthew Price – Global Fashion Group S.A. – CFO & Member of Management Board

Thanks, Patrick. Good morning, everyone. I'll now take you through our financial performance, starting on Slide 15. I'm very pleased we finished the year with another strong quarter of revenue growth and profitability, delivering our first ever profitable year at an adjusted EBITDA level. All of our growth rates are shown on a constant currency basis. I'll take you through later the impact of exchange rates on our income statement.

Revenue grew by 19% to EUR 416 million in the quarter. Our full year growth was 15.3%, generating revenue of EUR 1.36 billion. We continue to improve our gross profit, increasing it to EUR 183 million, with gross margin increasing by 360 basis points to 44%. Growth in Marketplace is the main driver of this, adding 2.5 percentage points to gross margin. We also increased retail margins through strong inventory management.

We delivered our most profitable quarter with an adjusted EBITDA of EUR 19.3 million. This is our third consecutive profitable quarter and the first time that all regions were adjusted EBITDA positive. ANZ and CIS achieved more than a 10% margin in the seasonally strong quarter. It was also our first profitable year with an adjusted EBITDA of EUR 16.4 million and margin of 1.2%.

I'll now take you through our regional performance. All regions delivered strong revenue growth and improved their gross margins. The gap between NMV and revenue growth arises from the acceleration of Marketplace, which is 32% of NMV in the quarter, up 10 percentage points on last year.

LatAm was the fastest-growing region at 22.7%, with Chile continuing to lead its growth. Gross margin improved by 3.1 percentage points with increased Marketplace participation and stable retail margin. Revenue growth in CIS was strong at 16.4%. This region has the largest differential between the growth of NMV and revenue due to its large Marketplace share.

CIS gross margin improved by 7.1 percentage points in the quarter. Over half of this came from increased Marketplace participation. Strong retail margins benefited from the successful sell-through of old season merchandise. SEA continued to deliver strong quarterly revenue growth of 22.5%, and gross margins improved by 0.4 percentage points to 34.6%.

ANZ built on the growth of Q3 and delivered revenue growth of 14.9% in the quarter. Gross margin of 49.3% was 2.3 percentage points ahead of last year driven by improved retail margins.

Turning now to Slide 17 to look at our cost base and profitability for the full year. Full year gross margin increased by 3 percentage points to 43.1% driven by the higher Marketplace participation and stable retail margin I've already talked about. At 24% of revenue, our fulfillment costs were flat year-on-year.

There are a number of moving parts in this figure. We continue to deliver efficiencies in fulfillment, and the cost per order reduced by 4% year-on-year on a constant currency basis. This shows the real improvement in our underlying fulfillment economics. The reported fulfillment cost income ratio is then distorted by the growth in Marketplace, where we provide fulfillment for 71% of items that report just the take rate and not the whole selling price in revenue.

We then saw around EUR 5 million of double running and other costs related to the successful transfer to our new automated facility in Brazil. The lower level of returns by customers during the pandemic gave us savings of around EUR 5.5 million in the year, partly offset by the increased cost of operating fulfillment in a COVID-secure manner for colleagues and customers.

Marketing costs at 8.9% of revenue represented an 80 basis point improvement. We pulled back on marketing investment during the early phase of the pandemic before returning to more normal levels later in the year. Despite the lower investment, we were able to attract 7.7 million new customers in the year, an increase of 28%.

We continued to deliver leverage on our tech and admin costs of 40 basis points in the year. We're investing in tech to develop the business whilst carefully controlling our other overheads. Overall, this enables us to deliver full year adjusted EBITDA of EUR 16.4 million and a margin of 1.2%, an improvement of 400 basis points from last year.

Other than the share-based compensation charge of EUR 15 million, there were no other adjustments to adjusted EBITDA in the year. Our reported results are impacted by foreign exchange translation this year, following significant devaluation of two of our major trading currencies. These are detailed in the appendix of the presentation. And in summary, the full year results were adversely impacted by EUR 298 million on NMV and EUR 7 million at adjusted EBITDA.

I'd now like to share with you our regional profitability. As you can see, all of our regions have made significant year-on-year improvement in profitability. LatAm, CIS and ANZ are making significant levels of adjusted EBITDA and grew their profits strongly in the year. The double running and related costs for the new Brazil fulfillment center held that profit growth in LatAm. SEA reduced its losses by 70% year-on-year and is on a clear trajectory to profitability.

I'd now like to turn to look at our CapEx investment and our cash position on Slide 19. We invested EUR 49 million of CapEx, a little lower than our guidance a year ago of EUR 55 million. We delayed CapEx slightly at the start of the COVID crisis and benefited from exchange rate translation effects. In the coming year, we expect CapEx to be approximately EUR 60 million, which is EUR 10 million ahead of our prior guidance. This is mostly the result of deciding to invest on our own account in the new CIS fulfillment center rather than with a joint venture partner.

Looking at the breakdown of our spend last year, you can see that we invested EUR 28 million in physical assets, which is mainly fulfillment centers. We completed our new automated sites in Brazil, which is now fully operational. Towards the end of the year, we commenced the investment in our new Moscow facility. This project is estimated to cost EUR 50 million on which the majority will be spent over 2021 and 2022. We invested EUR 20 million on intangible technology assets, a similar amount to the prior year, and we closed the year with EUR 372 million of pro forma cash, which includes EUR 6 million of restricted cash.

Turning to our funding activity in the year, we generated EUR 120 million in November from our equity raise, setting us up well for investing in accelerated growth. And during the year, we replaced our old RCF with a more cost-effective and flexible mix of bank guarantees or by a loan facility and local currency working capital facilities. At the end of the year, we had drawn down just EUR 3 million external debt. We are pleased with our progress on funding this year and continue to look into all opportunities to strengthen our balance sheet and further increase flexibility.

So looking now at our use of cash in the quarter and the year on Slide 20. We invested around EUR 50 million in growth through the year. This is much less than half of the cash investment we made in 2019, and it makes us operating cash flow positive, only requiring funding for the CapEx that supports growth. We've generated EUR 16 million of cash from our adjusted EBITDA, along with a further EUR 31 million through working capital optimization.

Our closing inventory balance was flat year-on-year after adjusting for exchange rates. We ended the year with a lower level of aged inventory and, therefore, more newness within our collection. So we started 2021 confidently with a fresh and strong customer offer.

We invested EUR 49 million in CapEx and had EUR 31 million of lease payments. The small increase in leases year-on-year has been from further pickup points on CIS and a new fulfillment center in the Philippines. We had a net EUR 15 million cash outflow of other items, including tax and financing activities, along with a EUR 10 million payment in Q3 for the pre-IPO survey compensation program.

I'd now like to turn to Slide 22 and share our guidance for the coming year. The company expects to grow NMV by over 25% on a constant currency basis. At 31 December 2020 exchange rate, this amounts to between EUR 2.3 billion and EUR 2.4 billion of NMV. Revenue will grow at a slightly slower rate than NMV, reflecting the Marketplace share increase and is expected to deliver EUR 1.5 billion at the same exchange rate.

We've started the current year -- sorry, we started the current year trading strongly in line with Q4 2020 and with our expectations. We continue to be cautious as our markets remain highly uncertain with potential direct and indirect impacts of COVID on our customers and on our brand partners. We expect a modest improvement in our adjusted EBITDA, allowing some flexibility to take advantage of the growth opportunity, and our CapEx will be slightly higher than 2020 at around EUR 60 million.

This is the end of our formal presentation, and so we now move on to Q&A. Thank you.

Question and Answers

(Operator Instructions) So our first question today comes from the line of Michael Benedict from Berenberg.

Michael Benedict – Joh. Berenberg, Gossler & Co. KG, Research Division – Analyst

Q. I have a few, if that's okay. Firstly, thank you very much about Australia disclosure. That was incredibly interesting. Does that mean you're essentially flying in Australia given that both the losers and the winners are now doing well?

Second question is on EBITDA guidance. Are you comfortable with us, say, penciling in margin improvement at this stage?

And then the third one would be on Marketplace. So it looks like Q4 was a couple of percentage points down on Q3 in terms of Marketplace penetration. Are you still comfortable that you can retain sort of a high level of penetration and indeed increasing level moving into FY '21?

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Yes. Thank you. I'll address the first question and then hand over to Matthew. Are we flying in Australia? So the business is going really well in Australia because, as you picked up, we obviously have the benefit from the COVID loser categories coming back and the COVID winner category still trading strongly. We would probably be even better positioned if we had a bit more inventory, and we've seen that already in the second half of 2020.

We continue to see inventory restrictions a little bit in Q1 just because of supply chain mainly coming out of China. Obviously, this is not an Australia phenomenon, but we see it mostly in Australia given that there is less flexibility to play around the stock like versus in North America or in Europe or in Asia. That is improving a little bit, but we're very pleased with the business in Australia overall after an overall very tough Q2 and definitely overall somewhat disappointing first half of 2020.

Matthew, can you -- thank you.

Matthew Price – Global Fashion Group S.A. – CFO & Member of Management Board

A. Great. Thanks. I'll pick up on the margin guidance. I think when you're looking at the guidance, there were three bits in terms of priorities. So I think our top priority is we think that online penetration in our markets has improved; therefore, we can step up top line growth. And we've moved our guidance from the long-term, 20% up to 25% this year on NMV. That's the real priority, capturing this opportunity while we are here.

We think also there are -- we're trading well, we're really well set up. Marketing is in a good place. Our inventory is in a great place. The Marketplace business is really strong. But there's an awful lot of unknowns going on in our market. Therefore, we're a little cautious, which is really why we've given this modest improvement in EBITDA guidance. I think that's where we want to keep a little bit of flexibility so we can respond, react and really do our very best to make sure that we meet that top line guidance.

So if you want to pencil some into your model, I'd be very cautious about penciling in much percentage margin improvement. So that's the same work we're working through at the moment. It will become much clearer over the coming quarters.

In terms of Marketplace share, I understand what you say. I think there's something around the peak trading periods in Q4 that tend to favor retail, particularly for the big trading events right at the end of the quarter because there, we can obviously deliver same day, next day or very soon thereafter, delivery times for retail items; whereas in some marketplace, still a longer time period. And if you've forgotten your Christmas presents or whatever it is, then that delivery time really matters.

So I think there's a number of things in Q4 that tend to mitigate against Marketplace a little bit, but it is only a little bit. I think we're very pleased with the performance in Q4. I think we can continue to go from strength on that after the big step-up last year. Thanks.

Geoffrey Frith Ruddell – Morgan Stanley, Research Division – MD

Q. Can I ask three, please? The first one is a follow-up to the last one there, actually, which is in your NMV and revenue growth guidance, what are you assuming in terms of the Marketplace penetration rate, please? Second question, your EUR 10 billion revenue -- sorry, NMV ambitions for 7 to 9 years' time, I'm assuming that's on a constant currency basis from here, but if you could just confirm that. And then the third thing is what are you seeing in terms of returns rates in Australia, please?

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Matthew, why don't you take the first two, and I'll take the last one for Australia? Thank you.

Matthew Price – Global Fashion Group S.A. – CFO & Member of Management Board

A. Brilliant. Yes, thanks, Patrick. So on the NMV and the revenue -- NMV, revenue growth and Marketplace share, we are assuming and we are planning for, rather than just assuming, an increase to Marketplace in the year. There were NIMs from Marketplace last year, but I'd probably not put a third number down on that because, as I say, there's quite a lot of uncertainty, but we're certainly seeing it continue to move forward.

The EUR 10 billion aspiration on NMV, yes, that's in constant currency with the exchange rate as at 31 December 2020. Over to you, Patrick.

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Thank you, Matthew. So as we are trending into a -- for us, a more normal category mix, we've seen a very slight impact in return rates. It's probably too early to say whether that is category-driven or whether that is seasonality-driven. For example, Australia, they usually has that effect in Australia given that people are on holiday. It's not a material impact at this point.

Geoffrey Frith Ruddell – Morgan Stanley, Research Division – MD

Q. But is it -- I guess I'm trying to understand is do you think it's normalizing as the economy sort of returns to normal?

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Yes. So we saw, obviously, a steep drop in return rate, I think, from about 30% to 24% in 2020. I think it will probably go up again because that drop was certainly driven by category mix. It's too early to say how much it will go up and when it will go up as -- but the 24% is probably not a sustainable rate for Australia given the 31% we have seen in 2019.

Having said that, obviously, we've learned a lot in 2020 in all countries in regards to category mix, demand, return rate. And we are obviously actively increasing categories which tend to have a lower return rate, not because they have a lower return rate but just because we've seen a lot of demand from customers in these categories, like, for example, sports and also beauty kits and toys. So I don't expect that, all things being equal, it will go back to the old levels just simply because we will have a very different category mix, which is driven somewhat by demand but also by supply, which we have obviously shifted for our 2020. So it's an evolving picture.

Matthew, maybe you have something to add here, too.

Matthew Price – Global Fashion Group S.A. – CFO & Member of Management Board

A. Yes. I think -- yes, we certainly see -- we certainly expect it to be going back to a much normal -- a normal level. But I think to remember, I probably threw the number away in the midst of a big sentence with lots of numbers in it in my presentation. Our benefit from lower returns rate globally was EUR 5.5 million as on -- in a cost basis here. So it's nowhere near what's being seen in some other -- some developed market peers. And then offsetting that EUR 5.5 million benefit, we were clearly running our fulfillment operations in a COVID floor manner. So that obviously -- not all of the EUR 5.5 million went to bottom line.

Operator - -

A. (Operator Instructions) It appears there are any more questions for right now. So I will hand over to Adam Kay for any webcast questions.

Adam Kay – Global Fashion Group S.A. – IR Director

A. Thanks, operator. We've got a couple of questions in this morning. Firstly up from Volker Bosse at Baader Bank. Four parts to his question.

Congrats on the great results. For the 25% NMV target for this fiscal year, is there any differentiation by region? Secondly, what's the best guess on FX impacts on sales and NMV? How is the start to this current year?

And last question from Volker, in terms of logistics, what were our main achievements last year in '20? And what projects are we focusing on in '21?

Matthew, do you want to take the first, second and third part of those?

Matthew Price – Global Fashion Group S.A. – CFO & Member of Management Board

A. Yes. Thank you. Thanks, Adam. In terms of our regional performance, in terms of forecast, I'd rather not give a forecast for the full year on them. I think there's a lot of moving parts and uncertainty. But certainly, I think we are seeing Q1 open and trade similar to Q2 in -- similar to Q4 in terms of the regional mix. And obviously, we are very excited, as Patrick was talking about, about Australia this year.

The FX for the full year in 2021, I think I'm probably -- I mean, I don't have much more visibility of forward FX rates in some of these markets than others do. The only thing I'd point out is that we have seen the Brazilian real decline a little bit since the 31st of December. Whether that's sustained for the full year or moves back, I don't know. The other currencies have been relatively stable for us.

And the start of the year, we've started the year trading strongly, and that means trading strongly in terms of being similar to what we saw in Q4 and also in terms of what we expect -- our expectations are to get us to this over 25% growth for the full year. I hope that helps a bit.

Patrick, do you want to pick up the logistics question?

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Christoph will actually pick it up. Christoph?

Christoph Barchewitz – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Great. Thanks. Yes, Volker, so I think the key achievements in '20, certainly, number one is the new fulfillment center in Brazil, which is now operating at scale and we fully transitioned from the prior facilities to this new site. So that's doing well despite all the COVID challenges, on time and on budget.

Certainly, the fulfilled by GFG, where we enable a lot of the marketplace orders throughout fulfillment infrastructure as well, has grown a lot, and that's been really additive, both in a market like CIS where we've been doing this for a long time, but also in some of the newer markets in Southeast Asia and in particular, in Latin America where this is a growing service.

We've also seen some cost per item improvement -- or cost per order improvement given the scale and some of the automation we've put in. So that's a good achievement for 2020 as well. For the -- in terms of current projects for this year, the major one is really the second fulfillment center in Moscow to support the growth in CIS, which is now underway. A lot of the work will happen this year for the go-live in the second half of 2022. And we're continuing to expand our fulfillment services for our marketplace partners around the world and also in the last mile, driving innovation around returns and try-on. We'll talk about that a bit more at the Capital Markets Day this afternoon.

Adam Kay – Global Fashion Group S.A. – IR Director

A. Thanks, Christoph. Next, we've got three questions from Rocco Strauss at Arete. Firstly, could you talk about CapEx a bit more and what is needed on an annual basis in terms of additional warehouse infrastructure on the back of Marketplace growing much quicker versus group? Is there a need for more infrastructure to handle this over time?

Secondly from him, could you touch on media services or featured products and brands? I assume that was a smaller driver in 2020. And what's penciled into 2021 guidance for that?

And thirdly from Rocco, a follow-up on Australia. With the positive mix pickup there, are you still being -- sorry, are you still in an advantageous position going forward with your on-the-ground infrastructure versus peers like ASOS who are still having trouble shipping packages from overseas? And would you expect to capture further market share here through 2021?

Christoph, perhaps back to you for the first part.

Christoph Barchewitz – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Yes. I'll take the first, and then Patrick will take the second and the third. Thanks for the questions. So on the capacity investment, we currently have fulfillment capacity to support at least EUR 4 billion of NMV. So we're pretty well set up with the current footprint given the extensive program we had last year in terms of expansions and new facilities. We have 6 of our 9 fulfillment centers that have been either newly opened or expanded in the course of the last year. So a lot of investment that has happened already.

The one investment I touched on earlier is the second fulfillment center in Moscow, which Matthew also mentioned in the context of the CapEx guidance. So within the EUR 60 million we guided to this year, that includes that. And as you heard from Matthew, we expect that, that's kind of about the right number going forward as well.

We are trying to be as CapEx efficient as possible using leasing where possible as well in our market. So there's no significant incremental investments that are happening beyond that to support the growth.

Patrick, over to you.

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Thanks, Christoph, and thanks, Rocco, for the question. In regards to media services, so for 2021, we've planned media solutions to grow -- or media services to grow slightly faster than company growth. We -- really keep in mind that we are actually rolling out a new software, which we've built in-house, which we've tested already successfully in Southeast Asia. We're rolling that out globally. And we've obviously factored that into the planning and the target for '21.

In terms of Australia and the positive momentum there, our positioning versus competitors, yes, I think you're right. We have a very good positioning there, also given that our #2 is shipping from the -- our main competitor and our -- the #2 in the market, excuse me, is shipping from the U.K. We obviously have a unique advantage here given that we are shipping same day in Sydney, also to a number of other capital cities, obviously giving you the key part of our proposition. And we plan to definitely leverage this position, and that was the second part of the question, to grow market share in '21.

Adam, shall we move on to the next question?

Adam Kay – Global Fashion Group S.A. – IR Director

A. Thanks, Patrick. Yes. We've got a follow-up from Volker here. On brands, any highlights on some of the brands that we were able to onboard in the fourth quarter?

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Sure. I can take that. So Michael Kors, a brand, obviously, we're very proud of. We've onboarded COACH, Kate Spade, Self-Portrait. So a lot of brands in the premium and entry luxury segment, and we'll talk about the development of this segment later in the CMD. Thank you.

Adam Kay – Global Fashion Group S.A. – IR Director

A. Thanks, Patrick. We've got Paul Rossington from HSBC asking why has average order frequency dropped.

Christoph Barchewitz – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. I'll take that, Adam. Thank you. So Paul, the frequency of 2.6 was slightly down year-on-year. And the reason is really that what we have seen throughout 2020 is that our existing customers have shopped a little bit less frequently than before the pandemic, whereas we had a huge wave, as we've talked about, of new customers come on. And so the mix of the two, existing customers shopping less frequently and then the ramping up of a very high number of new customers coming on to the platform for the first time, and these customers have had better-than-normal behaviors in terms of their second and third orders, we have seen this slight decline in the frequency.

We expect that as things normalize, this will also normalize and we'll go back to our pre-COVID trend of steady, moderate increases in frequency. We still think it's long term, one of our key growth levers, also driven by our app, by our category rollout and obviously, by customers spending a higher share of their wallet online. So long term, we're very confident in order frequency moving back onto a positive trajectory into much higher levels than we currently see.

Adam Kay – Global Fashion Group S.A. – IR Director

A. Thanks, Christoph. There's no more questions that have come in from the webcast. So Patrick, back to you for some closing remarks.

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Adam, are there any more live questions? Just checking.

Operator - -

A. There are no more live questions.

Patrick Schmidt – Global Fashion Group S.A. – Co-CEO & Member of Management Board

A. Okay. Good. Well, thank you very much for attending today's webcast. This concludes our presentation this morning. And I hope that many of you will join us at 3 p.m. CET for our Capital Markets Day, and you can access the presentation and all documents through our website. Hope to see you later. Thank you very much, and have a good day.

Operator - -

A. This now concludes today's call. You may now disconnect your lines.