

fashionette[®]
HALF-YEAR REPORT 2022



fashionette AG KEY FIGURES

NON-FINANCIAL PERFORMANCE INDICATORS

	H1 2022	H1 2021
Number of orders (in thousands)	667	336
Average order value (in EUR)	183	255
Active customers (in thousands, LTM)	1,007	411
New customers (in thousands)	335	125
Number of employees	264	175

FINANCIAL PERFORMANCE INDICATORS

	H1 2022	H1 2021
Net revenue (in EUR k)	73,398	48,893
Gross profit (in EUR k)	29,030	18,374
Gross profit margin (share in %)	39.6%	37.6%
Reported EBITDA (in EUR k)	-1,057	80
Reported EBITDA margin (share in %)	-1.4%	0.2%
Adjusted EBITDA (in EUR k)	491	479
Adjusted EBITDA margin (share in %)	0.7%	1.0%
Cash flow from operating activities (in EUR k)	-7,056	-9,092
Cash and cash equivalents at the end of the period (in EUR k)	-2,564	21,334

FINANCIAL POSITION

	H1 2022	H1 2021
Working capital (in EUR k)	43,962	27,080
Equity ratio (as % of total assets)	54.2%	71.9%
Cash flow from operating activities (in EUR k)	-7,056	-9,092
Cash flow from investing activities (in EUR k)	-572	-639
Cash flow from financing activities (in EUR k)	-2,103	-761

Unless explicitly stated otherwise, all information contained in the half-year report refers to consolidated figures (including the acquisition of Brandfield and consolidation as of July 1, 2021), while the previous year's figures as of June 30, 2021, exclusively include the single company fashionette. Furthermore, the results for the first half of 2022 and the year before are reported in accordance with IFRS and therefore differ from the half-year report 2021.

About FASHIONETTE AG

fashionette AG is a leading European, data-driven e-commerce group for premium and luxury fashion accessories. With its online platforms fashionette.com and brandfield.com, the fashionette group not only offers inspiration, but a curated assortment of premium and luxury fashion accessories, such as handbags, shoes, small leather goods, sunglasses, watches, jewelry and beauty products from more than 350 brands, including its own brands. Based on more than ten years of fashion accessory experience, fashionette AG has developed an innovative proprietary IT and data platform using cutting-edge technology and artificial intelligence to make personalized online shopping for premium and luxury fashion accessories available to customers across Europe. For more information about fashionette AG, please visit corporate.fashionette.com or the online platforms www.fashionette.com and www.brandfield.com.



20 HALF-YEAR REPORT 22



> 350
total brands
in H1 2022



FASHIONETTE AG



FASHIONETTE AG

Table of CONTENTS

INTERIM MANAGEMENT REPORT

- 08 Business development
- 10 Economic report
- 13 Opportunity and risk report
- 13 Outlook

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- 18 Consolidated statement of financial position
- 19 Consolidated statement of comprehensive income
- 20 Consolidated statement of cash flows
- 21 Consolidated statement of changes in equity
- 22 Condensed notes

FURTHER INFORMATION

- 28 Assurance of the legal representatives
- 29 Financial calendar
- 29 Imprint

INTERIM MANAGEMENT REPORT

This management report comprises the IFRS interim management report of fashionette AG as of June 30, 2022. In it, we report on how the business has developed as well as the status quo and the expected development of the fashionette AG group.

Unless expressly stated otherwise, all information contained in this Half-Year Report refers to consolidated IFRS figures (including the acquisition of Brandfield and consolidation as of July 1, 2021). In the following, Brandfield refers to Brandfield B.V., Groningen, NL, and Fastylo Holding B.V., Groningen, NL. The pro forma figures stated are figures that would result if Brandfield had already been included in the consolidated financial statements of fashionette AG on January 1, 2021, instead of July 1, 2021.

The International Financial Reporting Standard IFRS was applied in the first consolidated financial statements of fashionette AG as of December 31, 2021. Therefore, for the first time, the results for the first half of 2022 and the year before are reported in accordance with IFRS and thus differ from the half-year report 2021.



INTERIM MANAGEMENT REPORT

- 08** Business development
- 10** Economic report
- 13** Opportunity and risk report
- 13** Outlook

BUSINESS DEVELOPMENT

In the first six months of the fiscal year 2022, fashionette AG achieved growth in net revenue of 50.1% to EUR 73,398k (H1 2021: EUR 48,893k). The absolute increase in net revenue of EUR 24,505k includes EUR 20,628k from additions to the scope of consolidation in conjunction with the acquisition of Brandfield. The number of new customers increased by 210k to 335k and the number of active customers grew by 596k to 1,007k, driven by the acquisition of Brandfield, among other factors.

By accounting for a 65.0% share of net revenue (H1 2021: 85.2%), the DACH region remains an important region for fashionette with a growth rate of 14.5%. In the Benelux region, the share of net revenue increased by 16.8 percentage points to 24.4% in the first half of 2022 (H1 2021: 7.6%). Absolute net revenue increased by EUR 14,225k to EUR 17,937k (H1 2021: EUR 3,712k), mainly due to the acquisition of Brandfield. In other countries, net revenue growth of 120.2% to EUR 7,785k (H1 2021: EUR 3,536k) was achieved, with Brandfield's share of net revenue in other countries at 41.8%. Overall, the share of net revenue in other countries increased from 7.2% in the first half of 2021 to 10.6% in the first half of 2022.

CONSOLIDATED EARNINGS POSITION (CONDENSED, IN EUR K)	H1 2022	H1 2021	Δ
Net revenue	73,398	48,893	50.1%
Cost of materials / Cost of merchandise purchased	44,368	30,519	45.4%
Gross profit	29,030	18,374	58.0%
Gross profit margin	39.6%	37.6%	2.0 PP
Other operating income	536	582	-7.9%
Personnel expenses	6,381	4,245	50.3%
Other operating expenses	24,242	14,632	65.7%
Reported EBITDA	-1,057	80	>-100%
Reported EBITDA margin	-1.4%	0.2%	-1.6 PP

Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted mainly for non-recurring consulting expenses and expenses not attributable to operating activities and write-downs of disclosed hidden reserves in inventories, increased by 2.5% to EUR 491k (H1 2021: EUR 479k). The adjusted EBITDA margin decreased to 0.7% (H1 2021: 1.0%), mainly due to external macroeconomic influences, especially the sharp increase in inflation and the Ukraine crisis. Reported EBITDA decreased by EUR 1,137k to EUR -1,057k (H1 2021: EUR 80k) with a reported EBITDA margin of -1.4% (H1 2021: 0.2%) and includes EUR 1,548k special effects (H1 2021: EUR 400k) as shown below.

Special effects are mainly non-recurring expenses in connection with personnel recruitment and placements, including the search for a new CEO. As stated in the consolidated financial statements as of December 31, 2021, hidden reserves in inventories were disclosed as part of the acquisition of the Brandfield group. In the 2021 consolidated financial statements, EUR 723k of this was already written off as cost of materials and also adjusted as a special effect. In the first half of 2022, the remaining EUR 723k from the disclosure of hidden reserves was written off as cost of materials and adjusted as

a special effect. The hidden reserves from inventories have thus been written off in full as of June 30, 2022. These special effects are not included in adjusted EBITDA.

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

RECONCILIATION TO ADJUSTED EBITDA (IN EUR K)	H1 2022	H1 2021	Δ
Reported EBITDA	-1,057	80	>-100%
Non-recurring effects			
Non-recurring consulting expenses	322	159	
Expenses not attributable to operating activities	12	105	
Share-based payment	491	136	
Write-off inventory step-up	723	0	
Total non-recurring effects	1,548	400	
Adjusted EBITDA	491	479	2.5%
Adjusted EBITDA margin	0.7%	1.0%	-0.3 PP

ECONOMIC REPORT

EARNINGS POSITION

In the first half of 2022, fashionette AG achieved growth in net revenue of 50.1% to EUR 73,398k (H1 2021: EUR 48,893k), including the growth from Brandfield. Cost of materials increased by 45.4% to EUR 44,368k (H1 2021: EUR 30,519k) due to higher volumes and the acquisition of Brandfield (EUR 11,374k). The cost of materials of Brandfield includes the amortization of the hidden reserves in inventories disclosed as part of the purchase price allocation in the amount of EUR 723k with a negative effect on the gross profit margin of 1.0 percentage points. Adjusted for this effect, the operating gross profit margin in the first half of 2022 was 40.6%.

Other operating income decreased by 7.9% to EUR 536k (H1 2021: EUR 582k), mainly due to lower income from exchange rate differences.

Personnel expenses increased by 50.3% to a total of EUR 6,381k (H1 2021: EUR 4,245k), of which EUR 1,538k was due to the addition of Brandfield. Share-based payment is included in the amount of EUR 491k (H1 2021: EUR 136k). The average number of employees (excluding working students) increased by 88.6% to 215 (June 30, 2021: 114), including 88 employees from Brandfield.

Amortization of intangible assets and depreciation of property, plant and equipment amounted to EUR 1,485k in the first half of 2022 (H1 2021: EUR 744k). This includes EUR 538k from the addition of Brandfield and EUR 320k in amortization of capitalized brand names and customer relationships.

Other operating expenses increased by 65.7% to EUR 24,242k (H1 2021: EUR 14,632k). The absolute increase of EUR 9,610k includes EUR 8,536k from the addition of Brandfield. These expenses are classified as distribution expenses of EUR 9,574k (H1 2021: EUR 6,072k), marketing expenses of EUR 11,250k (H1 2021: EUR 6,814k), technology expenses of EUR 1,106k (H1 2021: EUR 583k) and non-adjusted general and administrative expenses of EUR 2,312k (H1 2021: EUR 1,163k). As a percentage of net revenue, distribution expenses increased by 0.6 percentage points to 13.0%, marketing expenses by 1.4 percentage points to 15.3%, technology expenses by 0.3 percentage points to 1.5% and the general and administrative expenses increased by 0.8 percentage points to 3.1%.

RESULTS BY SEGMENT

The share of net revenue and earnings (adjusted EBITDA) reported by the segments can be summarized as follows:

SEGMENT REPORTING H1 2022 (IN EUR K)	DACH	BENELUX & OTHER	CONSOLIDATION	FASHIONETTE GROUP
Net revenue (external)	47,676	25,722	-	73,398
Net revenue between segments	65	318	-383	0
Net revenue (segment)	47,741	26,040	-383	73,398
Adjusted EBITDA	633	-142	-	491
Adjusted EBITDA margin	1.3%	-0.5%		0.7%

SEGMENT REPORTING H1 2021 (IN EUR K)	DACH	BENELUX & OTHER	CONSOLIDATION	FASHIONETTE
Net revenue (external)	41,645	7,248	-	48,893
Net revenue between segments	-	-	-	-
Net revenue (segment)	41,645	7,248	-	48,893
Adjusted EBITDA	672	-193	-	479
Adjusted EBITDA margin	1.6%	-2.7%	-	1.0%

Net revenue in the DACH segment increased by EUR 6,031k to EUR 47,676k in the first half of 2022 (H1 2021: EUR 41,645k). In the Benelux & Other segment, net revenue increased by EUR 18,474k to EUR 25,722k (H1 2021: EUR 7,248k). As a result of the business combination with Brandfield, the share of net revenue has shifted to non-German-speaking countries, mainly Benelux. Net revenue in the Benelux region amounted to EUR 17,937k (H1 2021: EUR 3,712k), representing a large portion of the Benelux & Other segment. Brandfield's net revenue in the Benelux region amounted to EUR 14,070k, which is 78.4% of the total revenue of Benelux. Adjusted EBITDA in the DACH segment decreased by EUR 39k year-on-year to EUR 633k, while adjusted EBITDA in the Benelux & Other segment improved slightly by EUR 51k to EUR -142k.

CASHFLOWS

In the first half of 2022, fashionette AG generated cash flow from operating activities of EUR -7,056k (H1 2021: EUR -9,092k), mainly driven by increasing working capital of EUR 5,838k, thereof inventory build-up of EUR 1,760k (including advance payments), a reduction in trade and other receivables of EUR 3,395k and a reduction of trade and other payables of EUR 7,505k.

Cash flow from investing activities amounted to EUR -572k (H1 2021: EUR -639k). The reduction compared to the previous year is mainly due to the costs incurred in the first half of 2021 for the acquisition of Brandfield (EUR 237k).

Cash flow from financing activities of EUR -2,103k (H1 2021: EUR -761k) includes the repayment of loans in connection with the acquisition of Brandfield in the amount of EUR 900k (previous year: EUR 0k), interest paid in the amount of EUR 854k (previous year: EUR 673k) and payments for lease or rental liabilities in the amount of EUR 349k (previous year: EUR 88k). Of the interest paid of EUR 854k, EUR 643k (previous year: EUR 636k) relates to interest expenses for factoring and installment plan, EUR 155k (previous year: EUR 0k) to interest expenses for long-term and short-term bank financing, and EUR 56k (previous year: EUR 37k) to interest expenses in accordance with IFRS 16. Brandfield's share of the cash flow from financing activities in the first half of 2022 amounted to EUR -142k.

CONDENSED STATEMENT OF CASH FLOWS (IN EUR K)	H1 2022	H1 2021
Cash flow from operating activities	-7,056	-9,092
Cash flow from investing activities	-572	-639
Cash flow from financing activities	-2,103	-761
Change in cash and cash equivalents	-9,731	-10,492
Cash and cash equivalents at the beginning of the period	7,177	31,829
Other changes in cash and cash equivalents	-10	-3
Cash and cash equivalents at the end of the period	-2,564	21,334

In the first half of 2022, fashionette AG recorded an outflow of cash and cash equivalents of EUR 9,731k (H1 2021: EUR 10,492k). Net cash and cash equivalents as of June 30, 2022, amounted to EUR -2,564k (December 31, 2021: EUR 7,177k). As of the reporting date June 30, 2022, credit lines with banks were drawn on by EUR 4,456k (December 31, 2021: EUR 20k). Non-current liabilities to banks amounted to EUR 10,650k (December 31, 2021: EUR 11,550k), of which EUR 1,800k is due within one year (December 31, 2021: EUR 1,800k). Liabilities from rental agreements amounted to EUR 3,961k in total (December 31, 2021: EUR 4,309k). As of June 30, 2022, there were unused short-term credit lines totaling EUR 7,767k with the principal banks.

In the opinion of the Management Board, fashionette AG has sufficient liquid funds to finance its further growth plans.

FINANCIAL POSITION

The group's financial position is shown in the following condensed statement of financial position:

ASSETS (IN EUR K)	JUNE 30, 2022		DECEMBER 31, 2021	
Non-current assets	21,988	24.5%	22,789	23.6%
Current assets	67,581	75.5%	73,621	76.4%
Total assets	89,569	100.0%	96,410	100.0%

EQUITY AND LIABILITIES (IN EUR K)	JUNE 30, 2022		DECEMBER 31, 2021	
Equity	48,565	54.2%	51,065	53.0%
Non-current liabilities	13,747	15.3%	15,181	15.7%
Current liabilities	27,257	30.5%	30,164	31.3%
Total equity and liabilities	89,569	100.0%	96,410	100.0%

At the end of the first half of 2022, fashionette AG's total assets had decreased by 7.1% to EUR 89,569k (December 31, 2021: EUR 96,410k). Non-current assets declined by 3.5% to EUR 21,988k (December 31, 2021: EUR 22,789k), mainly due to current depreciation and amortization as well as the decrease in rights of use assets in the first half of 2022. The share of non-current assets in total assets increased to 24.5% (December 31, 2021: 23.6%).

Current assets decreased by EUR 6,040k to EUR 67,581k in the first half of 2022 (December 31, 2021: EUR 73,621k). Inventories increased by EUR 1,738k to EUR 46,006k (December 31, 2021: EUR 44,268k), while customers' rights of return decreased by EUR 1,087k to EUR 2,285k (December 31, 2021: EUR 3,372k). Trade and other receivables declined by EUR 2,145k to EUR 15,374k (December 31, 2021: EUR 17,519k) due to seasonal factors. Cash and cash equivalents decreased by EUR 5,305k to EUR 1,893k in the first half of 2022 (December 31, 2021: EUR 7,198k), mainly due to a buildup of working capital.

At the end of the first half of 2022, equity had decreased by EUR 2,500k to EUR 48,565k, mainly due to the accumulated loss as of June 30, 2022. The equity ratio increased by 1.2 percentage points to 54.2% as of June 30, 2022.

Non-current liabilities decreased by EUR 1,434k to EUR 13,747k (December 31, 2021: EUR 15,181k), mainly due to the repayment of loan liabilities in the amount of EUR 900k and the reduction of lease liabilities in the amount of EUR 324k. Deferred tax liabilities declined by EUR 172k to EUR 1,481k (December 31, 2021: EUR 1,653k). The share of non-current liabilities in total equity decreased to 15.3% (December 31, 2021: 15.7%).

Trade and other payables decreased by EUR 7,437k to EUR 19,703k (December 31, 2021: EUR 27,140k) due to seasonal factors, short-term borrowings increased by EUR 4,418k to EUR 6,913k (December 31, 2021: EUR 2,495k), of which EUR 1,800k (December 31, 2021: EUR 1,800k) is the current portion of the refinancing of Brandfield, EUR 4,451k (December 31, 2021: EUR 10k) current liabilities to banks and EUR 662k (December 31, 2021: EUR 685k) lease liabilities. Total current liabilities as of June 30, 2022, amounted to EUR 27,257k (December 31, 2021: EUR 30,164k) and the share of total capital decreased to 45.8% (December 31, 2021: 47.0%).

Opportunity and RISK REPORT

The main risks for fashionette AG have not changed since the publication of the Annual Report 2021 (p. 56 et seq.). Risks jeopardizing the company as a going concern due to insolvency or overindebtedness are not known.

FORECAST REPORT

After a solid start into the second half of the financial year, we continue to expect strong and profitable growth for fashionette AG for the full year 2022.

Despite the current economic situation, the group is showing growth with even increased marketing efficiency. In addition, we see further opportunities with yet unexploited synergy potentials from last year's acquisition of Brandfield, such as the further mutual integration of our selection and teams.

In this context, fashionette AG is continuously developing. But what remains constant, however, is our unremitting commitment to enable personalized shopping of premium and luxury fashion accessories for everyone who wants to complete, accentuate and individualize their outfit, and to continuously optimize our customer experience.

We believe that a personalized shopping experience of high-end fashion accessories based on the principle of accessibility and individuality, combined with curated product selection across all our online platforms will continue to make the difference.

Our proprietary technology platform gives us the opportunity to further drive fashionette's profitable growth through data-driven decisions across all functions.

Therefore, fashionette AG pursues the goal to further expand the group's share in the market segment for premium and luxury fashion accessories with a constant focus on the needs of our customers in order to become Europe's leading e-commerce group for premium and luxury fashion accessories. We are convinced that this strategy will maximize the value of the company in the long term.

As the Management Board, we expect that the group will benefit from the accelerated shift of brick-and-mortar retail towards e-commerce in the European market segment for premium and luxury fashion accessories, especially in times of growing uncertainty among customers.

The outlook is based on the assumption of a stable portfolio. The relevant opportunities and risks influencing the outlook are explained in the opportunity and risk report of in the Annual Report 2021 (p. 56 ff.).

The outlook is based on an assessment of the effects arising from the geopolitical situation and the state of the global economy. It currently assumes that there will be no further significant deterioration. The uncertainties arising from the development of the current geopolitical situation could have a significant impact on fashionette's operating and financial performance. Other factors to be considered are a possible further weakening of the consumer climate and discretionary income due to macroeconomic conditions, as well as an inflationary environment that puts additional pressure on the disposable income of consumers.

SALES

The Management Board of fashionette AG continues to expect net revenue of EUR 180 million to EUR 187 million for fiscal year 2022, corresponding to net revenue growth of +16% to +21% on a pro forma basis of EUR 155 million or +34% to +40% on a consolidated basis of EUR 134 million.

EARNINGS

The Management Board further expects adjusted EBITDA to reach EUR 5 million to EUR 7.5 million (2021: EUR 5.7 million on a pro forma basis or EUR 4.4 million consolidated).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial half-year ending June, 30 2022

In accordance with IFRS as adopted by the EU



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- 18** Consolidated statement of financial position
- 19** Consolidated statement of comprehensive income
- 20** Consolidated statement of cash flows
- 21** Consolidated statement of changes in equity
- 22** Condensed notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2022 (unaudited)

in EUR k	Notes	06/30/2022	12/31/2021
Assets			
Property, plant and equipment		4,155	4,570
Intangible assets (excl. goodwill)		6,050	6,542
Goodwill		11,332	11,332
Other (non-current) financial assets including derivatives		132	0
Deferred tax assets		319	345
Non-current assets		21,988	22,789
Inventories		46,006	44,268
Rights of return		2,285	3,372
Current tax assets		1,187	277
Trade and other receivables (current)		15,374	17,519
Prepayments		836	988
Cash and cash equivalents		1,893	7,198
Current assets		67,581	73,621
Total assets		89,569	96,410
Equity (7)			
Subscribed capital		6,200	6,200
Capital reserve		60,019	59,528
Other reserves		335	226
Retained earnings		-14,889	-13,188
Profit (loss)		-3,100	-1,700
Equity attributable to owners of the company		48,565	51,065
Total equity		48,565	51,065
Liabilities			
Loans and borrowings (non-current)	(8)	12,150	13,374
Employee benefits (non-current)		65	74
Other provisions (non-current)		52	52
Liabilities from derivatives (non-current)		0	27
Deferred tax liabilities		1,481	1,653
Non-current liabilities		13,747	15,181
Tax liabilities		181	1
Loans and borrowings (current)	(8)	6,913	2,495
Trade and other payables (current)		19,703	27,140
Contract liabilities		141	214
Other provisions (current)		319	314
Current liabilities		27,257	30,164
Total liabilities		41,004	45,345
Total equity and liabilities		89,569	96,410

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period January 1 to June 30, 2022 (unaudited)

in EUR k	Notes	01/01/ - 06/30/2022	01/01/ - 06/30/2021
Revenue	(4)	73,398	48,893
Other income		536	582
Raw materials and consumables used		-44,368	-30,519
Personnel expenses		-6,381	-4,245
Depreciation and amortization expenses		-1,485	-744
Other expenses		-24,242	-14,632
Financial income		7	8
Financial expenses		-855	-676
Profit (loss) before taxes (EBT)		-3,390	-1,333
Income tax income and expenses		290	37
Profit (loss) for the period		-3,100	-1,296
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value	(5)	109	-
Other comprehensive income, net of taxes		109	-
Total comprehensive income		-2,991	-1,296
Profit (loss) attributable to:			
Owners of the company		-3,100	-1,296
Total comprehensive income attributable to:			
Owners of the company		-2,991	-1,296
Earnings per share (in EUR)			
Basic		-0.48	-0.21
Diluted		-0.48	-0.21

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period January 1 to June 30, 2022 (unaudited)

in EUR k	H1 2022	H1 2021
Profit (loss) for the period	-3,100	-1,296
Depreciation and amortization	1,485	744
Interest (income) expenses	848	668
Income taxes	-290	-37
Decrease (increase) in inventories	-1,760	-8,797
Decrease (increase) in trade and other receivables	3,395	153
Increase (decrease) in trade and other payables	-7,505	375
Increase (decrease) in other provisions	5	12
Loss on the sale of property, plant and equipment	0	4
Other non-cash income (expenses)	502	135
Income tax paid	-636	-1,053
Cash flow from operating activities	-7,056	-9,092
Acquisition of subsidiaries	0	-237
Purchase of property, plant and equipment	-65	-78
Acquisition of intangible assets	-513	-332
Interest received	6	8
Cash flow from investing activities	-572	-639
Repayments of borrowings	-900	0
Interest paid	-854	-673
Payment of finance lease liabilities	-349	-88
Cash flow from financing activities	-2,103	-761
Net increase (decrease) in cash and cash equivalents	-9,731	-10,492
Exchange rate and valuation-related changes in cash and cash equivalents	-10	-3
Net cash and cash equivalents at the beginning of the period	7,177	31,829
Net cash and cash equivalents at the end of the period	-2,564	21,334
Breakdown of cash and cash equivalents		
Cash and cash equivalents	1,892	21,342
Short-term liabilities to credit institutions	-4,456	-8
Net cash and cash equivalents at the end of the period	-2,564	21,334

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as of June 30, 2022

in EUR k	Notes	Subscribed capital	Capital reserve	Reserves from hedging transactions	Transaction cost reserve	Retained earnings	Total equity
Balance as of 12/31/2021		6,200	59,528	-19	244	-14,889	51,065
Profit (loss) for the period						-3,100	-3,100
Other comprehensive income				109			109
Total comprehensive income		-	-	109	-	-3,100	-2,991
Contributions and distributions							
Equity-settled share-based payment	(5)		491				491
Balance as of 06/30/2022	(7)	6,200	60,019	91	244	-17,989	48,565

CONDENSED NOTES

1 General information

fashionette AG ("fashionette" or "the company") is incorporated in Germany. The company is registered in the commercial register at the District Court of Düsseldorf under the number HRB 91139. The registered office of the company is in Liebfelder Straße 45, 40231 Düsseldorf, Germany.

fashionette AG is a stock corporation under the German Stock Corporation Act. The ordinary shares of fashionette have been listed on the Frankfurt Stock Exchange (Scale/Freiverkehr segment) since October 29, 2020.

These condensed and unaudited interim consolidated financial statements as of June 30, 2022, comprise the company and its subsidiaries (together referred to as "the group" or "fashionette").

fashionette is a leading European data-driven e-commerce group for premium and luxury fashion accessories. It is the goal of fashionette to make personalized online shopping of premium and luxury fashion accessories accessible to all customers in Europe.

Effective July 1, 2021, the company acquired all shares in the following companies:

- Brandfield Holding B.V., Bornholmstraat 82, 9723 AZ Groningen, Netherlands
- Brandfield B.V., Bornholmstraat 82, 9723 AZ Groningen, Netherlands
- Fastylo Holding B.V., Bornholmstraat 86, 9723 AZ Groningen, Netherlands
- Favorite Brands B.V., Bornholmstraat 86, 9723 AZ Groningen, Netherlands

All companies have been fully consolidated since their respective acquisition date and thereby been included in these consolidated financial statements. Effective January 1, 2022, Brandfield Holding B.V. and Brandfield B.V. were merged into Brandfield B.V. and Fastylo Holding B.V. and Favorite Brands B.V. into Fastylo Holding B.V. As the acquisition date and the first-time inclusion in the group was July 1, 2021, the previous year's figures in the income statement and cash flow statement included in these interim consolidated financial statements relate to the single entity fashionette.

2 Basis of preparation

The condensed and unaudited interim consolidated financial statements as of June 30, 2022, of fashionette AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the EU (IAS 34). The condensed interim consolidated financial statements do not include all the information and disclosures required for the consolidated financial statements as of the end of the fiscal year and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2021.

All amounts have been rounded to the nearest thousand, unless indicated otherwise. As amounts are disclosed in thousands of euros, standard commercial rounding can result in rounding differences. In some cases, such rounded amounts and percentages may not completely match the stated sums when added together and subtotals in tables can differ slightly from non-rounded figures.

3 Significant accounting policies

The accounting policies and recognition and measurement methods applied in the Consolidated Financial Statements as of December 31, 2021 have been adopted unchanged. The first-time adoption of new accounting standards as of January 1, 2022 did not have any material impact on the condensed interim consolidated financial statements. There was no early adoption of accounting standards that have been published but are not yet mandatory.

4 Revenue

The group generated revenue of EUR 73,398k from the sale of merchandise, mainly via its web shops, in the first half of 2022 (H1 2021: EUR 48,893k). The increase in revenue includes EUR 20,628k from the expansion of the scope of consolidation in connection with the acquisition of Brandfield as of July 1, 2021. Revenue was distributed among the regions DACH in the amount of EUR 47,676k (H1 2021: EUR 41,645k), Benelux in the amount of EUR 17,937k (H1 2021: EUR 3,712k) and Other in the amount of EUR 7,785k (H1 2021: EUR 3,536k).

5 Share-based payment

Expenses for the 2020 Stock Option Program amounted to EUR 491k in the first half of the year (H1 2021: EUR 135k). For further information on the 2020 Stock Option Program, please refer to Note 7.

6 Hedging instruments (interest rate swaps)

fashionette is exposed to interest rate risks resulting from concluding variable interest rate liabilities. For the purpose of reducing the volatility of interest payments, the risk management strategy proposes the conversion of interest payments into fixed rate payments by entering into payer swaps. To avoid accounting mismatches, fashionette applies cash flow hedge accounting to these swaps and the respective liabilities. The hedged risk is limited to the interest rate risk. Credit risk arising from the financial liabilities is not designated as part of the hedging relationship. fashionette applies a hedge ratio of 1:1.

With regard to the assessment of an economical relationship between the hedged item and the hedging instrument, fashionette performs the critical terms match method. Hereby, the corresponding reference interest rates, maturities, interest rate fixings as well as the nominal amounts are incorporated in the analysis. The retrospective determination of hedge ineffectiveness is performed on the basis of the hypothetical derivative method. Potential sources of ineffectiveness result from the counterparty's as well as fashionette's credit risk.

The nominal amount of the interest rate swap as of June 30, 2022, is EUR 3,550k (December 31, 2021: EUR 3,850k).

	CARRYING AMOUNT OF HEDGING INSTRUMENTS			
	ASSET	LIABILITY	ACCOUNT	NOMINAL AMOUNT
06/30/2022	EUR k	EUR k		EUR k
Interest rate hedge	132		Receivables from derivatives (non-current)	3,550

	CASHFLOW-HEDGE-RESERVE		
	RECORDED IN OCI	RECLASSIFIED INTO P&L	RECLASSIFICATION ACCOUNT
06/30/2022	EUR k	EUR k	
Interest rate hedge	171	12	Other interest expenses

	CHANGE IN VALUE FOR CALCULATING HEDGE INEFFECTIVENESS		RECOGNISED HEDGE INEFFECTIVENESS	
	HEDGING INSTRUMENT	HEDGED INSTRUMENT	INEFFECTIVENESS AMOUNT	ACCOUNT
06/30/2022	EUR k	EUR k	EUR k	
Interest rate hedge	132	-139	0	n/a

The following table shows a reconciliation of the hedging reserve as of June 30, 2022:

CHANGES IN THE HEDGING RESERVE	CASHFLOW-HEDGE-RESERVE
	EUR k
Balance as of 12/31/2021	-27
Gains or losses recognized in the reserve	171
Reclassified to profit or loss	-12
Balance as of 06/30/2022	132

7 Equity

RESTATEMENT OF CONDITIONAL CAPITAL 2020/I AS CONDITIONAL CAPITAL 2022/I

By resolution of the Annual General Meeting on June 24, 2022, the Conditional Capital 2020/I was cancelled and a Conditional Capital 2022/I was newly issued.

The share capital of the company is conditionally increased by up to EUR 620,000.00 by issuing up to 620,000 new no-par value bearer shares (Conditional Capital 2022/I).

The conditional capital 2022/I is exclusively for the purpose of issuing shares of the company under the Stock Option Program 2022 for members of the company's Management Board, members of the management of affiliated companies of the company and for employees of the company and affiliated companies of the company. The term ends on June 23, 2027. This conditional capital is entered in the Commercial Register as Conditional Capital 2022/I.

With the new version of Conditional Capital 2020/I as Conditional Capital 2022/I, the existing Stock Option Program 2020 was cancelled. The Stock Option Program 2020 was classified as an equity-settled share-based payment plan in accordance with IFRS 2. As of December 31, 2021, a total of EUR 328k was recognized in additional paid-in capital. As of the cancellation date of the 2020 Stock Option Program, the share-based payment was recalculated in accordance with IFRS 2, taking into account the known and estimated achievement of agreed performance targets at the time of cancellation, and the resulting remuneration was transferred to the capital reserve until the end of the term of the 2020 stock option program (accelerated vesting). Accordingly, EUR 491k was transferred to the capital reserve in the first half of 2022.

It was mutually agreed between the beneficiaries and fashionette AG that no claims can be asserted on the basis of the grant agreement made under the 2020 Stock Option Program.

8 Long- and short-term loans and borrowings

Long- and short-term loans and borrowings developed as follows in the first half of 2022.

LOANS AND BORROWINGS	06/30/2022	12/31/2021
	kEUR	kEUR
Non-current liabilities		
Unsecured bank loans	8,850	9,750
Lease liabilities	3,300	3,624
Total Non-current liabilities	12,150	13,374
Current liabilities		
Secured bank loans	876	10
Unsecured bank loans	5,375	1,800
Current portion of lease liabilities	662	685
Total Current liabilities	6,913	2,495

9 Events after the reporting period

Effective July 1, 2022, Georg Hesse succeeded Daniel Raab as CEO of fashionette AG. The entry in the commercial register took place on August 12, 2022.

There were no other significant events after the balance sheet date.

Dusseldorf, August 31, 2022



Georg Hesse

CEO



Thomas Buhl

COO/CTO

Further **INFORMATION**

FURTHER INFORMATION

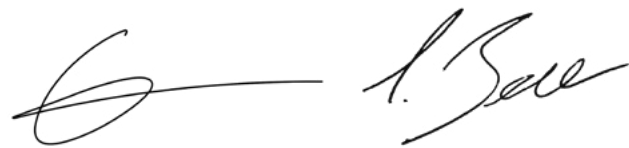
- 28** Assurance of the legal representatives
- 29** Financial calendar
- 29** Imprint



Assurance of the legal REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statement of fashionette AG give a true and fair view of the Asset, Financial and Earnings position of the group and the interim management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Dusseldorf, August 31, 2022



Georg Hesse

Thomas Buhl

CEO

COO/CTO

Imprint

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CONCEPT, DESIGN AND IMPLEMENTATION

ammerseearts / Philipp Megerle

Photo credits

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FINANCIAL CALENDAR

Sep 5 - 6, 2022

Equity Forum German Fall Conference 2022

Sep 19, 2022

Berenberg and Goldman Sachs German Corporate Conference 2022

Nov 15, 2022

Publication of the quarterly statement (call-date Q3)

Nov 16 - 17, 2022

Bank of America Consumer & Retail Conference 2022



DISCLAIMER

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

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