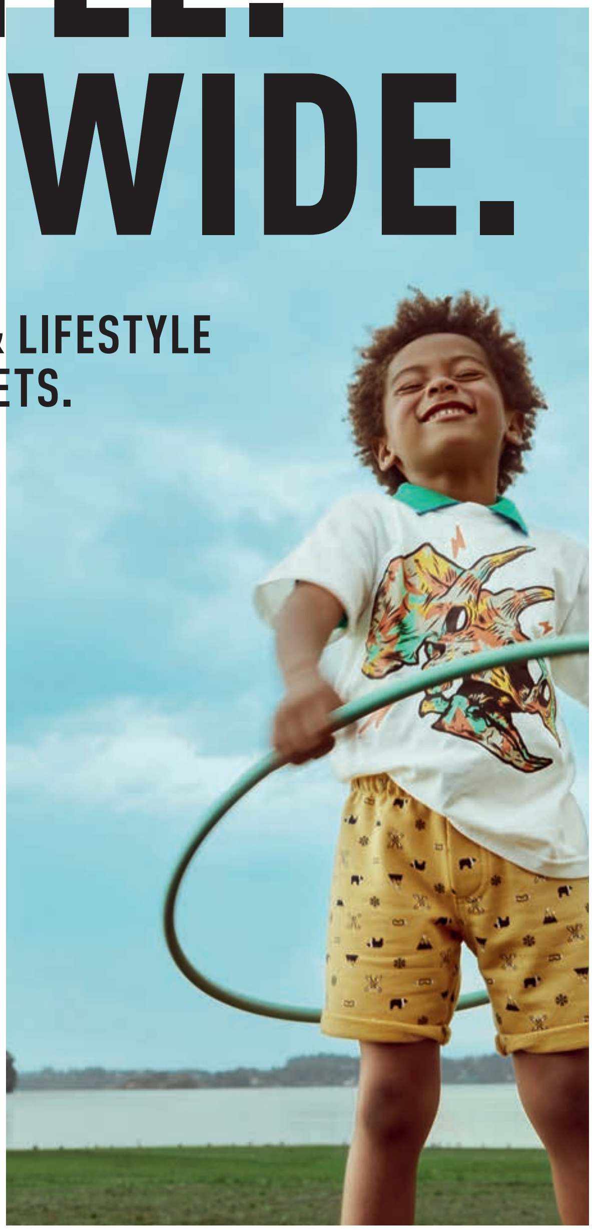
2022

INTERIM MANAGEMENT REPORT

FOR THE PERIOD
ENDED 30 JUNE 2022

GFG GLOBAL FASHION GROUP

FASHION AND LIFESTYLE. WORLDWIDE.



WE ARE THE LEADING FASHION & LIFESTYLE DESTINATION IN GROWTH MARKETS.

Our purpose is true self expression. From our people, to our customers and partners, we exist to empower everyone to express their true selves through fashion.

Our four e-commerce platforms: dafiti, lamoda, ZALORA and THE ICONIC connect an assortment of international, local and own brands to more than one billion consumers from diverse cultures and lifestyles. GFG's platforms provide seamless and inspiring customer experiences from discovery to delivery, powered by art & science that is infused with unparalleled local knowledge.

Our vision is to be the #1 online destination for fashion & lifestyle in growth markets, and we are committed to doing this responsibly by being people and planet positive across everything we do.

LATAM	CIS	SEA	ANZ
dafiti	lamoda	ZALORA	THE ICONIC

AT A GLANCE

KEY FIGURES

Financial information and key performance indicators

	Q2 2022	Q2 2021	H1 2022	H1 2021
Financial performance				
Revenue (€m)	505.9	397.3	855.1	698.6
Growth at constant currency (%)	*10.8*	*24.2*	*13.9*	*25.2*
Gross Profit (€m)	253.1	183.7	410.5	316.6
Loss before interest and taxes (EBIT) (€m)	(17.0)	(15.4)	(51.2)	(51.1)
Loss for the Period (€m)	(8.6)	(17.5)	(50.9)	(65.1)
Adjusted EBITDA (€m)	51.6	11.6	40.3	0.1
Adjusted EBITDA/Revenue (%)	10.2	2.9	4.7	-
Capex (€m)	14.1	17.8	32.7	25.8

	Q2 2022	FY 2021	H1 2022	FY 2021
Financial position				
Net working capital (€m)	114.1	18.1	114.1	18.1
Cash and cash equivalents (€m)	263.6	400.5	263.6	400.5
Pro-forma cash (€m)	500.1	642.5	500.1	642.5

	Q2 2022	Q2 2021	H1 2022	H1 2021
Group KPIs				
NMV (€m)	792.1	610.1	1,335.3	1,060.0
Growth at constant currency (%)	*11.8*	*32.0*	*16.5*	*34.4*
Active Customers (m)	16.2	17.0	16.2	17.0
NMV/Active Customer (€)	164.8	127.3	164.8	127.3
Number of Orders (m)	11.7	12.9	21.9	22.6
Order Frequency	2.9	2.8	2.9	2.8
Average Order Value (€)	67.9	47.4	60.9	46.8

INTERIM GROUP MANAGEMENT REPORT

FUNDAMENTAL INFORMATION ABOUT THE GROUP

1. BACKGROUND TO THE GROUP

- Leading online fashion and lifestyle destination in our 17 countries of operation.
- Global business with deep local roots.
- Connecting one billion potential consumers with thousands of global, local and own brands via four well established Ecommerce platforms.

Business Model

The disclosures made in the 2021 Annual Report around our markets, customers, business model, segments, research and development, sustainability and employee matters are still applicable at the time this interim management report is being issued.

2. REPORT ON ECONOMIC POSITION

2.1 Macroeconomic and Sector-Specific Environment

GFG operates in the online fashion & lifestyle market in 17 countries. The Group's revenue and profitability depend on the conditions and outlook of these markets, which include macroeconomic conditions, the overall fashion & lifestyle sector, and within this sector, development of the online channel.

The beginning of 2022 has created a volatile environment where our markets are being impacted by the worsening macro environment, consumer weakness and geopolitical uncertainty. The key near-term concerns in our sector include the risk of softer demand impacting our growth and margin pressure caused by inflation, supply chain disruption and increased discounting activity.

GFG's market opportunity remains largely unchanged in the long-term. Fashion has historically been a relatively resilient sector and GFG continues to have a €290bn addressable market with significant market share expansion potential with our active customer base at <4% of our addressable population.

GFG's markets are at an earlier stage in the structural shift of fashion and lifestyle spend from offline to online than either the US and Western Europe. GFG will benefit from the increasing online penetration and order frequency across our regions as we invest in our customer experience. GFG remains the market leader in our regions and we will continue to focus on profitability, growth and gaining further market share.

Since GFG's operations are predominantly in countries outside of the eurozone, the majority of its revenues and costs are denominated in currencies other than the euro (EUR). GFG is therefore exposed to fluctuations in the values of these currencies relative to the euro. In the first six months of 2022, GFG's largest net foreign currency exposures were to the United States dollar (USD), pound sterling (GBP), Russian ruble (RUB), Australian dollar (AUD) and the Brazilian real (BRL).

While GFG's reported revenues and NMV are impacted by changes in the value of foreign currencies relative to the euro, in 2022 more than 73% of our cash flows in our four operating segments were naturally hedged, as local currency revenues are typically matched against a local currency cost base. This is lower than previous years due to changes in CIS. All other regions continue to have a natural currency hedge of between 84-99%.

2.2 Financial Performance of the Group

The results for the six-month period ended 30 June 2022 demonstrate steady constant currency revenue growth and improved gross margin.

- Positive revenue growth and increased gross profit margin
- Profitable Adjusted EBITDA for the first six months of the year

Results of operations

In €m	H1 2022	H1 2021	% change
Revenue	855.1	698.6	13.9 [1]
Cost of sales	(444.6)	(382.0)	
Gross profit	**410.5**	**316.6**	
Selling and distribution expenses	(285.9)	(254.5)	
Administrative expenses	(125.4)	(107.7)	
Other operating income	1.9	1.2	
Other operating expenses	(10.5)	(6.6)	
Net impairment losses of financial assets	(0.6)	(0.1)	
Impairment of Goodwill	(41.2)	-	
Loss before interest and taxes (EBIT)	**(51.2)**	**(51.1)**	**0.2**
Gain on repurchase of Convertible bonds	9.3	-	
Finance income	27.5	0.4	
Finance costs	(28.9)	(18.6)	
Result from indexation of IAS 29 Hyperinflation	1.8	1.0	
Loss before tax	**(41.5)**	**(68.3)**	**39.2**
Income taxes	(9.4)	3.2	
Loss for the Period	**(50.9)**	**(65.1)**	**21.8**

[1] Constant currency growth.

Adjusted EBITDA bridge

In €m	H1 2022	H1 2021	% change
Loss before interest and taxes (EBIT)	(51.2)	(51.1)	(0.2)
Depreciation and amortisation[1]	40.9	33.9	
EBITDA	(10.3)	(17.2)	40.1
Share-based payment expenses	4.4	15.9	
IAS 29 Hyperinflation EBITDA impact	1.6	-	
Impairment of Goodwill	41.2	-	
One off costs[2]	3.4	1.4	
Adjusted EBITDA	**40.3**	**0.1**	

1 Includes depreciation on IFRS 16 right-of-use assets.

2 One-off costs include Ukraine related costs and changes in estimates or prior year tax charges, fulfilment centre closure and continuity incentives. Ukraine related costs include ongoing salary costs, charitable donations, related legal costs and PPE and inventory provisioning costs.

Key Group Figures

Financial information and Key performance indicators

	Q2 2022	Q2 2021	H1 2022	H1 2021
Financial performance				
Revenue (€m)	505.9	397.3	855.1	698.6
Growth at constant currency (%)	*10.8*	*24.2*	*13.9*	*25.2*
Gross Profit (€m)	253.1	183.7	410.5	316.6
Loss before interest and taxes (EBIT) (€m)	(17.0)	(15.4)	(51.2)	(51.1)
Loss for the Period (€m)	(8.6)	(17.5)	(50.9)	(65.1)
Adjusted EBITDA (€m)	51.6	11.6	40.3	0.1
Adjusted EBITDA/ Revenue (%)	10.2	2.9	4.7	-
Capex (€m)	14.1	17.8	32.7	25.8

	Q2 2022	FY 2021	H1 2022	FY 2021
Financial position				
Net working capital (€m)	114.1	18.1	114.1	18.1
Cash and cash equivalents (€m)	263.6	400.5	263.6	400.5
Pro-forma cash (€m)	500.1	642.5	500.1	642.5

	Q2 2022	Q2 2021	H1 2022	H1 2021
Group KPIs				
NMV (€m)	792.1	610.1	1,335.3	1,060.0
Growth at constant currency (%)	*11.8*	*32.0*	*16.5*	*34.4*
Active customers (m)	16.2	17.0	16.2	17.0
NMV/Active Customer (€)	164.8	127.3	164.8	127.3
Number of Orders (m)	11.7	12.9	21.9	22.6
Order Frequency	2.9	2.8	2.9	2.8
Average Order Value (€)	67.9	47.4	60.9	46.8

Business Activities

The Group's principal business activity is fashion & lifestyle Ecommerce and associated ancillary services such as marketing, technology, payment, warehousing, and logistics services. The Group offers a wide assortment of leading international and local fashion and lifestyle brands, as well as a selection of own label brands. The Group operates in growth markets through four regional Ecommerce platforms across 17 countries under the following brands: Dafiti (LATAM), Lamoda (CIS), Zalora (SEA) and THE ICONIC (ANZ).

GFG has taken significant steps to pare back our operations across the CIS region and move Lamoda toward operational and financial self-sufficiency. These steps include actively managing costs with a significant reduction in marketing activity and investments and repaying our circa €20 million debt leaving Lamoda debt free. Our team is working diligently to evaluate a range of further options for our CIS business, whilst ensuring the safety and wellbeing of all our employees.

Given the unsettling start to 2022, our team delivered robust H1 results with validation of our key initiatives and investments showing through. In LATAM we deprioritised growth and increased marketing efficiency, whilst we focused on improving the customer proposition to unlock this region's potential. Actions included improving the assortment, the roll out of our new app which is currently in test and learn phase, and taking steps towards a better delivery and returns processes. CIS delivered NMV growth of 44.1% in H1 driven by continued demand in the online fashion & lifestyle segment and one-off average selling price dynamics. SEA delivered (1.2)% NMV decline as the region remains cautious entering the lifting of COVID-19 restrictions. Conversely, ANZ delivered strong NMV growth of 22.7% and continues to invest in high growth areas such as its own brand.

On 27 April 2022, the Group successfully repurchased outstanding Convertible bonds due 2028 via a modified Dutch auction procedure announced on 26 April 2022. At the close, GFG agreed to purchase bonds representing €95.1 million in aggregate principal amount (approximately 25% of the outstanding principal amount). This repurchase reflected the strength of our liquidity position and the Board's confidence in delivering our long-term strategy within the funding available.

Growth of Revenue

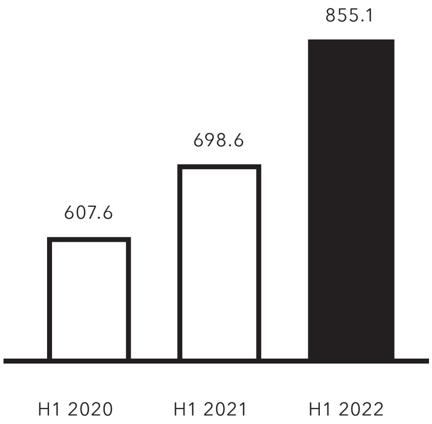
In Q2 2022, revenue grew by 10.8% vs Q2 21 on a constant currency basis (Q2 2021: 24.2%), increasing by €108.6 million to €505.9 million as reported (Q2 2021: €397.3 million). For the first half, revenue was €855.1 million (H1 2021: €698.6 million), increasing 13.9% year-on-year on a constant currency basis. As a result of the GFG Marketplace business continuing to grow more rapidly than the retail business and the different economic basis by which it operates, revenue growth lags behind NMV growth.

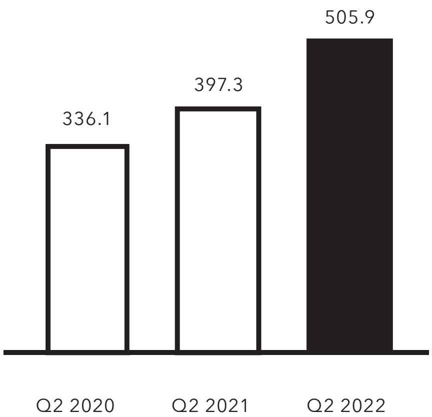
GFG continues to be at the forefront of defining what a seamless and inspiring customer experience looks like in its markets. In the first half of 2022, GFG continued momentum against its key priorities to firstly, provide the best in class customer experience, including delivery improvements. Secondly, to be the brand partner of choice by increasing Marketplace participation and establishing more exclusive global brand collaborations and finally, by continuing to focus on its People & Planet Positive strategy, which is detailed in the 2021 Sustainability Report.

https://global-fashion-group.com/wp-content/uploads/2022/04/GFG_SustainabilityReport_2021.pdf

Technology innovations focused on app functionality continue to deliver new levels of customer engagement and strengthen GFG's app-first approach. Apps generated 67.2% of NMV in Q2, up 5.7 percentage points compared to the same period last year. Continued revenue growth in Q2 22 of 10.8% vs Q2 21 on a constant currency basis, driven by an increasing average order value.

H1 and Q2 Revenue 2022 (€m)





Loss for the Period

The loss for the second quarter was €8.6 million (Q2 2021: €17.5 million loss), an improvement of €8.9 million compared to the same period last year, largely caused by positive FX gains of €19.3 million (Q2 2021: €0.4 million) and gain on repurchase of Convertible bonds of €9.3 million. These gains were partially offset by an increase in interest expenses of €1.8 million and €4.9 million of negative fair value changes on investment funds (Q2 2021: nil).

In the first six months of 2022, the loss for the period was €50.9 million (H1 2021: €65.1 million), an improvement of €14.2 million driven primarily by positive currency translation effects. Losses before interest and taxes was €51.2 million (H1 2021: €51.1 million), as a significant improvement in gross profit was offset by rises in selling, distribution and administrative expenses, along with an impairment charge of €41.2 million (H1 2021: nil) (see below).

As a result of the presentation currency of many of the Group's key trading entities not being Euro's, the Group is exposed to the impact of FX currency translation on its consolidated statement of profit or loss. In H1 2022, the RUB and BRL appreciated by 36% and 13% respectively against the EUR, which was the main driver of positive translation gains in the period of €26.7 million (H1 2021: loss of €5.6 million).

As part of the Group's interim review of impairment indicators, it was concluded that due to the ongoing macroeconomic environment, political unrest and competitive market in the LATAM region, that an impairment assessment should be carried out on the LATAM cash generating unit ("CGU"). The rising interest and inflation rates led to a significant impact on the discount rate used in the discounted cash flows valuation model, which led to the impairment charge of €41.2 million (H1 2021: nil).

The Group also concluded that an impairment assessment should be carried out for the CIS CGU, as a result of the ongoing conflict in Ukraine. The headroom for this CGU was significant and no impairment charge was required.

Growth of NMV

In Q2 2022, NMV grew by 11.8% on a constant currency basis, to €792.1 million. NMV for the first half, reached €1,335.3 million, an increase of 16.5% on a constant currency basis.

The growth in NMV was driven by increased Marketplace participation which was 39% for the first half (H1 2021: 37%) and 39% for the quarter (Q2 2021: 38%). Active Customers decreased by 4.6% to 16.2 million, but NMV per Active Customer increased by 23.3% on a constant currency basis to €164.8, illustrating the significant increase in average order value.

On average, customers purchased 2.9 times in the previous twelve months, 5.6% higher than in the same period last year. The number of orders declined by 3.2% to 21.9 million in H1 2022.

Improvements to Adjusted EBITDA

To assess the operating performance of the business, management also considers Adjusted EBITDA and Adjusted EBITDA margin as key performance indicators. See Supplementary Information section for further information.

In the second quarter of 2022, the Group generated an Adjusted EBITDA profit of €51.6 million (Q2 2021: €11.6 million profit), giving an Adjusted EBITDA margin of 10.2% (Q2 2021: 2.9%).

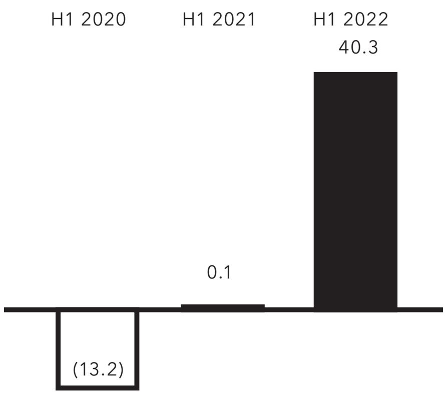
In the first half of the year, Adjusted EBITDA was €40.3 million (H1 2021: €0.1 million). Adjusted EBITDA margin increased by 4.7 percentage points year-on-year to 4.7% (H1 2021: 0.0%), elevated by strong performance in CIS. The improvement was also driven by improved Gross margin as a result of increased Marketplace participation and decreased discounting.

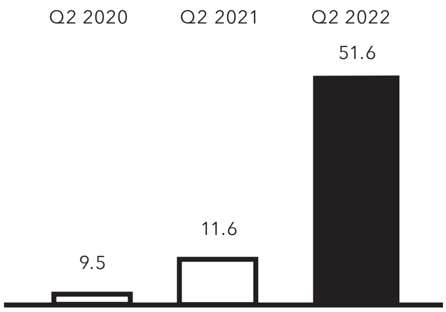
In the first six months of the year, fulfilment costs were 15.8% (H1 2021: 16.5%), marketing costs were 5.6% (H1 2021: 7.4%) and technology and administrative costs were 9.0% (H1 2021: 8.7%) as a percentage of NMV, excluding exceptional items.

In total, selling and distribution costs increased year on year, partly as a result of FX currency translation changes, but as a percentage of NMV they reduced. Scale efficiencies and an increase in Marketplace participation contributed towards the improved fulfilment margin and marketing efficiencies were prioritised across the Group.

Adjusted EBITDA for the period excludes a charge for share-based payments of €4.4 million (H1 2021: €15.9 million), other recurring items of €1.8 million (H1 2021: nil) and one-off costs outside the normal course of business of €44.4 million (H1 2021: €1.4 million). One-off costs include €41.2 million in relation to the impairment of the LATAM CGU, €3.5 million of ongoing costs related to support our Ukrainian business and a net credit of €0.3 million in relation to changes to estimates for prior year tax.

H1 and Q2 Adjusted EBITDA 2022 (€m)





2.3 Report by Segment

The Group reports internally and publicly discloses four operating segments, LATAM which consists of Dafiti, CIS which consists of Lamoda, SEA which consists of Zalora and ANZ which consists of THE ICONIC. The column 'Other' includes headquarter and other business activities.

Segment Growth for the Half-Year

The segment with the highest revenue growth was CIS at 36.1% for the first half on the year on a constant currency basis. LATAM and SEA declined (8.1)% and (6.1)% respectively whilst ANZ grew at 20.9%.

Gross margin in CIS increased by 6.4 percentage points and gross margin in SEA also improved year on year with an increase of 1.0 percentage points. Meanwhile both LATAM and ANZ saw slight declines of (1.4) and (0.8) percentage points respectively. Discounting measures taken in both regions are the primary reason for these decreases.

NMV growth in CIS was highest of all regions at 44.1%, reflecting the curent trading conditions within the region. ANZ growth was 22.7% on a constant currency basis whilst challenging demand conditions in LATAM and SEA resulted in negative growth of (11.6)% and (1.2)% respectively.

Adjusted EBITDA, Revenue and NMV were impacted by FX variances in the period. Below is a summary of the impact:

CURRENCY	Δ H1/22 VS. H1/21 (%)	NMV IMPACT (€M)	REVENUE IMPACT (€M)	ADJ. EBITDA IMPACT (€M)
RUB	9.8%	50.7	29.3	8.4
BRL	18.1%	25.5	16.3	(0.8)
OTHER	1.2%	13.8	11.9	0.5
IMPACT ON H1/22 AT H1 / 21 FX RATES	7.7%	89.7	57.5	8.0

Segment Results of the Group Half-Year 2022

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	167.5	337.5	138.5	212.4	855.9	20.2	(21.0)	855.1
% YoY Revenue constant currency growth rate	*(8.1)*	*36.1*	*(6.1)*	*20.9*	*13.9*	-	-	*13.9*
Net Merchandise Value	273.0	571.9	200.9	289.5	1,335.3	-	-	1,335.3
% YoY NMV constant currency growth rate	*(11.6)*	*44.1*	*(1.2)*	*22.7*	*16.5*	-	-	*16.5*
Gross profit	75.5	187.2	51.6	97.1	411.4	20.1	(21.0)	410.5
% Margin	*45.1*	*55.5*	*37.2*	*45.7*	*48.0*	-	-	*48.0*
Adjusted EBITDA	(8.4)	61.2	(2.8)	5.4	55.4	(15.1)	-	40.3
% Margin	*(5.0)*	*18.1*	*(2.1)*	*2.6*	*6.5*	-	-	*4.7*

Segment Results of the Group Half-Year 2021

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	164.3	226.1	137.8	170.4	698.6	13.4	(13.4)	698.6
% YoY Revenue constant currency growth rate	*11.7*	*19.4*	*19.7*	*60.7*	*25.2*	-	-	*25.2*
Net Merchandise Value	278.7	361.5	190.8	229.0	1,060.0	-	-	1,060.0
% YoY NMV constant currency growth rate	*24.2*	*29.8*	*36.3*	*57.5*	*34.4*	-	-	*34.4*
Gross profit	76.4	111.1	50.0	79.2	316.7	13.3	(13.4)	316.6
% Margin	*46.5*	*49.1*	*36.2*	*46.5*	*45.3*	-	-	*45.3*
Adjusted EBITDA	(3.1)	13.1	(4.7)	4.2	9.5	(9.5)	0.1	0.1
% Margin	*(1.9)*	*5.8*	*(3.4)*	*2.5*	*1.4*	-	-	*0.0*

Cash flows

The liquidity and cash position of the Group is presented in the following summary interim condensed consolidated statement of cash flows:

In €m	H1 2022	H1 2021
Net cash flow used in operating activities	**(12.4)**	**(29.1)**
Net cash used in investing activities	**(33.3)**	**(30.7)**
Net cash flow from/(used in) financing activities	**(102.6)**	**367.5**
Change in cash and cash equivalents	(148.3)	307.7
Effect of exchange rate changes on cash and cash equivalents	11.4	8.7
Cash and cash equivalents at the beginning of the Period	400.5	366.1
Cash and cash equivalents at the end of the Period	**263.6**	**682.5**

Net cash used in operating activities was €12.4 million in the first six months of 2022 (H1 2021: €29.1 million outflow). Cash outflows for H1 2022 were impacted by increased investment in working capital which increased by €52.5 million year on year, offset by cash generated from improved loss for the period.

Net cash flow used in investing activities was broadly flat year on year at €33.3 million in H1 2022 compared to €30.7 million in H1 2021. Investment in property, plant and equipment was €11.1 million (H1 2021: €14.6 million), primarily related to warehouses and office and IT equipment. The Group acquired intangible assets with a total cost of €21.3 million (H1 2021: €11.6 million) of which €15.2 million (H1 2021: €8.6 million) were internally developed intangible assets capitalised in accordance with the recognition criteria of IAS 38, intangible assets.

Net cash outflow from financing activities were driven by the repurchase of Convertible bonds of €74.3 million (H1 2021: net proceeds of €369.1 million), along with net repayment of borrowings of €12.9 million (H1 2021: net proceeds of €9.3 million) and payments made under finance leases of €13.1 million (H1 2021: €10.9 million).

The closing net pro-forma cash position at the end of Q2 2022 was €199.9 million (31 December 2021: €278.4 million), including €225.1 million held in highly liquid investment funds (31 December 2021: €234.0 million) and €11.4 million (31 December 2021 €8.0 million) of restricted cash related to the Group's debt facilities.

Financial position

The Group's financial position is shown in the following summary interim condensed consolidated statement of financial position.

Assets

In €m	30 Jun 2022	31 Dec 2021	% change
Non-current assets	610.9	506.5	20.6
Current assets	996.7	1,038.2	(4.0)
Total assets	**1,607.6**	**1,544.7**	**4.1**

Equity and Liabilities

In €m	30 Jun 2022	31 Dec 2021	% change
Equity	593.8	573.3	3.6
Non-current liabilities	419.1	448.4	(6.5)
Current liabilities	594.7	523.0	13.7
Total equity and liabilities	**1,607.6**	**1,544.7**	**4.1**

At 30 June 2022, total assets of the Group were €1,607.6 million (31 December 2021: €1,544.7 million), the increase of €62.9 million as a result of a higher inventory balance and positive FX translation, partially offset by the impairment of Goodwill and the reduction in Cash and cash equivalents following the part repurchase of Convertible bonds.

The net book value of right-of-use assets as at 30 June 2022 was €189.6 million (31 December 2021: €122.6 million). Total lease liabilities of €204.8 million (31 December 2021: €133.2 million), net of lease repayments and interest, are split between non-current and current lease liabilities on the interim condensed consolidated statement of financial position.

In the first six months of the year, Capex additions were €32.7 million (H1 2021: €25.8 million) and primarily related to the Group's continued investment in its delivery and fulfilment infrastructure and office and IT equipment along with intangible assets, of which €15.2 million were internally generated.

The increase in inventories of €92.4 million to €376.1 million (31 December 2021: €283.7 million) represents an increase in seasonal intake, along with favourable effects of foreign currency translation. The increase in inventory on an FX neutral basis was €16.0 million from 31 December 2021.

Movements in equity for the period related to losses incurred for the six-month period to 30 June 2022, offset by favourable translation adjustments of €66.4 million.

The repurchase of Convertible bonds during the period, resulted in a change to the carrying value of the financial liability held at amortised cost. As at 30 June 2022, the non-current liability was €240.0 million and the current liability was €8.1 million. The Group also reclassified €12.3 million of the Convertible bonds equity component to other reserves.

Overall Assessment

The Management Board views the business development in the first six months of the 2022 Financial Year as robust, given the challenging backdrop of a global pandemic, geopolitical and economic uncertainty. The Management Board is pleased to reinstate full year financial guidance, see section 5 for further information.

Employees

The average headcount for the six months to 30 June 2022 was 14,056 (H1 2021: 13,430), an increase of 576. The growth was primarily driven by the increase in operation and fulfilment resourcing requirements in the CIS and ANZ regions.

3. SUBSEQUENT EVENTS

There are no events subsequent to the period end that would require disclosure in the interim condensed financial statements.

4. RISK AND OPPORTUNITY REPORT

Management has assessed the risks as described in the 2021 Annual Report and considered their potential business impact and probability of occurrence. Management did not identify any risks that would threaten the ability of the Group to continue as a going concern.

More recently, the geo-political instability in the CIS region has created significant disruption to the global economy and trade. Despite this GFG has seen solid performance driven by consistent customer engagement as it has continued to operate, with appropriate measures in place to manage the crisis and assure business continuity.

The economic impact is expected to continue for sometime and potentially into 2023. This could reasonably lead to legal, financial and supply-side disruptions that cannot be fully ascertained at this time. We continue to closely monitor the risk with scenario planning considering multiple eventualities and fashion & lifestyle demand in a recession.

5. OUTLOOK

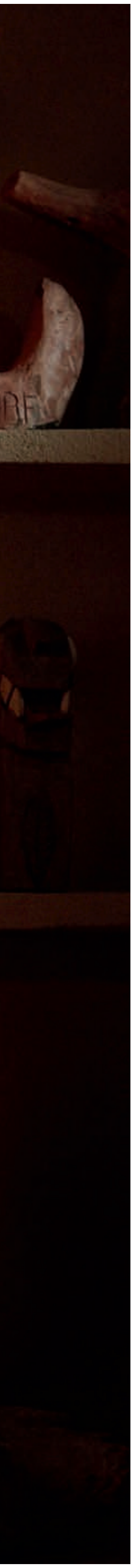
For the full year, the Group expects to deliver NMV growth of 10-15% representing circa €2.9 to €3.0 billion, circa €1.9 billion of revenue, all on a constant currency basis and an adjusted EBITDA margin of 3.0% to 5.0%. Capex investment will be around €65 million in FY2022. All ranges provided are based on FX rates per the end of Q2 except for a planning RUB to EUR exchange rate of 70.

Across ANZ, SEA and LATAM GFG expects similar dynamics to the first half, and is no longer lapping pandemic peaks, which is offset by a more challenging macroeconomic backdrop. There are a number of scenarios for CIS and the outlook is based on a more conservative view for both sales and profitability.

6. CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this document are forward-looking statements. Forward-looking statements can typically be identified by the use of words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting Global Fashion Group S.A. (“GFG”) and its group (the “GFG Group”). They are not historical or current facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described in this document. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the GFG Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based. These risks and uncertainties include those discussed or identified in the filings with the Luxembourg financial and stock market regulator (Commission de Surveillance du Secteur Financier). Neither GFG nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions.



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In €m	Note	For the six-month period ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Revenue		855.1	698.6
Cost of sales		(444.6)	(382.0)
Gross profit		**410.5**	**316.6**
Operating (expenses)/income			
Selling and distribution expenses		(285.9)	(254.5)
Administrative expenses		(125.4)	(107.7)
Other operating income		1.9	1.2
Other operating expenses		(10.5)	(6.6)
Net impairment losses on financial assets [1]		(0.6)	(0.1)
Impairment of Goodwill		(41.2)	-
Loss before interest and tax (EBIT) [2]		**(51.2)**	**(51.1)**
Gain on repurchase of Convertible bonds	14	9.3	-
Finance Income	6	27.5	0.4
Finance Costs	6	(28.9)	(18.6)
Result from indexation of IAS 29 Hyperinflation		1.8	1.0
Loss before tax		**(41.5)**	**(68.3)**
Income taxes		(9.4)	3.2
Loss for the Period		**(50.9)**	**(65.1)**
Loss for the Period attributable to:			
Equity holders of the parent		(50.2)	(64.2)
Non-controlling interests		(0.7)	(0.9)
Loss for the Period		**(50.9)**	**(65.1)**
Loss per share (€)			
Basic and diluted, loss for the period attributable to ordinary equity holders of the parent (€)	7	(0.2)	(0.3)

1 Net impairment losses of financial assets are calculated by considering expected credit losses of financial assets and include write-offs, additions to provisions, usage of provisions and income from the reversal of provisions.

2 EBIT is calculated as loss from the period before income taxes, finance income, finance costs, gain on repurchase of Convertible bonds, result from indexation of IAS 29 Hyperinflation as well as before results from investment in associates.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In €m	For the six-month period ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Loss for the Period	**(50.9)**	**(65.1)**
Other comprehensive income		
Item that will be subsequently reclassified to profit or loss, net of tax		
Exchange differences on translation to presentation currency, net of tax	66.4	18.9
Net other comprehensive income for the Period, net of tax	66.4	18.9
Total comprehensive income/(loss) for the Period, net of tax	15.5	(46.2)
Total comprehensive income/(loss) for the Period attributable to:		
Equity holders of the parent	14.8	(45.3)
Non-controlling interests	0.7	(0.9)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In €m	Note	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)
Non-current assets			
Property, Plant and Equipment	9	126.5	100.2
Right of Use Asset	9	189.6	122.6
Goodwill	10	100.0	127.5
Other intangible assets	10	155.5	126.7
Other financial assets	12	30.1	20.6
Income tax receivables		0.4	0.4
Other non-financial assets		0.4	0.5
Deferred tax assets		8.4	8.0
Total non-current assets		610.9	506.5
Current assets			
Inventories	11	376.1	283.7
Trade and other receivables		46.8	52.3
Other financial assets	12	35.1	26.6
Other financial assets – Investment funds	12	225.1	234.0
Income tax receivables		3.7	3.3
Other non-financial assets		46.3	37.8
Cash and cash equivalents	13	263.6	400.5
Total current assets		996.7	1,038.2
Total assets		**1,607.6**	**1,544.7**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES

In €m	Note	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)
Equity			
Common share capital		2.2	2.2
Share premium		303.6	303.6
Treasury shares		(7.5)	(7.5)
Capital reserves		2,102.2	2,102.2
Other reserves	14	12.6	0.3
Convertible bonds equity component	14	36.3	48.6
Share-based payment reserves		151.1	146.3
Accumulated Deficit		(1,995.9)	(1,945.9)
Foreign currency translation reserve		(13.7)	(80.1)
Equity attributable to holders of the parent		590.9	569.7
Non-controlling interests		2.9	3.6
Total equity		**593.8**	**573.3**
Non-current liabilities			
Borrowings	16	-	12.2
Lease liabilities		169.2	108.0
Other financial liabilities - Convertible bonds	14	240.0	318.4
Provisions		3.0	2.7
Deferred tax liabilities		5.6	5.3
Non-financial liabilities		1.3	1.8
Total non-current liabilities		419.1	448.4
Current liabilities			
Borrowings	16	20.3	23.2
Lease liabilities		35.6	25.2
Trade payables and other financial liabilities		312.3	321.7
Other financial liabilities - Convertible bonds	14	8.1	10.2
Provisions		23.9	23.9
Income tax liabilities		30.9	21.3
Non-financial liabilities		163.6	97.5
Total current liabilities		594.7	523.0
Total liabilities		1,013.8	971.4
Total equity and liabilities		**1,607.6**	**1,544.7**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In €m	Note	Common share capital	Share premium	Treasury shares	Capital reserves
		Attributable to Shareholders of the Company			
As at 1 January 2022 (Audited)		2.2	303.6	(7.5)	2,102.2
Loss for the Period		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the Period		-	-	-	-
Share-based payments expenses	8	-	-	-	-
Adjustment for Hyperinflation		-	-	-	-
Repurchase of Convertible bonds	14	-	-	-	-
Balance as at 30 June 2022 (Unaudited)		**2.2**	**303.6**	**(7.5)**	**2,102.2**

In €m	Note	Common share capital	Share premium	Treasury shares	Capital reserves
		Attributable to Shareholders of the Company			
Balance at 1 January 2021 (Audited)		2.1	303.6	(7.5)	2,102.2
Loss for the Period		-	-	-	-
Other comprehensive loss		-	-	-	-
Total comprehensive loss for the Period		-	-	-	-
Share-based payments expenses	8	-	-	-	-
Adjustment for Hyperinflation		-	-	-	-
Issuance of Convertible bonds	14	-	-	-	-
Balance as at 30 June 2021 (Unaudited)		**2.1**	**303.6**	**(7.5)**	**2,102.2**

Attributable to Shareholders of the Company								
Other reserves	Share-based payments reserves	Convertible bond equity component	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
0.3	146.3	48.6	(1,945.9)	(80.1)	569.7	3.6	573.3
-	-	-	(50.2)	-	(50.2)	(0.7)	(50.9)
-	-	-	-	66.4	66.4	-	66.4
-	**-**	**-**	**(50.2)**	**66.4**	**16.2**	**(0.7)**	**15.5**
-	4.8	-	-	-	4.8	-	4.8
-	-	-	0.2	-	0.2	-	0.2
12.3	-	(12.3)	-	-	-	-	-
12.6	**151.1**	**36.3**	**(1,995.9)**	**(13.7)**	**590.9**	**2.9**	**593.8**

Attributable to Shareholders of the Company								
Other reserves	Share-based payments reserves	Convertible bond equity component	Accumulated deficit	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
0.3	128.3	-	(1,822.9)	(90.9)	615.2	4.2	619.4
-	-	-	(64.2)	-	(64.2)	(0.9)	(65.1)
-	-	-	-	18.9	18.9	-	18.9
-	**-**	**-**	**(64.2)**	**18.9**	**(45.3)**	**(0.9)**	**(46.2)**
-	8.6	-	-	-	8.6	-	8.6
-	-	-	0.6	-	0.6	-	0.6
-	-	48.6	-	-	48.6	-	48.6
0.3	**136.9**	**48.6**	**(1,886.5)**	**(72.0)**	**627.7**	**3.3**	**631.0**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

In €m	Note	For the six-month period ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Loss for the period before tax		(41.5)	(68.3)
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		23.7	21.0
Amortisation of intangible assets		17.2	12.9
Share based payment expense	8	4.4	15.9
Impairment of Goodwill	10	41.2	-
Fair value remeasurement		8.8	-
Interest income	6	(0.8)	(0.4)
Interest costs	6	20.1	13.0
Foreign currency gains		(32.4)	(2.6)
Other non-cash transactions		0.8	0.4
Gain of repurchase of Convertible bonds	14	(9.3)	-
Losses/(gains) from disposal of property, plant and equipment and intangible assets		0.1	(0.1)
Changes in Provisions		(0.8)	(1.3)
Cash from/(used in) operations before changes in working capital		**31.5**	**(9.5)**
Increase in inventories		(15.5)	(60.6)
Decrease in trade receivables		13.4	35.5
(Decrease)/increase in trade payables		(57.4)	18.1
Changes in other receivables and other payables		29.8	8.0
Cash flows from/(used in) operations		**1.8**	**(8.5)**
Cash outflow from share-based payments arrangements		-	(4.4)
Income taxes paid		(2.0)	(7.2)
Interest received		0.8	0.4
Interest paid		(13.0)	(9.4)
Net cash flow used in operating activities		**(12.4)**	**(29.1)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(11.1)	(14.6)
Proceeds from sale of property, plant and equipment		-	0.3
Acquisition of intangible assets and capitalised development expenditures		(21.5)	(11.6)
Cashflow from other investing activities		(0.7)	(4.8)
Net cash flow used in investing activities		**(33.3)**	**(30.7)**

In €m	Note	For the six-month period ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Cash flows from financing activities			
Proceeds from borrowings and other financial liabilities		18.3	13.7
Repayment of borrowings		(31.2)	(4.4)
Coupon payments on Convertible bonds	14	(2.3)	-
Proceeds from issuance of Convertible bonds	14	-	375.0
Transaction costs on issuance of Convertible bonds	14	-	(5.9)
Repurchase of Convertible bonds	14	(74.3)	-
Payments under lease liabilities		(13.1)	(10.9)
Net cash flow (used in)/from investing activities		**(102.6)**	**367.5**
Cash and cash equivalents at the beginning of the Period		400.5	366.1
Effect of exchange rate changes on cash and cash equivalents		11.4	8.7
Cash and cash equivalents at the end of the Period	13	**263.6**	**682.5**


BOSS

SELECTED EXPLANATORY NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

General information

The interim condensed consolidated financial statements present the operations of Global Fashion Group S.A. ('GFG S.A.'). GFG S.A. is hereinafter referred to as the 'Company', the Company and its subsidiaries are referred to as 'Global Fashion Group', the 'Group' or 'GFG'.

GFG S.A. is a stock corporation (société anonyme) under the laws of the Grand Duchy of Luxembourg and is registered in the Luxembourg Trade and Companies Register: RCS B 190.907. GFG is domiciled in Luxembourg with its registered office located at 5, Heienhaff L-1736 Senningerberg. Since 2 July 2019, the shares of the Company are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

The interim condensed consolidated financial statements were approved and authorised for issue by the Supervisory Board on 17 August 2022 and were signed on its behalf.

Business activities

The Group's principal business activity is fashion and lifestyle Ecommerce and associated ancillary services such as marketing, technology, payment, warehousing, and logistics services. The Group offers a wide assortment of leading international and local fashion brands, as well as a selection of own label brands. The Group operates in growth markets through four Ecommerce platforms across four regions in 17 countries under the following labels: Dafiti (LATAM), Lamoda (CIS), Zalora (SEA) and THE ICONIC (ANZ). Please refer to note 5 for more details on our segmental disclosures.

GFG has taken significant steps to pare back our operations across the CIS region and move Lamoda toward operational and financial self-sufficiency. These steps include actively managing costs with a significant reduction in marketing activity and investments and repaying our circa €20 million debt leaving Lamoda debt free. Our team is working diligently to evaluate a range of further options for our CIS business, whilst ensuring the safety and wellbeing of all our employees. Our CIS business represents 39.5% of our revenues for the 6 months period ended on 30 June 2022 (see note 5).

The variance in revenue and margin over the course of the period reflects the seasonality of fashion sales and the variable impact of COVID-19 across the year and the regions. The Group's presence in the northern hemisphere (CIS), southern hemisphere (Australia, New Zealand and Brazil) and also countries that cross the equator including South East Asia and Colombia, smooths out the seasonal risks of being concentrated in one geography. New season collections drive most sales in the second and fourth quarter, with the first and third quarter focusing on end of season sales.

On 27 April 2022, the Group successfully repurchased outstanding Convertible bonds due 2028 via a modified Dutch auction procedure announced on 26 April 2022. At the close, GFG agreed to purchase Bonds representing €95.1 million in aggregate principal amount (approximately 25% of the outstanding principal amount). This repurchase reflected the strength of or liquidity position and the Board's confidence in delivering our long-term strategy within the funding available. See note 14 for further details.

2. BASIS OF PREPARATION

Statement of compliance

These interim condensed consolidated financial statements for the six-month period ended 30 June 2022 and 2021 have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the European Union (EU).

These interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The interim condensed consolidated financial statements are presented in Euro (€), unless otherwise stated and all values are rounded to the nearest million with a fractional digit in accordance with a commercial rounding approach, except when otherwise indicated. This may result in rounding differences as well as in percentage figures that may not exactly reflect the absolute figures they relate to.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were largely those as applied to the consolidated financial statements for the year ended 31 December 2021.

On re-estimation of the LATAM and CIS CGUs, the Group has updated key assumptions relating to the measurement of value-in-use including discount rates. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 10.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards effective 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following amendments apply for the first time in 2022 but do not have an impact on the interim condensed financial statements of the Group.

Standard	Effective date
Amendments to IAS 16 prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
Amendments to IAS 37 regarding the costs to include when assessing whether a contract is onerous	1 January 2022
Amendments to IFRS 9 resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	1 January 2022
Amendments to IFRS 3 updating a reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 1 resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)	1 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022

5. SEGMENT INFORMATION

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. Transfer prices between operating segments are on an arm's length basis.

The segments are as follows:

- Latin America ("LATAM") including Brazil, Colombia, Chile and Argentina;
- Commonwealth of Independent States ("CIS") including Russia, Belarus, Kazakhstan, and Ukraine;
- South East Asia ("SEA") including Malaysia, Indonesia, Singapore, Philippines, Brunei, Taiwan and Hong Kong; and
- Australia & New Zealand ("ANZ").

Intercompany consolidation adjustments are included in the 'reconciliation' column, in order to arrive at the GFG consolidated accounts. The column 'Other' includes headquarter and other business activities.

Group segments generate external revenue from fashion and lifestyle Ecommerce products. Products are not disaggregated in CODM reporting.

Reportable segment information for the six-month period ended 30 June 2022 is set out below:

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation[1]	Total
Revenues from external customers	167.5	337.5	137.7	212.4	855.1	-	-	855.1
Intersegment Revenue	-	-	0.8	-	0.8	20.2	(21.0)	-
Total Revenue	**167.5**	**337.5**	**138.5**	**212.4**	**855.9**	**20.2**	**(21.0)**	**855.1**
Cost of sales	(92.0)	(150.3)	(86.9)	(115.3)	(444.5)	(0.1)	-	(444.6)
Gross profit	**75.5**	**187.2**	**51.6**	**97.1**	**411.4**	**20.1**	**(21.0)**	**410.5**
Operating (expenses)/income								
Selling and distribution expenses	(63.5)	(110.5)	(41.0)	(71.4)	(286.4)	(0.1)	0.6	(285.9)
Administrative expenses	(28.6)	(27.6)	(20.1)	(26.8)	(103.1)	(17.0)	(5.3)	(125.4)
Other (expenses)/income	(46.0)	(5.8)	0.2	(2.4)	(54.0)	(16.5)	20.1	(50.4)
EBIT	**(62.6)**	**43.3**	**(9.3)**	**(3.5)**	**(32.1)**	**(13.5)**	**(5.6)**	**(51.2)**
Depreciation and Amortisation	8.8	13.7	4.9	5.6	33.0	2.3	5.6	40.9
EBITDA[2]	**(53.8)**	**57.0**	**(4.4)**	**2.1**	**0.9**	**(11.2)**	**-**	**(10.3)**
Recurring items (see below)								6.2
Non-recurring items (see below)								44.4
Adjusted EBITDA[3]	**(8.4)**	**61.2**	**(2.8)**	**5.4**	**55.4**	**(15.1)**	**-**	**40.3**
Reconciliation to loss before tax:								
Finance income								27.5
Finance costs								(28.9)
Share-based payment expense								(4.4)
Depreciation and amortisation								(40.9)
Gain on repurchase of Convertible bonds								9.3
IAS 29 Hyperinflation result								1.8
Group recharges								(0.2)
IAS 29 Hyperinflation EBITDA impact								(1.6)
Ukraine related costs								(3.5)
Changes to estimates for prior year tax provision								0.3
Impairment of Goodwill								(41.2)
Loss before tax								**(41.5)**
Recurring items								
Share-based payment expense	0.8	1.7	0.9	0.8	4.2	0.2	-	4.4
Group recharges	1.7	-	1.1	2.5	5.3	(5.1)	-	0.2
IAS 29 Hyperinflation EBITDA impact	1.6	-	-	-	1.6	-	-	1.6
Non-recurring items								
Ukraine related costs	-	2.5	-	-	2.5	1.0	-	3.5
Changes to estimates for prior year tax provision	0.1	-	(0.4)	-	(0.3)	-	-	(0.3)
Impairment of Goodwill	41.2	-	-	-	41.2	-	-	41.2

1 The reconciliation column includes consolidation adjustments, including intercompany eliminations and amortisation of purchase price allocation assets.

2 EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses.

3 Adjusted EBITDA is EBITDA adjusted for share-based payment (income)/expenses, impairment of Goodwill, Group recharges, IAS 29 Hyperinflation EBITDA impact, Ukrainian related costs, changes to estimates for prior year tax, fulfilment centre closure costs and continuity incentives, and changes in legal provisions and project costs. IAS 29 Hyperinflation EBITDA impact has only been adjusted from 1 January 2022 onwards. Ukraine related costs include ongoing salary costs, charitable donations, related legal costs and PPE and inventory provisioning costs.

Reportable segment information for the six-month period ended 30 June 2021 is set out below:

In €m	LATAM	CIS	SEA	ANZ	Total Fashion Business	Other	Reconciliation [1]	Total
Revenues from external customers	164.3	226.1	137.8	170.4	698.6	-	-	698.6
Intersegment Revenue	-	-	-	-	-	13.4	(13.4)	-
Total Revenue	**164.3**	**226.1**	**137.8**	**170.4**	**698.6**	**13.4**	**(13.4)**	**698.6**
Cost of sales	(87.9)	(115.0)	(87.8)	(91.2)	(381.9)	(0.1)	-	(382.0)
Gross profit	**76.4**	**111.1**	**50.0**	**79.2**	**316.7**	**13.3**	**(13.4)**	**316.6**
Operating (expenses)/income								
Selling and distribution expenses	(63.4)	(89.2)	(43.4)	(58.8)	(254.8)	(0.1)	0.4	(254.5)
Administrative expenses	(25.0)	(17.5)	(20.1)	(23.3)	(85.9)	(19.3)	(2.5)	(107.7)
Other (expenses)/income	(3.0)	(3.1)	0.5	(1.5)	(7.1)	(8.8)	10.4	(5.5)
EBIT	**(15.0)**	**1.3**	**(13.0)**	**(4.4)**	**(31.1)**	**(14.9)**	**(5.1)**	**(51.1)**
Depreciation and Amortisation	7.1	11.2	3.6	5.4	27.3	1.4	5.2	33.9
EBITDA [2]	**(7.9)**	**12.5**	**(9.4)**	**1.0**	**(3.8)**	**(13.5)**	**0.1**	**(17.2)**
Recurring items (see below)								15.9
Non-Recurring items (see below)								1.4
Adjusted EBITDA [3]	**(3.1)**	**13.1**	**(4.7)**	**4.2**	**9.5**	**(9.5)**	**0.1**	**0.1**
Reconciliation to loss before tax:								
Finance income								0.4
Finance costs								(18.6)
Share-based payment expense								(15.9)
Depreciation and amortisation								(33.9)
IAS 29 Hyperinflation result								1.0
Change in estimate of prior year tax provision								(0.6)
Fulfilment centre closure costs and continuity incentives								(0.5)
Group tech tax consulting fee								(0.3)
Loss before tax								**(68.3)**
Recurring items								
Share-based payment expense	4.3	0.6	3.5	1.7	10.1	5.8	-	15.9
Group recharges	-	-	0.6	1.5	2.1	(2.1)	-	0.0
Non-recurring items								
Change in estimate of prior year tax provision	-	-	0.6	-	0.6	-	-	0.6
Fulfilment centre closure costs and continuity incentives	0.5	-	-	-	0.5	-	-	0.5
Group tech tax consulting fee	-	-	-	-	-	0.3	-	0.3

1 The reconciliation column includes consolidation adjustments, including intercompany eliminations and amortisation of purchase price allocation assets.

2 EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses.

3 Adjusted EBITDA is EBITDA adjusted for share-based payment (income)/expenses, impairment of Goodwill, Group recharges, IAS 29 Hyperinflation EBITDA impact, Ukrainian related costs, changes to estimates for prior year tax, fulfilment centre closure costs and continuity incentives, and changes in legal provisions and project costs. IAS 29 Hyperinflation EBITDA impact has only been adjusted from 1 January 2022 onwards. Ukraine related costs include ongoing salary costs, charitable donations, related legal costs and PPE and inventory provisioning costs.

Information about geographical areas

Revenue from external customers by region is determined based on location of the selling business. Revenue from external customers for the six-month period to 30 June 2022 include €107.8 million (six-months to 30 June 2021: €100.0 million) in Brazil, €325.0 million (six months to 30 June 2021: €209.2 million) in Russia and €212.4 million (six months to 30 June 2021: €170.4 million) in Australia.

During the six-month periods to 30 June 2022 and 2021 no revenues from external customers were generated in Luxembourg, the domicile of Global Fashion Group S.A.

Non-current assets (excluding other financial assets, income tax receivables and deferred tax assets) for each region for which it is material are reported separately as follows:

In €m	30 Jun 2022	31 Dec 2021
LATAM	135.1	155.7
CIS	240.7	130.4
SEA	52.2	50.1
ANZ	134.4	133.3
Other	9.6	8.0
Total	**572.0**	**477.5**

No significant non-current assets are located in Luxembourg, the domicile of GFG S.A. No analysis of the assets and liabilities of each operating segment is provided to the Chief Operating Decision Maker in monthly management accounts.

6. FINANCIAL RESULT

	For the six-month period ended 30 June	
In €m	2022	2021
Financial Result		
Interest income	0.8	0.4
Interest expenses	(8.8)	(4.1)
Interest expense on lease liabilities	(5.7)	(4.7)
Interest expense on Convertible bonds	(5.6)	(4.2)
Foreign exchange gains/ (losses)	26.7	(5.6)
Fair value changes to investment funds	(8.8)	-
Total financial result	**(1.4)**	**(18.2)**

Foreign exchange losses relate primarily to losses arising in the operating activities of the Group.

7. LOSS PER SHARE

Basic earnings per share ('EPS') is calculated by dividing the loss for the period attributable to ordinary equity holders of the parent by the weighted average number of common shares outstanding during the period.

The following tables reflect the income and share data used in the basic and diluted EPS calculations:

Loss per share

	For the six-month period ended 30 June	
In €m	2022	2021
Loss attributable to ordinary equity holders of the parent for basic earnings:	(50.2)	(64.2)
Weighted average number of ordinary shares for basic and diluted EPS (m)[1]	219.7	215.1
Basic and diluted EPS from continuing operations (€)	(0.2)	(0.3)

1 The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

For diluted loss per share, the weighted average number of common shares is equal to the amount used in the basic EPS calculation, since potential voting rights are not dilutive due to the loss-making position of the Group during the current and prior period.

8. SHARE-BASED PAYMENTS

As at 30 June 2022, the Group's share-based payment arrangements are primarily composed of:

a) Long Term Incentive Plan ('LTIP') ;

b) 2018 employee share option plan (ESOP 2018);

The total share-based payment expense of €4.4 million (H1 2021: €15.9 million) is comprised of:

- €4.5 million (H1 2021: €11.9 million) relating to the LTIP;

- Credit €0.1 million (H1 2021: €4.0 million) relating to the 2018 employee share option plan;

In H1 2022, 6,443,886 share units were granted to participants under the terms of the LTIP. 1,244,484 units have been forfeited in the period and 1,791,429 units were exercised in the period. The number of awards due to vest in the second half of the year 2022 is nil. The fair value of the awards granted is equal to the GFG share price quoted on the Frankfurt stock exchange. The weighted average fair value of the units granted during the period was €1.72.

In relation to the ESOP 2018, 6,245,999 out of 6,249,171 have vested and no units were exercised in the period.

9. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six-month period ended 30 June 2022, the Group acquired property, plant and equipment with a total cost of €11.4 million (30 June 2021: €14.2 million). These investments primarily relate to warehouses and motor vehicles.

PPE held in Ukraine of €0.3 million has been provided for during the period, due to risk of physical damage.

During the six-month period ended 30 June 2022, there were additions to Right-of-use assets with a total cost of €45.7 million (30 June 2021: €16.2 million). These additions primarily relate to warehouses. There were positive retranslation FX movements of €39.0 million (30 June 2021: €3.9 million) during the period.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

During the six-month period ended 30 June 2022, the Group's net book value for Goodwill decreased from €127.5 million as at 31 December 2021 to €100.0 million as at 30 June 2022. For the period ended 30 June 2022 the Group recorded impairment charges of €41.2 million (year ended 31 December 2021: €22.1 million) in respect of the Group's investments in LATAM. The remaining movement is due to the positive effect from the translation to presentation currency.

During the six-month period ended 30 June 2022, the Group acquired €21.3 million (30 June 2021: €11.6 million) of intangible assets, of which €15.2 million (30 June 2021: €8.6 million) were capitalised internally developed intangible assets in accordance with IAS 38 Intangible assets.

For the purposes of impairment testing, Goodwill was allocated to the Group's CGUs being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups.

The amount of goodwill allocated to each CGU after the impairment testing was as follows:

In €m	30 Jun 2022	31 Dec 2021
LATAM	39.3	68.8
CIS	0.8	0.5
SEA	-	-
ANZ	59.9	58.2
Total	**100.0**	**127.5**

Impairment approach for the six months ended 30 June 2022

Management have assessed internal and external indicators of impairment, covering analyst commentary, internal budget comparisons, macroeconomic and industry analysis.

Based on the significant headroom for ANZ and SEA as at 31 December 2021 and trading trends year-to-date, management have not re-estimated the recoverable amount for these CGUs on the basis that the headroom would not be entirely eliminated by a change in short-term cash flows or changes in key assumptions such as discount rates or perpetual growth rates. Management have analysed the internal and external indicators of impairment carefully and did not identify impairment indicators for ANZ and SEA.

For LATAM, however, given the ongoing macroeconomic impact of COVID-19, political unrest and increasing pressure from local and established global online players, management have identified potential external indicators of impairment, and as a result have re-estimated the recoverable amount of the LATAM CGU based on the latest reforecast.

For CIS, there has been a significant change in macroeconomic conditions due to the conflict in Ukraine during 2022. Management have identified potential external indicators of impairment, and as a result have re-estimated the recoverable amount of the CIS CGU based on the latest reforecast.

The recoverable amount of the LATAM and CIS CGUs was estimated as at 31 May 2022, when impairment indicators were noted, based on a calculation of value-in-use, estimated using a discounted cash flow ('DCF') model. The basis for the re-estimate was an updated management mid-year forecast for 2022 and a medium term plan covering 2023 and 2024 cash flows followed by an extrapolation of expected cash flows for seven years using a perpetual growth rate ('PGR') as determined by management. Cash flows have been extrapolated over a seven-year period, to reflect the early developmental stage of the CGU and it's growth potential over a full ten-year horizon period. The terminal value of the CGU is calculated using the terminal year cash flow which is capitalised into perpetuity using CGU-specific PGR and discount rate. The selected growth rates are consistent with industry and macro-economic forecasts in the regions where the CGU operates. The present value of the expected cash flows of the CGU is determined by applying a discount rate that is commensurate with the risks and uncertainty inherent in the CGU's forecasts.

LATAM CGU

The recoverable amount of the LATAM CGU of €104.4 million as at 31 May 2022 has been determined based on a value in use of the cash-generating unit calculated using the CGU's business plan. The projected cash flows reflect the impact of the ongoing macroeconomic changes and market conditions after the secondary impacts of the pandemic in the LATAM regions, including GDP, rising unemployment, inflation, particularly in Brazil and below plan EBITDA performance in the first half of 2022. As a result of this analysis, management has recognised an impairment charge of €41.2 million in H1 2022. The carrying value of the Goodwill after the recognition of the impairment and foreign exchange impact was €39.3 million as at 30 June 2022. The impairment charge is presented as a separate line item in the interim condensed consolidated statement of profit or loss.

CIS CGU

The recoverable amount of the CIS CGU as at 31 May 2022 has been determined based on a value in use of the cash-generating unit calculated using the CGU's business plan reflecting the current macroeconomic environment in Russia. Despite the uncertainty due to the conflict in Ukraine, there was headroom in the CIS CGU as at 30 June 2022 and therefore no impairment was recognised.

Key assumptions used in the estimation of the discount rates by CGU included specific risk premiums to account for inflation and the Group's size.

The discount rates and growth rates used in deriving the CGUs recoverable amounts for the period ended 30 June 2022 were as follows:

CGU	Discount Rate	Perpetual Growth Rate
LATAM	18.3%	3.7%
CIS	42.3%	1.9%

The discount rates and growth rates used in deriving the CGUs recoverable amounts for the year ended 31 December 2021 were as follows:

CGU	Discount Rate	Perpetual Growth Rate
LATAM	15.9%	3.7%
CIS	13.0%	1.9%

Sensitivity Analysis

Sensitivity Analysis has been performed on the CIS CGU. If the discount rates increased by 21.6% higher than management's estimates, the carrying amount of the CGU would then equal the recoverable amount. Sensitivity analysis has been performed on a higher WACC percentage variance compared to the year ended 31 December 2021 given the increased uncertainty in the region. Similarly, no impairment charge would be required if the estimated growth rates were 1% lower than management estimates or if the estimated cash flows were 5% lower than management's estimate in each year.

11. INVENTORIES

The increase in inventories from €283.7 million to €376.1 million in the first six months of 2022 is primarily due to building up inventory levels for an expected busy season in the third quarter of 2022, reflecting the seasonality of fashion sales.

During six months ending 30 June 2022, €4.6 million (30 June 2021: €8.1 million) was recognised as an expense write-off for inventories carried at net realisable value and obsolete items. This is recognised in cost of sales.

12. OTHER FINANCIAL ASSETS

As at 30 June 2022, non-current other financial assets include €30.1 million (31 December 2021: €20.6 million) of restricted cash. Current other financial assets include €12.7 million (31 December 2021: €8.5 million) of restricted cash and €225.1 million (31 December 2021: €234.0 million) of investment funds.

Restricted cash provides guarantees to banks, suppliers and leasing partners. Please see note 16 for further details on the debt facilities. The transfer from cash and cash equivalents to restricted cash is shown through investing activities in the interim condensed consolidated statement of cash flows.

Investment funds are accounted for as Financial assets at fair value through profit or loss in accordance with IFRS 9. Fair values of these funds are determined by the market value at the reporting date obtained from the fund administrators (level 2 of the fair value measurement hierarchy). As at 30 June 2022, the fair value of these funds amounted to €225.1 million and the loss in fair value of €8.8 million (31 December 2021: €0.5 million) was recognised under "Fair value changes to investment funds" (refer to note 6).

13. CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

In €m	30 Jun 2022	31 Dec 2021
Short term deposits	2.4	2.8
Cash at bank and in hand	261.2	397.7
Cash and cash equivalents	**263.6**	**400.5**

For short-term deposits and cash at bank the Group applies a general approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Due to the ongoing situation in the CIS region, the Group re-assessed the loss allowance as at 30 June 2022. No loss allowance was recognised (31 December 2021: €nil).

14. CONVERTIBLE BONDS REPURCHASE

On 15 March 2021, the Group issued Convertible bonds for gross proceeds of €375.0 million, with transaction costs of €5.9 million and with a fixed coupon rate of 1.25%.

On 27 April 2022, the Group repurchased Convertible bonds, which were due to be redeemed on 15 March 2028. The Group purchased Bonds representing €95.1 million in aggregate principal amount (approximately 25% of the outstanding principal amount).

The purchase price per €100,000 nominal amount was €78,000, resulting in a cash outflow on interim condensed consolidated cash flow of €74.3 million. Following the settlement of the repurchase, an aggregate principal amount of the Bonds of €279.9 million is outstanding. The original terms of the bonds remain unchanged for the remaining outstanding units.

This resulted in a gain recognised in the interim condensed consolidated statement or profit or loss of €9.3 million. Following the repurchase, the carrying amount of the non-current Convertible bond debt component was €240.0 million (31 December 2021: €318.4 million) and the current convertible bond debt component was €8.1 million (31 December 2021: €10.2 million). Following the repurchase, the carrying amount of equity component was €36.3 million (31 December 2021: €48.6 million) as €12.3 million was reclassified from Convertible bond equity component to Other reserves.

15. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

Financial Risk Management

In the course of its ordinary business activities, the Group is principally exposed to market risk (primarily currency risk, interest rate risk), credit risk and liquidity risk.

In particular, the Group have assessed the potential change to the Group's exposure to these risks in relation to the ongoing situation in the CIS region.

In respect of currency risk, the RUB has fluctuated significantly since the year ended 31 December 2021:

Currency / €	Closing FX rate 30 June 22	Closing FX rate 31 Dec 21	% Variance
RUB	54.3868	85.3002	36.2

Due to its international business activities, the Group is exposed to the risk of changes in foreign exchange rates in connection with trade payables and trade receivables resulting from purchase and sales transactions denominated in a different currency from the functional currency of the respective operation as well intercompany financing. However, the Group maintains an effective natural hedge of 73% (30 June 2021: 86%) across most of the Group's cash flows as the Group's revenue streams are generated in local currencies matched by Group's costs mostly incurred in the respective currencies. This is lower that previous years due to changes in CIS, all other regions continue to have a natural currency hedge of between 84-99%.

In April 2022, the Group repaid Lamoda's financial indebtedness of around €20 million, leaving Lamoda debt free. Trade liabilities are also considered to be fully payable whilst trade is undisrupted and payment systems are fully operational in Russia.

No material changes in market risk, credit risk or liquidity risk have been identified.

Fair Value Measurement

Management has assessed that the carrying amounts of trade and other receivables, trade and other payables, other current financial assets and other current financial liabilities approximate fair value due to the short-term maturities of these instruments.

The fair values of other financial assets and financial liabilities measured at amortised cost as well as of finance lease liabilities approximate their carrying amount. Changes in market rates during the period have not had a material effect on fair values as long term financial assets are not significant for the Group. Please see note 12 for details of fair value measurement of Investment funds.

16. BORROWINGS

On 25 June 2020, the Group entered into a new USD5 million (€4.8 million using FX rate as at 30 June 2022) trade guarantee facility with Citibank. Effective on 25 June 2021, the Group renewed and increased this trade guarantee facility to USD10 million (€9.6 million using FX rate as at 30 June 2022). Effective on 25 June 2022 the facility was renewed to expire in 12 months. Under the terms of this facility restricted cash held against this facility represents 50% of the value of guarantees issued, plus 10% FX cover for issuances in EUR/USD currency. This is included within Other Financial Assets (non-current). As at 30 June 2022, the Group had utilised USD10 million (€9.6 million) of this facility (31 December 2021: €5.7 million).

On 17 July 2020, the Group entered into new bi-lateral revolving credit facilities with HSBC consisting of two elements: €20 million of bank guarantees; and €10 million of buyer loan facilities for supplier financing to improve local working capital profiles. Effective on 17 July 2021, the Group renewed the buyer loan facility and renewed the guarantee facility for a further 12 months. The buyer loan facility continues to provide supply chain financing to improve local capital profiles. The security package remains unchanged. As at 30 June 2022, the Group had utilised €9.2 million (31 December 2021: €9.2 million) of the buyer loan facility. As at 30 June 2022, the Group had utilised €19.3 million (31 December 2021: €19.8 million) of the guarantee facility.

On 21 October 2020, the Group entered into a new committed facility with Alfa Bank for RUB 2 billion (approximately €21.6 million at the date the facility was entered), which grants the ability to issue bank guarantees and similar instruments and draw bank loans to fund working capital requirements. Following the USA and UK listing Alfa Bank subject to full blocking sanctions, in April 2022 the Group repaid all outstanding loan balances drawn under the facility and also removed the parent company guarantee supporting the facility. The Group is no longer able to borrow any loans under the facility. As at 31 December 2021, the Group had utilised €3.7 million of this facility.

On 30 March 2021, the Group entered into a RUB1 billion (approximately €11.3 million at the date the facility was entered), 5 year uncommitted term loan facility with Alfa Bank to fund local capex costs for the new Lamoda facilities centre. Following the USA and UK listing Alfa Bank subject to full blocking sanctions, in April 2022 the Group repaid all outstanding loan balances drawn under the facility and also removed the parent company guarantee supporting the facility. The Group is no longer able to borrow any loans under the facility. As at 31 December 2021, the Group had utilised €2.9 million of this facility.

On 31 March 2021, the Group entered into a €20.7 million 5 year committed export guarantee facility to fund the import costs for the new Lamoda facilities centre. As at 31 December 2021, the Group had utilised €10.7 million of this facility. In April 2022, the Group fully repaid this facility.

Effective on 27 August 2021, the Group entered into a BRL29.7 million (approximately €4.8 million using FX rate as at 31 August 2021), 1 year term loan facility with Santander to fund Dafiti's working capital requirements. As at 30 June 2022, the Group had utilised BRL29.7 million (approximately €5.4 million using FX rate as at 30 June 2022) of this facility (31 December 2021: BRL29.7 million (€4.7 million)).

On 4 March 2022 the Group entered into a USD7 million (approximately €6.7 million) one year facility agreement to provide Group's Indonesian business supplier financing and working capital funding. The facility will become available to the Group after completion of conditions precedents required under the facility. As at 30 June 2022 the Group had not utilised the facility.

17. CONTINGENCIES AND COMMITMENTS

Litigations & claims

From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these interim condensed consolidated financial statements.

Management are closely monitoring the impact of sanctions in place against Russia.

Capital commitments

As at 30 June 2022, the Group had commitments of €11.3 million (31 December 2021: €33.6 million) primarily relating to the completion of a new fulfilment centre in Russia.

Tax contingencies and commitments

In accordance with IFRIC 23 and IAS 37, GFG reviews its uncertain tax positions and contingent tax liabilities. Any tax risks categorised as probable reflects the risks where the filing position taken by GFG is more likely than not to be successfully challenged by the tax authorities and, thus, a provision is anticipated in the interim condensed consolidated financial statements.

Our business is subject to the general tax environments in the countries in which we currently operate. Changes in tax legislation, administrative practices or case law — which might be applied retroactively – could increase our tax burden. Additionally, tax laws may be interpreted differently by the competent tax authorities and courts, and their interpretations may change at any time, which could lead to an increase of our tax burden. In some of the countries in which we currently operate, tax authorities may also use the tax system to advance their agenda. Accordingly, we may face unfounded claims in such countries. We have been audited several times by tax officials in various jurisdictions in which we operate. We believe that we are in compliance with applicable tax laws.

Legislators and tax authorities may change territoriality rules or their interpretation for the application of value-added tax ("VAT") or similar indirect taxes on transactions, which may lead to significant additional payments for past and future periods. In addition, court decisions are sometimes ignored by competent tax authorities or overruled by higher courts, which could lead to higher legal and tax advisory costs and create significant uncertainty. New taxes could also result in additional costs necessary to collect the data required to assess these taxes and to remit them to the relevant tax authorities. Besides this, the documentation obligations under applicable VAT and VAT-related laws are considerable. While we believe that we are in compliance with applicable tax laws it cannot be ruled out that tax authorities may take the position that certain of our companies may not fully comply, or, as the case may be, may have not fully complied with applicable tax regulations throughout all phases of their development.

Several of the Group's German entities rendered services in the past to their foreign subsidiaries, to support them with building their online businesses. The German tax authorities are challenging the input VAT recovery of some of these entities when costs have not yet been fully recharged to the other Group entities to which they are providing the services. In 2018, the German tax authorities generally agreed to the VAT position of the Group's German entities assuming the costs are recharged out within a reasonable time. The Group is continuing to review the execution of this proposal having regard to (i) any current tax disputes with the German tax authorities that could lead to double taxation from the recharges and (ii) commercial reasons for not undertaking the recharges.

The nature of the Group's business model, involving delivering goods and services to customers in territories where the Group may have limited physical presence, could lead to tax authorities challenging the allocation of taxable income resulting in a higher tax burden for the Group.

At 30 June 2022, potential tax risks, including the issues above, estimated by the Group amount to €143.7 million (31 December 2021: €126.6 million) including €56.3 million (31 December 2021: €51.2 million) in relation to income tax and €87.4 million in relation to indirect tax (31 December 2021: €75.4 million), of which provisions of €45.5 million (31 December 2021: €43.5 million) including €22.6 million in relation to income tax and €22.9 million in relation to indirect tax have been recorded representing the probable amount of eventual claims and required payments related to those risks. Provisions in relation to income tax are recorded under 'Income tax liabilities' while provisions in relation to indirect tax are recorded under 'Provisions' on the statement of financial position.

18. EVENTS AFTER THE REPORTING PERIOD

There are no events subsequent to the period end that would require disclosure in the interim condensed financial statements.

RESPONSIBILITY STATEMENT

We, Christoph Barchewitz, Co-Chief Executive Officer, Patrick Schmidt, Co-Chief Executive Officer, and Matthew Price, Chief Financial Officer, confirm to the best of our knowledge, the accompanying interim condensed consolidated financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and of the results of its operations for the period then ended prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the European Union, and that the interim management report includes a fair review of the development and performance of the business and the position of Global Fashion Group S.A., together with a description of the principal risks and uncertainties that Global Fashions Group S.A. faces for the remaining months of the Financial Year.

Christoph Barchewitz

Christoph Barchewitz, Co-CEO

Patrick Schmidt

Patrick Schmidt, Co-CEO

Matthew Price

Matthew Price, CFO

REVIEW OPINION

Report on review of interim condensed consolidated financial statements

To the Shareholders of
Global Fashion Group S.A.
5, Heienhaff
L-1736 Senningerberg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Global Fashion Group S.A. as of 30 June 2022 from page 20 to page 43, which comprise the interim condensed consolidated statement of financial position as at 30 June 2022 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Supervisory Board is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements from page 20 to page 43, are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Ernst & Young
Société Anonyme
Cabinet de révision agréé

Olivier Lemaire
Luxembourg, 17 August 2022

SUPPLEMENTARY INFORMATION

FINANCIAL DEFINITIONS

Adjusted EBITDA

Adjusted EBITDA is EBITDA adjusted for share-based payment (income)/expenses, impairment of Goodwill, Group recharges, IAS 29 Hyperinflation EBITDA impact, Ukraine related costs, changes to estimates for prior year tax, fulfilment centre closure costs and continuity incentives, and changes in legal provisions and project costs. IAS 29 Hyperinflation EBITDA impact has only been adjusted from 1 January 2022 onwards. Ukraine related costs include ongoing salary costs, charitable donations, related legal costs and PPE and inventory provisioning costs.

Adjusted EBITDA is reconciled in the note 5 to the interim condensed consolidated financial statements.

Adjusted EBITDA is a supplemental non-IFRS measure of our operating performance that is not required by, or presented in accordance with, IFRS. Adjusted EBITDA is not a measurement of our financial performance under IFRS and should not be considered as an alternative to loss for the period, loss before income tax or any other performance measure derived from IFRS. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our operating performance. Management believes that investors' understanding of our performance is enhanced by including non-IFRS financial measures as a reasonable basis for understanding our ongoing results of operations. By providing this non-IFRS financial measure, together with a reconciliation to the nearest IFRS financial measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives.

Adjusted EBITDA provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EBITDA, a non-IFRS measure, may not be comparable to other similarly titled measures of other companies.

EBIT

EBIT is calculated as loss from the period before income taxes, finance income, finance costs, gain on repurchase of Convertible bonds, result from indexation of IAS 29 Hyperinflation as well as before results from investment in associates.

EBIT is reconciled in the note 5 to the interim condensed consolidated financial statements.

EBIT provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. EBIT, a non-IFRS measure, may not be comparable to other similarly titled measures of other companies.

EBITDA

EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses.

EBITDA is reconciled in the note 5 to the interim condensed consolidated financial statements

EBITDA provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. EBITDA, a non-IFRS measure, may not be comparable to other similarly titled measures of other companies.

Capex

Capital expenditure shows the additions to property, plant and equipment, including those due from business combinations and excluding additions to IFRS 16 Right-of-use assets, and additions to intangible assets.

This information can be reconciled with the note 9 Property, plant and equipment & note 10 Goodwill and other intangible assets.

In €m	Note	30 Jun 2022	31 Dec 2021
Additions			
Property, plant & equipment	9	11.4	29.2
Goodwill & other intangibles	10	21.3	31.0
Total Capex		**32.7**	**60.2**

Net Working Capital

Net working capital is calculated as inventories plus current trade and other receivables less current trade payables and other financial liabilities.

In €m	Note	30 Jun 2022	31 Dec 2021
Inventory	11	376.1	283.7
Trade and other receivables (current)		46.8	52.3
Trade payables and other financial liabilities		(312.3)	(321.8)
Liabilities related to SBP	8	3.5	3.9
Net working capital		**114.1**	**18.1**

Pro-forma cash

Pro-forma cash is defined as cash and cash equivalents at the end of the period plus restricted cash and cash on deposits.

In €m	Note	30 Jun 2022	31 Dec 2021
Cash and cash equivalents	13	263.6	400.5
Investment funds	12	225.1	234.0
Restricted cash and cash on deposit	12	11.4	8.0
Pro-forma cash		**500.1**	**642.5**

FINANCIAL CALENDAR 2022

20 September	Berenberg & Goldman Sachs German Corporate Conference **Munich**
21 September	Baader Investment Conference **Munich**
8 November	Q3 2022 Results **Virtual**
15 November	Morgan Stanley Technology Conference **Barcelona**
5 December	Berenberg European Conference **London**

INFORMATION RESOURCES

Further information including corporate news, reports and publications can be found in the Investor Relations section of our website at https://ir.global-fashion-group.com

Investor Relations
Jo Britten, Investor Relations Director
email: investors@global-fashion-group.com

Press/Communications
Jovana Lakcevic, Head of PR & Communications
email: press@global-fashion-group.com

Concept/Consulting/Design
Silvester Group
www.silvestergroup.com


NIKE

global-fashion-group.com