GLOBAL FASHION GROUP

2024

ANNUAL REPORT

GFG AT-A-GLANCE

WHO WE ARE

OUR VISION IS TO BE THE #1 FASHION & LIFESTYLE DESTINATION IN LATAM, SEA & ANZ.

OUR PURPOSE IS TO ENABLE TRUE SELF-EXPRESSION.

Global Fashion Group is the leading fashion and lifestyle destination in LATAM, SEA and ANZ. Our global scale is grounded in strong local roots, with diversity at the core of everything we do which gives real meaning to our purpose of enabling true self-expression. Operating as Dafiti in LATAM, ZALORA in SEA and THE ICONIC in ANZ, we serve 11 countries, each offering significant growth opportunities due to relatively low online penetration. Though we have achieved a leading and reputable position in these regions, we are only at the beginning of realising our full market potential.

LATIN AMERICA	SOUTHEAST ASIA	AUSTRALIA & NEW ZEALAND
dafiti	ZALORA	THE ICONIC
BRAZIL, CHILE, COLOMBIA	INDONESIA, PHILIPPINES, SINGAPORE, MALAYSIA, TAIWAN, HONG KONG	AUSTRALIA, NEW ZEALAND

HOW WE WIN

We are the leading fashion & lifestyle destination in our markets because:

- We offer our customers a **best-in-class experience**
- We are the strategic **partner of choice** for local and global brands
- We are a **true local expert** which underpins our relevance for both customers and brands
- We strive to ensure that every interaction among our customers, brands and employees embodies our commitment to being **People and Planet Positive**

BEST-IN-CLASS CUSTOMER EXPERIENCE

- Broad and relevant assortment with a large choice of global and local brands
- Inspiring and seamless digital experience
- Fast and convenient delivery

PARTNER OF CHOICE FOR BRANDS

- Help brands navigate local complexities, such as regulatory requirements and limited infrastructure, so they can unlock growth in our diverse markets
- Provide flexible and customisable business models through our Retail and Marketplace platforms that are tailored to each partner's unique strategy
- Share our deep ecommerce expertise to create stronger and more collaborative relationships through dedicated Platform Services

PEOPLE & PLANET POSITIVE

- Climate action to mitigate our impact and adapt to a low carbon economy
- Circularity and conscious consumption in our contributions and by educating our customers
- Fair and ethical sourcing to ensure decent working conditions in our supply chain
- Diversity, inclusion and belonging to empower true self-expression
- Responsible workplace to ensure workplaces are free from harm and enrich lives
- Responsible business to act with intent and integrity

2024 HIGHLIGHTS

€1,142.2m
NMV
(7.8)% yoy (constant currency)

44.9%
GROSS PROFIT MARGIN
+2.8ppt yoy

(2.8)%
ADJ. EBITDA MARGIN
+4.1ppt yoy

8.0m
ACTIVE CUSTOMERS
(9.2)% yoy

18.3m
ORDERS
(12.2)% yoy

2.3x
ORDER FREQUENCY
(3.3)% yoy

Financial Summary and Key Performance Indicators

	2024	2023
Financial Performance (€m)		
Revenue	743.5	838.0
Revenue Growth in constant currency (%)	*(8.6)*	*(18.0)*
Gross Profit	333.8	352.9
Loss before Interest and Taxes ("EBIT")	(82.1)	(178.5)
Loss for the year from continuing operations	(84.1)	(179.9)
Adjusted EBITDA	(20.5)	(58.3)
Adjusted EBITDA / Revenue (%)	*(2.8)*	*(6.9)*
Capex	30.2	28.5
Financial Position (€m)		
Net Working Capital	(54.8)	(36.9)
Pro-Forma Cash	222.4	396.5
Pro-Forma Net Cash	164.1	206.3
Group KPIs		
NMV (€m)	1,142.2	1,279.3
NMV Growth in constant currency (%)	*(7.8)*	*(14.2)*
Active Customers (m)	8.0	8.8
Number of Orders (m)	18.3	20.8
Order Frequency (x)	2.3	2.4
Average Order Value (€)	62.5	61.5

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1. TO OUR SHAREHOLDERS

1.1 LETTER FROM OUR MANAGEMENT BOARD

2024 has represented a key transitional year for GFG, full of change, opportunity and growing optimism.

Heading into 2024, we adopted a cautious approach in response to the challenging trends seen in 2023. We placed strong emphasis on inventory and working capital management, whilst continuing to take disciplined action on our overall cost base.

As the year progressed, the external market began to show more positive signs and consumer sentiment in our core markets began to recover. At the same time, our reinvigorated focus on customer engagement and assortment relevancy helped us attract customers back which drove a gradual improvement in topline performance. These positive topline trends, combined with our ongoing cash discipline, enabled GFG to achieve consistent improvement in all key metrics during 2024. This included improvements in our Net Merchandise Value ("NMV") trend, Gross Margin and Adjusted EBITDA margin in every quarter. Our two largest regions, LATAM and ANZ, both returned to growth by Q4, buoyed by near-record Black Friday results (with only 2020 achieving higher NMV levels). Stronger full price product sales enabled by fresher inventory levels led to the Group delivering a record Gross Margin in 2024. Rigorous cost controls supported an even stronger step-up in Adj. EBITDA margin for the Group.

Investing in strategic initiatives was a core focus throughout 2024 as we worked to optimise our assortment, deepen customer engagement and leverage our robust fulfilment and technology infrastructure across more areas. A standout achievement was the rollout of our new Order and Warehouse Management System (OWMS) in ANZ - leveraging the system already used in SEA - which paves the way for new fulfilment models and efficiency enhancements. In LATAM, we launched our 'Fulfilled By' offering, allowing us to strengthen our Marketplace model and fulfil orders on behalf of partners. Meanwhile in SEA, our VIP customer loyalty programme continues to drive higher purchase frequency and order sizes, and now contributes a quarter of the Region's NMV. These successes highlight the progress of our focused investments in technology, fulfilment and customer experience.

In 2024, we also continued to proactively manage our capital structure with a total of €124 million of our outstanding convertible bond repurchased at a 16% weighted average discount. We have now addressed the vast majority of our convertible bond liability at attractive terms and well ahead of maturity, further strengthening the foundation for GFG's long-term stability and growth.

Our actions to secure long-term growth with respect to sustainability are outlined in our 2024 People & Planet Positive Report, released alongside this report. Our latest sustainability efforts include enhanced greenhouse gas reporting and revised long-term environmental targets that focus on tangible climate-focused outcomes.

Looking ahead to 2025, we aim to build on the positive momentum in ANZ and LATAM by nurturing the positive customer and NMV growth trends. Whilst our SEA region has not yet experienced a similar topline turnaround, we are committed to progressing that goal this year and are confident in the strategic initiatives in place to drive this. We also remain relentlessly focused on driving further optimisation and efficiencies. This has led us to make the difficult decision to close our operations in Chile in Q1 of 2025, in order to concentrate resources on our stronger performing markets in Brazil and Colombia. Across the rest of the Group, the continued rollout of new technology capabilities and AI solutions across key business areas aims to strengthen the customer experience, enable Platform Services and unlock further efficiencies.

We thank our employees, brand partners, customers and shareholders for your support. We look forward to building on our 2024 achievements and sharing further successes in 2025.

The Management Board
Christoph Barchewitz and Helen Hickman

Christoph Barchewitz
CEO

Helen Hickman
CFO

1.2 REPORT OF THE SUPERVISORY BOARD

Overview of the Management Board and Supervisory Board

The Supervisory Board and Management Board performed their duties in accordance with:

- the statutory requirements applicable to the Company;
- the Articles of Association of GFG (the "Articles of Association");
- the Rules of Procedure of the Supervisory Board dated 1 January 2022, as amended on 17 August 2022 (the "Supervisory Board Rules of Procedure");
- the Rules of Procedure of the Management Board dated 14 August 2023 (the "Management Board Rules of Procedure");
- the German Corporate Governance Code of 28 April 2022 (the "Code").

In accordance with usual practice, the Management Board and Supervisory Board cooperated closely in the Financial Year 2024. In an ongoing dialogue between the boards, the Supervisory Board discussed strategy, financial performance and planning, capital allocation, business development, sustainability, governance and risk management issues with the Management Board. The Supervisory Board obtained regular and detailed information, written and verbal, regarding the Company and it was directly involved in all fundamental decisions impacting GFG. Additionally, the Chairperson of the Supervisory Board has been immediately notified of any important event and the Supervisory Board has approved every transaction of fundamental importance for the Company as well as transactions by members of the Management Board and related persons with GFG. The Chairperson of the Supervisory Board and other members of the Supervisory Board were in regular contact with the Management Board outside of Supervisory Board meetings.

Before adopting a resolution, any matters that require Supervisory Board approval were explained by the Management Board and discussed with the Supervisory Board. Discussions took place in meetings of the Supervisory Board or its committees. Furthermore, the Chairperson of the Audit Committee discussed audit-related topics with the statutory auditor outside the Audit Committee meetings and without the involvement of the Management Board.

Composition of the Supervisory Board and Committees

According to the Articles of Association, the Supervisory Board shall be composed of at least three (3) members and shall be appointed by the Annual General Meeting. For Financial Year 2024 the Supervisory Board had five (5) members. Four (4) members of the Supervisory Board (Cynthia Gordon, Georgi Ganev, Laura Weil and Carol Shen) were reappointed at the Annual General Meeting of Shareholders ("AGM") held on 15 June 2022 ("AGM 2022") for a period of three (3) years expiring at the end of the AGM that resolves on the discharge for the Financial Year 2024. John Baker was temporarily appointed to the Supervisory Board at the meeting held on 14 December 2022 and his appointment was ratified at the AGM held on 14 June 2023 for a period expiring at the end of the AGM that resolves on the discharge for the Financial Year 2024.

Members of the Supervisory Board are selected according to their knowledge, capabilities, professional aptitude and competence. The Supervisory Board acknowledges and appreciates the importance of diversity. In Financial Year 2024, the Supervisory Board had four committees, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainability Committee.

Composition of the Management Board

Members of the Management Board are appointed by the Supervisory Board. During 2024, GFG's Management Board consisted of two (2) members: Christoph Barchewitz (Group CEO) and Gunjan Soni (Group COO). Both members of the Management Board were reappointed in 2024 in accordance with the Articles of Association for a further period of three (3) years ending on 30 May 2027. On 3 February 2025, Gunjan Soni (Group COO) resigned and Helen Hickman (Group CFO) was appointed to the Management Board. Helen Hickman's inaugural appointment to the Management Board ends on 30 May 2027.

Meetings of the Supervisory Board and its Committees During Financial Year 2024:

- The Supervisory Board met seven (7) times, during the regular board cycle and in ad-hoc meetings. The meetings were held in person and by telephone/video conference. The Supervisory Board passed written resolutions;
- A sub-committee appointed by the Supervisory Board on 28 February 2024 passed one (1) written resolution in connection with the convening of the Annual General Meeting;
- The Audit Committee held a total of four (4) meetings;
- The Remuneration Committee held a total of five (5) meetings;

- The Nomination Committee held a total of one (1) meeting; and
- The Sustainability Committee held a total of two (2) meetings.

Members of the Management Board attended all Supervisory Board meetings, reporting to the Supervisory Board in detail on GFG Group's business, the development of the Company's revenue and profitability, and execution of its strategy. The content of the reports by the Management Board were discussed in depth with the Supervisory Board. The topics addressed and the scope of the reports met the legal requirements, the principles of good corporate governance and the requirements of the Supervisory Board Rules of Procedure.

The individualised attendance of the Supervisory Board members and the members of the Audit, Remuneration, Nomination and Sustainability Committees at their respective meetings is detailed in the table below.

	Supervisory Board	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	Total Attendance Rate
Cynthia Gordon	6/7	4/4	5/5	1/1	2/2	94.7%
Georgi Ganev	6/7			1/1		88.8%
Laura Weil	7/7	4/4	5/5			100%
Carol Shen	7/7			1/1	2/2	100%
John Baker	7/7	4/4	5/5		2/2	100%
Total % Attendance						**96.7%**

Key Activities of the Supervisory Board and its Committees

The Supervisory Board and / or its Committees discussed and reviewed the following topics during Financial Year 2024:

- Standalone and consolidated financial statements for the full financial year 2023. Financial results for the first quarter and third quarter of 2024. Unaudited financial statements for the first half of financial year 2024 and outlook for the remainder of the financial year;
- The Annual Report for Financial Year 2023;
- The Corporate Governance Report and Remuneration Report for Financial Year 2023;
- The Non-Financial Report ("People & Planet Positive Report") for Financial Year 2023;
- 2024 Group strategic priorities;
- 2024 Budget, mid-term plan, liquidity forecast, and re-forecast;
- Certain repurchases of a portion of the outstanding Convertible Bonds due 2028, in the aggregate principal amounts of €2.8m, €9.8m, €110.0m and €1.0m during the course of 2024;
- Strategic updates on the LATAM, SEA and ANZ regions;
- The acquisition of certain intellectual property assets from Australian Brand Alliance Pty Ltd in ANZ
- The Company's Commercial Excellence Strategy and strategic brand partnerships;
- The Company's Technology and Information Security Strategy;
- Periodic strategic planning;
- Periodic capital markets, capital structure, and financing updates;
- Sustainability matters, including the review of the sustainability strategy, targets, and CSRD double materiality framework and reporting;
- Renewal of the Management Board mandates for a further three years ending in May 2027;
- Management Board remuneration, including base remuneration, short-term incentives and long-term incentive plan;
- Amendments to the Remuneration Policy, as approved by the Annual General Meeting of Shareholders;
- Amendments to the Company's Share Plan Rules to include share options and performance options;
- Succession planning for the Management Board;
- Succession planning for the Supervisory Board;
- The increase of the Company's share capital and issuance of shares from the authorised capital to refill the EBT;
- The issuance of shares from the EBT for the benefit of certain current and former employees in accordance with the Company's share plans;
- Agenda and process for the Annual General Meeting of Shareholders;

- Reserved Matters in accordance with the Company's Authorities Matrix and the Supervisory Rules of Procedure;
- Periodic update on Legal and Governance, Risk Management and Compliance matters;
- The Declaration of compliance with the German Corporate Governance Code for Financial Year 2024;
- Annual review of the Dividend Policy;
- A refresher training on duties and responsibilities of the members of the Supervisory Board;
- Supervisory Board visit to THE ICONIC's operations in Sydney, Australia;
- The closure of operations in Chile;
- Annual Self-Review of Efficiency of the Supervisory Board and its Committees; and
- The draft 2025 Budget and mid-term plan for 2026-2027

The Management Board discussed and reviewed the following topics during Financial Year 2024:

- Standalone and consolidated financial statements for the full financial year 2023. Financial results for the first quarter and third quarter of 2024. Unaudited financial statements for the first half of financial year 2024 and outlook for the remainder of the financial year;
- The Annual Report for Financial Year 2023;
- The Management Board Report for Financial Year 2023;
- The Non-Financial Report ("People & Planet Positive Report") for Financial Year 2023;
- 2024 Group strategic priorities;
- 2024 Budget, mid-term plan and liquidity forecast, 2024 guidance and re-forecast;
- Certain repurchases of a portion of the outstanding Convertible Bonds due 2028, in the aggregate principal amounts of €2.8m, €9.8m, €110.0m and €1.0m during the course of 2024;
- Strategic updates on the LATAM, SEA and ANZ regions;
- The acquisition of certain intellectual property assets from Australian Brand Alliance Pty Ltd in ANZ;
- Gross margins, inventories and provisions;
- Periodic strategic planning;
- Periodic capital markets, capital structure, and financing updates;
- Sustainability matters, including the review of the sustainability strategy, targets, and CSRD double materiality framework and reporting;
- Review of the succession planning for the key leaders of the Group;
- Remuneration programme setting the short-term and long-term incentive plans for employees of the Group;
- Review and approval of the current authorised share capital of the Company and refill of the EBT;
- Assessment of targets achievement in relation to the short-term incentive compensation for employees of the Group for financial year 2023;
- Short-term incentive compensation target setting for the employees of the Group for financial year 2024;
- Assessment of target achievement in relation to performance stock units allocated to eligible employees under the long-term incentive plan for financial year 2023;
- Amendments to the Company's Share Plan Rules to include share options and performance options;
- Allocation of share options and performance options to eligible participants under the Company's amended Share Plan Rules for financial year 2024 and determination of related long term incentive performance targets;
- Agenda and process for the Annual General Meeting of Shareholders;
- Reserved Matters in accordance with the Company's Authorities Matrix and Management Board Rules of Procedure;
- Periodic governance, legal and regulatory and compliance updates;
- A refresher training on duties and responsibilities of the members of the Management Board;
- Review of the Risk Register;
- Declaration of compliance with the German Corporate Governance Code for financial year 2024;
- Annual review of the Dividend Policy;
- Amendment to the guidance for financial year 2024; and
- Proposed 2025 Budget and mid-term plan for 2026-2027.

The Audit Committee discussed and reviewed the following topics during Financial Year 2024:

Area of Focus	Actions Taken in 2024
Financial Reporting	• Reviewed key accounting and financial reporting issues in each quarterly meeting • Reviewed and approved standalone and consolidated financial statements for financial year 2023; subject to the approval of the Supervisory Board • Reviewed and approved quarterly financial results for Q1 and Q3 2024 and H1 2024 interim consolidated financial statements • Reviewed inventories and provisions • Reviewed the cash investment strategy • Reviewed the financial controls status and progress
External Auditor	• Received reports from the external auditor for financial year 2023 and H1 of Financial period 2024 covering financial reporting, accounting and audit issues • Reviewed and pre-approved all audit and non-audit services rendered by the external auditor, including external auditor fees • Approved the 2024 external audit plan • Discussed with the external auditor compliance requirements and timeline regarding the Corporate Sustainability Reporting Directive. • Reviewed the assessment from the external auditor regarding the design and operating effectiveness of the internal control environment including the Group's main financial processes • Conducted the annual review of independence and quality of the external auditors
Internal Audit Activities	• Approved the Annual Internal Audit Plan for 2024 and 2025 and provided direction to risk coverage • Followed up on high priority actions with the Management Board
Risk Management	• Reviewed updates in relation to the risk assessment process, risk registers and associated actions including: – Cyber Security and Technology – CSRD reporting readiness • Reviewed summary updates in relation to the enterprise risk management framework • Informed of risk transfer strategy with regards to central insurance buying • Reviewed and approved the Cyber and Information Security Risk Management Programme and Roadmap 2024-2025
Internal Controls	• Reviewed the annual internal controls self-assessment programme and methodology • Reviewed summary updates on programme progress
Others	• Review of Corporate Sustainability Reporting Directive (CSRD) reporting readiness and limited assurance process. Reviewed quarterly reports on matters concerning legal compliance and governance matters • Review of the 2025 insurance broker strategy • Conducted annual self-assessment of the effectiveness of the Audit Committee

The significant issues considered by the Audit Committee in relation to the financial statements for the Financial Year 2024 were:

- Asset impairment and impairment testing of goodwill and intangible assets;
- Inventory and inventory allowances;
- The closure of operations in Chile; and
- Tax provisions, tax contingencies and deferred tax assets.

The Remuneration Committee discussed and reviewed the following topics during Financial Year 2024:

- Assessment of targets achievement in relation to the short-term incentive compensation of the Management Board members for financial year 2023;
- Assessment of targets achievement in relation to performance stock units allocated to the Management Board members for financial year 2023 under the long-term incentive plan;
- Remuneration Report for Financial Year 2023;
- Amendments to the Company's Share Plan Rules and inclusion of alternative instrument in the form of share options and performance options;
- Amendments to the Remuneration Policy, as approved by the Annual General Meeting of Shareholders;

- Annual compensation review for financial year 2024 for the Management Board;
- Short-term incentive compensation measures and target determination for Management Board members for financial year 2024;
- Allocation of performance options to Management Board members for financial year 2024 under the long-term incentive plan and determination of related performance measures and targets;
- Review and approval of proposal to allow Management Board members to elect to exchange unvested RSUs/PSUs for share options in accordance with the Company's Share Plan rules;
- Review and approval of the current authorised share capital of the Company and refill of the EBT
- The total compensation outlook for the Management Board in Financial Year 2024;
- Management Board compensation principles for 2025; and
- Conducted annual self-assessment of the effectiveness of the Remuneration Committee.

The Nomination Committee discussed and reviewed the following topics during Financial Year 2024:

- Succession plan for the Management Board;
- Succession plan for the Supervisory Board;
- Review of the structure and membership of the Committees of the Supervisory Board; and
- Conducted annual self-assessment of the effectiveness of the Nomination Committee.

The Sustainability Committee discussed and reviewed the following topics during Financial Year 2024:

- Approval of the People & Planet Positive Report for financial year 2023;
- Updates regarding GFG People & Planet Positive Strategy and 2024 targets;
- 2024 sustainability prioritisation plan;
- Reporting requirements and limited assurance by independent auditors regarding the Corporate Sustainability Reporting Directive;
- Periodic updates and progress reporting on the double materiality assessment required by the Corporate Sustainability Reporting Directive; and
- Conducted annual self-assessment of the effectiveness of the Sustainability Committee.

The Supervisory Board satisfied itself with the auditor's independence and obtained a written declaration in this respect. The financial statements and the auditor's reports were sent to the members of the Supervisory Board, who reviewed the standalone and consolidated financial statements and the management report of GFG for financial year 2024. The results of the review by the Audit Committee and the results of its own review are fully consistent with the results of the audit. Having completed its review, the Supervisory Board has no reason to raise any objections to the audit of the financial statements. The Supervisory Board has therefore approved the separate and consolidated financial statements of GFG for financial year 2024.

The Supervisory Board would like to thank the Management Board and all employees of GFG for their hard work and their high level of commitment during the Financial Year 2024.

Luxembourg, 4 March 2025
The Supervisory Board of GFG

Cynthia Gordon
Chairman

Georgi Ganev
Vice Chair

Laura Weil
Member

Carol Shen
Member

John Baker
Member

2. GROUP MANAGEMENT REPORT

2.1 FUNDAMENTAL INFORMATION ABOUT THE GROUP

2.1.1 BUSINESS MODEL & GROUP STRUCTURE

Business Model

Global Fashion Group ("GFG") is the leading fashion and lifestyle destination in 11 countries across Latin America, Southeast Asia, and Australia and New Zealand. We offer our customers a one-stop shop experience on our inspiring and seamless platforms, featuring a broad and relevant assortment of products.

Our three ecommerce platforms operate under individual brand names:

- **Dafiti:** Brazil, Chile and Colombia
- **ZALORA:** Indonesia, the Philippines, Singapore, Malaysia, Taiwan and Hong Kong
- **THE ICONIC:** Australia and New Zealand

GFG connects 800 million consumers with thousands of brands on these well-established platforms.

Our customers are young, diverse, highly engaged and digitally native. They are predominantly female and typically aged between 15 and 45 years. With over 38 million social media followers across the top five social media platforms in our markets, GFG's customers demonstrate their openness to purchase products online and a high level of engagement by interacting with our content and apps.

GFG reflects the scale and diversity of our markets by engaging customers with a broad and relevant assortment. We offer all the key fashion and lifestyle categories, including apparel, footwear, sportswear, accessories and beauty, across a mix of thousands of global, local and own brands, tailored to meet varying aesthetic, cultural, sizing and price preferences.

Our products are sourced from our brand partners through two business models:

- **Retail:** GFG owns the inventory of products sold to customers; and
- **Marketplace:** Brand partners retain ownership of inventory and list their products on our apps and websites.

A large proportion of our brands operate across both models. In 2024, Marketplace share grew to 39% of NMV.

As the only online pure-play fashion and lifestyle platform of scale in our markets, GFG facilitates brands' market entries and helps them overcome local challenges of customer acquisition, logistics, infrastructure and regulatory processes.

GFG also assists its brand partners in developing their overall ecommerce capabilities by providing distinct Platform Services, including:

- **Operations by GFG:** Fulfilment services for products that brands sell through channels outside our platforms, such as on their own websites or third-party online marketplaces;
- **Marketing by GFG:** Paid marketing services to promote brands' products; and
- **Data by GFG:** Data analytics across customers, traffic and product.

Our operational infrastructure is fashion-specific, highly efficient and scaled for growth with:

- Seven regional fulfilment centres with a total storage capacity of ~24 million items;
- Multiple fulfilment options and customer support all locally tailored to each market; and
- Reliable last-mile delivery, with a wide range of payment options available across our markets.

Our technology platform and infrastructure are a key differentiator with:

- An experienced and commercially focused global technology team of 500+;
- Scalable, custom-built platform integrated within each region to reflect the global and local nature of our business;
- Tailored and adaptable technology stacks for each major market, providing substantial flexibility and enabling us to efficiently respond to local business expectations and regulatory requirements;
- Data science teams at the forefront of innovation, creating smart solutions based on deep and relevant insights that our technology teams leverage daily to improve our front-ends;
- Culture of continuous innovation, integrated into the daily work of our technology teams, fostering continuous research & development efforts; and
- Technology led planning and scheduling of assortment for buying and merchandising to accurately match customer preferences.

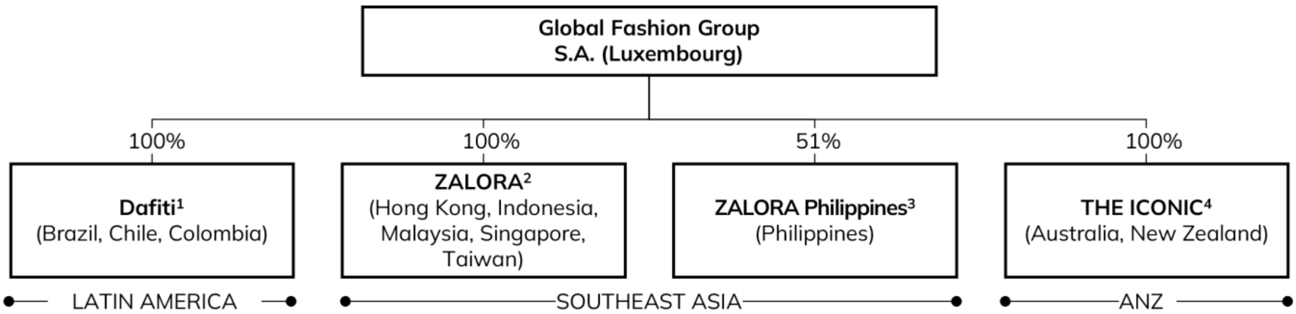
GFG has a highly diverse and global team of 3,558 people with deep local expertise. Our people have a passion for fashion, lifestyle and technology, expertise in adapting to changing needs and strong capabilities to combine the art and science that creates our compelling customer and brand proposition.

Group Structure

Global Fashion Group S.A. ("the Company") is a stock corporation (société anonyme) under the laws of the Grand Duchy of Luxembourg and 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. Please refer to Section 3.4 of the Group Annual Report for composition of subscribed capital and own shares and refer to Section 3.5 for shares awarded to employees.

Global Fashion Group S.A. is the parent company of the Group. The Group comprises all subsidiaries whose financial and business policies can be controlled by the Company, either directly or indirectly. The Group's business is conducted by the Company and its various subsidiaries.

As at 31 December 2024, 46 entities are consolidated in the consolidated financial statements of the Group. See Note 7 in the notes to the consolidated financial statements for more information.



[1]Dafiti operations are conducted by GFG Comercio Digital Ltda. in Brazil, Bigfoot ChileSpA in Chile and Bigfoot Colombia SAS in Colombia.

[2]ZALORA operations are conducted by ZALORA (Hong Kong) Ltd. in Hong Kong, PT Fashion Eservices Indonesia and PT Fashion Marketplace Indonesia in Indonesia, Jade E-Services Malaysia SDN BHD in Malaysia and Jade E-Services Singapore Pte. Ltd. in Singapore and Taiwan.

[3]ZALORA Philippines operations are conducted by BF Jade E-Services Philippines Inc.

[4]THE ICONIC operations are conducted by Internet Services Australia 1 Pty Ltd. in Australia and New Zealand.

Business Segments

The Group consists of three operating segments, which also represent its reportable segments:

- **LATAM** – GFG operates under the Dafiti brand, launched in 2011, in Brazil, Chile and Colombia.
- **SEA** – GFG operates under the ZALORA brand, launched in 2012, in Indonesia, the Philippines, Singapore, Malaysia, Taiwan and Hong Kong.
- **ANZ** – GFG operates under THE ICONIC brand, launched in late 2011, in Australia and New Zealand.

2.1.2 CORPORATE STRATEGY

Our vision is to be the #1 fashion and lifestyle destination in our markets. Our purpose is to enable true self-expression. To achieve our long-term vision and execute on our purpose, we focus on three strategic priorities which are all underpinned by our true local expertise.

1. Best-in-Class Customer Experience

Broad & Relevant Assortment

GFG offers a wide range of products from over 6,000 global and local brands, including our own brands with exclusive products. We cover all the major fashion and lifestyle categories and brand segments. Apparel and footwear represent the majority of our business at 48% of NMV followed by sport at 27%. We also offer adjacent categories such as beauty and home to serve as a one-stop destination for customers. Growing our premium assortment continues to be a top priority for the Group – the premium brand segment reached 16% of NMV in 2024.

Our Marketplace business model allows us to expand our assortment without taking on inventory risk. As a result, 80% of our top 30 global and local brand partners have adopted a hybrid partnership model, moving some of their products onto our Marketplace.

Inspiring & Seamless Digital Experience

After carefully curating the right brands and products, GFG engages and inspires our customers with a superior shopping experience. Our onsite and in-app experiences are appealing, intuitive and visually rich, bringing to life the unique features of our products.

Our apps play a vital role in building customer loyalty and engagement. We continue to invest in and improve our apps to ensure they are best-in-class. In 2024, 66% of our NMV was generated from our apps, up from 62% in 2023.

Fast & Convenient Delivery

GFG is constantly evaluating ways to enhance our delivery and returns processes, with the goal of making them as convenient as possible to drive greater customer satisfaction and higher online penetration.

We lease seven fulfilment centres across our markets with all operations run entirely by GFG which ensures reliable and smooth delivery for our customers. This ability to serve our markets at scale is not easily replicated. We handle large volumes at speed with local teams and well-invested infrastructure to meet our customers' delivery expectations.

We offer multiple delivery options, ranging from standard delivery to same-day delivery in some cities. We also make the returns process as simple as possible to instil confidence in our customers as they shop. Convenience is key, so standard returns are free with the option for items to be picked up from home or dropped off at a designated point.

2. Partner of Choice for Brands

Unlocking Complex Markets

GFG provides the expertise and support that our brand partners need to expand into our markets. Our regions are vast and diverse, with complex regulations and import processes. Our local experts and fulfilment centres on the ground enable us to manage the supply chain effectively, both for GFG and our brand partners.

Offering Flexible Business Models

GFG offers flexible business models to suit the needs of our brand partners.

- **Retail:** We take ownership of a brand's stock and control all aspects of the sale process. Retail accounts for the majority of our NMV at 61% in 2024.
- **Marketplace:** We connect brands as sellers on our apps and websites whilst they retain full ownership of their inventory and control over pricing and sales strategies. In 2024, Marketplace contributed 39% to NMV, and we continue to expand its presence across our regions. Within Marketplace, we offer three fulfilment models – fulfilled by, cross-docking and drop shipment. In 2024, we launched the fulfilled by model in LATAM, which provides brands with a convenient and efficient way to process their Marketplace orders using GFG's fulfilment infrastructure.

Unrivalled Platform Services

GFG's Platform Services offers a suite of operations, marketing and data analytics support for our brand partners' offerings that are not directly part of our Retail or Marketplace listings (for example, for listing on their own websites or third-party platforms). Specifically, we offer:

- **Operations by GFG** helps brand partners that lack the local infrastructure and resources with services such as e-production, delivery, returns and single stock solution for multi-platform fulfilment. Single stock solution allows brands to use our warehouse as one stock pool to fulfil across multiple platforms.
- **Marketing by GFG** offers a complete suite of services to improve awareness, reach and engagement, both on and off our platforms.
- **Data by GFG** provides brands with insights about consumers, assortment trends, inventory performance and competitor benchmarking. This is especially important in the markets we operate in as structured consumer information can be difficult to access.

In 2024, Platform Services accounted for 3% of Revenue. This direct incremental revenue stream enables our brand partners to leverage our capabilities to complement their own offerings. As a result, these services deepen our brand relationships and creates opportunities for income expansion at GFG.

3. People & Planet Positive

Our 2030 strategy, developed in 2021, continues to guide our long-term sustainability agenda, embracing new developments as our understanding of our impact on people and the planet evolves. Our commitment to becoming People & Planet Positive remains unwavering, with a focus on six strategic priorities: Climate Action, Circularity & Conscious Consumption, Fair & Ethical Sourcing, Diversity, Inclusion & Belonging, Responsible Workplace and Responsible Business.

In 2024, we transitioned to an updated set of sustainability targets with a focus on implementing and embedding, with priority on areas where we have the highest impact and control in our business operations. Our approach remains centred on what we can directly control especially regarding supply chain, prioritising internal initiatives that drive meaningful change in an evolving sustainability landscape. To ensure focus and impact, we have streamlined our Group targets to a core set of 23, applying the following principles:

- Maximising direct influence to reduce our environmental and social footprint
- Aligning with business operations and geographical capabilities for targeted impact
- Engaging regional business leaders to drive sustained progress over the next 2–3 years
- Enhancing transparency and compliance as a foundation for Corporate Sustainability Reporting Directive ("CSRD") and other upcoming regulations

In 2024, key focus areas include:

- Strengthening our greenhouse gas ("GHG") reporting and preparing for Science Based Targets initiative ("SBTi") resubmission in 2025 to reinforce our climate commitments
- Advancing CSRD and European Sustainability Reporting Standards ("ESRS") reporting readiness by embedding sustainability within financial and operational decision-making
- Driving implementation of our revised targets, ensuring impactful action across our direct value chain
- Empowering key business functions, such as commercial and operations teams, to further integrate sustainability into core strategies

Sustainability trends in fashion for 2024 highlight the increasing regulatory scrutiny on "green" claims, supply chain due diligence and accurate product sustainability labelling. The industry is directing efforts toward traceability, circular business models and decarbonisation efforts. These efforts reinforce the need for robust sustainability integration into business practices which GFG will continue to drive and embed as we work toward our 2030 targets.

A full summary of our progress is available in our 2024 People & Planet Positive Report published on our website. We remain committed to making tangible progress against our strategic goals working closely with our employees, brand partners and customers.

2.1.3 OTHER NON-FINANCIAL INFORMATION

Other non-financial information, such as environmental, social, human rights and the fight against corruption, along with reporting against the EU Taxonomy is contained in the People and Plant Positive report available on our website.

2.1.4 INTERNAL MANAGEMENT SYSTEM

The Management Board is responsible for steering the Group both on a segmental level (i.e. LATAM, SEA and ANZ) and at a consolidated Group level.

The Group's key performance indicators include NMV, Revenue, Adjusted EBITDA, Capex, Pro-Forma Cash, Active Customers, Orders, Order Frequency and Average Order Value.

2.1.5 EMPLOYEES

At the end of 2024, the GFG team consisted of 3,558 employees (2023: 4,413), representing a year-on-year decrease of 19.4% primarily driven by reduced operational employees required in our fulfilment centres and strategic fixed cost reductions across our marketing, technology and administrative functions. The average headcount decreased to 3,922 employees (2023: 5,071), reflecting the reduced headcount across all teams during the year.

2.2 REPORT ON ECONOMIC POSITION

2.2.1 MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

In 2024, GFG operated in 11 countries in the online fashion and lifestyle sector. Our performance is influenced by macroeconomic conditions, sector specific trends and the evolution of the online channel in our markets.

Throughout most of the year, we experienced a subdued demand environment similar to the preceding two years. However, by the second half of 2024, consumer sentiment started to improve across most of our markets as inflation and interest rates eased from the peaks observed in 2022 and 2023. Despite these favourable shifts with regional inflation softening and interest rates forecast to further decline in 2025, near-term demand was still impacted by lower disposable income levels. We maintained strict cost controls and continued to look for further efficiencies across the business particularly in this demand environment. We successfully reduced our costs in the year with the majority of the reductions driven by targeted initiatives rather than external factors such as reduced volume, inflation and foreign exchange impacts.

In LATAM, inflationary pressure persisted, particularly with worsening dynamics in Brazil. Despite this, consumer spending and confidence has been increasing across our markets. In SEA, there continued to be demand for budget friendly products in line with slower GDP growth forecasted across our markets. Competition in SEA remains intense with larger international players expanding their footprints. In ANZ, retail sales continued to decline over the year as the macroeconomic backdrop remained challenging for consumer spending. However, consumer sentiment showed strong signs of recovery by the end of 2024.

In the global online fashion and lifestyle sector, some regions with higher online penetration experienced reversion in 2022 and 2023 as consumers returned to physical stores after COVID reopenings. However, online penetration resumed steady growth in 2024 on a global scale which is a trend expected to continue in 2025. Since online penetration and online fashion sales continue to be highly correlated, we anticipate that increasing online adoption will be a significant growth driver for GFG, especially since we operate in regions with lower penetration levels.

Since GFG's operations are predominantly in countries outside of the eurozone, practically all 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. While GFG's reported revenues and NMV are impacted by changes in the value of foreign currencies relative to the Euro, in 2024, 95% of our cash flows in our three operating segments were naturally hedged, as local currency revenues are typically matched against a local currency cost base.

2.2.2 SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Convertible Bond Repurchases

GFG has completed several repurchases of its outstanding Convertible Bonds over 2024 as detailed in the table below. In total, GFG repurchased €123.6 million in 2024, representing 69% of the outstanding principal amount as at the end of December 2023. €54.7 million remains outstanding and €320.3 million in aggregate principal amount of the Bonds are held by the Group in treasury.

Repurchase Settlement Date	Amount (€m)	Purchase Price per Bond (€)	% of Principal Amount as at the end of Dec-2023 (€178.3m)
7 May 2024	2.8	73,000	1.6%
14 June 2024	9.8	75,000	5.5%
16 August 2024	110.0	85,000	61.7%
30 September 2024	1.0	85,000	0.6%
Total Repurchases in 2024	**123.6**	**84,000 weighted average**	**69.3%**

Sale of BFOOT S.R.L. (Arg)

Following the closure of our operations in Argentina, announced on 6 September 2023, GFG executed the sale of 100% shares in BFOOT S.R.L. (Arg) on 4 July 2024. The transaction completed for $180USD. This equates to the cash held in Argentina as at 4 July.

2.2.3 FINANCIAL PERFORMANCE

The results for the year ended 31 December 2024 showed an improved Adjusted EBITDA margin year-on-year, despite negative Revenue growth, following significant Gross Margin gains and cost savings across LATAM and ANZ in particular. Please refer to Section 4 for the Group consolidated financial statements.

Results of Operations

	For the Year Ended 31 December		
In €m	2024	2023	% Change
Revenue	743.5	838.0	(8.6)%[1]
Cost of sales	(409.7)	(485.1)	
Gross profit	**333.8**	**352.9**	
Selling and distribution expenses	(250.2)	(288.3)	
Administrative expenses	(164.7)	(183.8)	
Other operating income	8.8	3.4	
Other operating expenses	(4.7)	(7.9)	
Impairment of other financial assets	(0.3)	(0.1)	
Impairment of other non-financial assets and goodwill	(4.8)	(54.7)	
Loss before interest and taxes	**(82.1)**	**(178.5)**	54.0%
Gain on repurchase of convertible bonds	12.3	18.3	
Finance income	10.0	15.9	
Finance costs	(17.7)	(21.7)	
Loss before tax from continuing operations	**(77.5)**	**(166.0)**	
Income tax expense	(6.6)	(13.9)	
Loss for the year from continuing operations	**(84.1)**	**(179.9)**	

[1] *Constant currency growth rate.*

Adjusted EBITDA Bridge

	For the Year Ended 31 December	
In €m	2024	2023
Loss before interest and taxes	(82.1)	(178.5)
Depreciation and amortisation	58.1	57.5
EBITDA	**(24.0)**	**(121.0)**
Share-based payments expenses	(0.7)	1.7
Group recharges and associated taxes	0.5	0.4
Impairment of other non-financial assets and goodwill	3.3	54.7
One-off costs and income[1]	0.4	5.9
Adjusted EBITDA	**(20.5)**	**(58.3)**

[1] *One-off costs and income include changes in estimates of prior year tax provisions, one off payroll and office closure cost and IFRS16 lease revaluations.*

Key Group Figures

GFG's key performance indicators ("KPIs") include NMV, Revenue, Adjusted EBITDA, Capex, along with the number of Active Customers, number of Orders, Order Frequency and Average Order Value. For KPI definitions, refer to Section 6.4 'Financial Definitions'.

Financial Performance

	2024	2023
Revenue (€m)	743.5	838.0
Growth at constant currency (%)	*(8.6)*	*(18.0)*
Gross profit (€m)	333.8	352.9
Loss before interest and taxes (EBIT) (€m)	(82.1)	(178.5)
Loss for the year (€m)	(84.1)	(179.9)
Adjusted EBITDA (€m)	(20.5)	(58.3)
Adjusted EBITDA / Revenue (%)	*(2.8)*	*(6.9)*
Capex (€m)	(30.2)	(28.5)

Financial Position

	2024	2023
Net working capital (€m)	(54.8)	(36.9)
Pro-forma cash (€m)	222.4	396.5
Pro-forma net cash (€m)	164.1	206.3

Group KPIs

	2024	2023
NMV (€m)	1,142.2	1,279.3
Growth at constant currency (%)	*(7.8)*	*(14.2)*
Active Customers (m)	8.0	8.8
Number of Orders (m)	18.3	20.8
Order Frequency	2.3	2.4
Average Order Value (€)	62.5	61.5

Financial Performance of the Group

In 2024, NMV declined by 7.8% on a constant currency basis, to €1,142.2 million (2023: €1,279.3 million), whilst Average Order Value increased by 4.9% and Order Frequency was 2.3 times per year (2023: 2.4 times).

Revenue decreased 8.6% year-on-year on a constant currency basis to €743.5 million (2023: €838.0 million) and demonstrated signs of stabilisation towards the end of the year.

Active Customers decreased by 9.2% year-on-year from 8.8 million to 8.0 million and customer Orders were down by 12.2% to 18.3 million (2023: 20.8 million) in FY 2024. The decline is slowing compared to FY 2023, with a rate of order decline of 23.1%.

Marketplace share of NMV was 39% in 2024, increasing 0.7 percentage points year-on-year.

Gross margin increased by 2.8 percentage points year-on-year, driven by a more efficient inventory base contributing to an improved Retail margin.

Whilst they are not statutory measures under IFRS, management considers Adjusted EBITDA and Adjusted EBITDA margin as key performance indicators to assess the underlying operating performance of the business. See the Financial Definitions in Section 6.4 for further details.

In 2024, the Group generated an Adjusted EBITDA of €(20.5) million (2023: €(58.3) million) with an Adjusted EBITDA margin of (2.8)% (2023: (6.9)%). Selling and distribution expenses and Administrative expenses reduced by €57.2 million year on year, following continued focus on implementing cost initiatives, driving the improvement in Adjusted EBITDA.

Adjusted EBITDA excludes a credit for share-based payments of €0.7 million (2023: €1.7 million expense). The credit relates to the release of social charge provisions following the forfeiture and expiry of some share options and awards. Non-recurring items of €3.7 million (2023: €60.6 million) were also excluded from the Adjusted EBITDA measure which included impairment of other non-financial assets of €3.3 million recorded at year end 2024 (2023: €54.7 million related to goodwill and other non-financial assets) in respect of fixed assets in LATAM and ANZ. Other non-recurring items of €0.4 million (2023: €5.9 million) included changes in estimates of prior year tax provisions, IFRS 16 lease revaluations and one-off payroll and office closure costs.

In 2024, the loss for the year from continuing operations decreased by 53.3% to €(84.1) million (2023: €(179.9) million). Within loss for the year, finance costs decreased by €4.0 million to €17.7 million (2023: €21.7 million) driven by a decrease in interest expenses in relation to the convertible bond (following the partial repurchase) and third-party financing providers, partially offset by an increase in foreign currency losses. Finance income decreased to €10.0 million for the year (2023: €15.9 million), following the reduction in cash held in investment funds during the year which were exposed to fair value monetary gains.

As part of the Group's annual impairment assessment, management estimated that the enterprise value of the LATAM, SEA and ANZ Cash Generating Units ("CGUs"), which are based on company business plans, were in line with the recoverable amounts at year end and therefore no impairment charge on other non-financial assets was recognised.

Financial Performance by Segment

The Group is organised into three main business segments: LATAM (Dafiti), SEA (ZALORA) and ANZ (THE ICONIC). The column 'Other' includes headquarters and other business activities.

ANZ saw a return to Adjusted EBITDA profitability with €16.4 million compared to €(2.9) million loss in FY 2023, driven by improved gross margin and reduced discounting during the year, along with ongoing cost efficiency measures.

In SEA, the competitive environment, resulted in a decline in revenue and NMV of 17.1% and 17.2% respectively on a constant currency basis. SEA increased Marketplace share and Other Revenues, contributing to a gross margin improvement of 2.9 percentage points increase year- on-year.

In LATAM, revenue and NMV decline slowed year on year to 6.4% on a constant currency basis across both metrics (2023: decline of 21.1% and 17.9% respectively). Gross margin improvements were driven by improved retail margins and inventory management during the year. Adjusted EBITDA margin improved by 6.4ppt to (4.6)% through significant cost reductions.

Across all segments, we carefully managed intake and inventory levels throughout the year, ending the year with significantly lower intake and a lower aged inventory profile.

2024 Segment Results of the Group

€m	LATAM	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	217.6	172.9	357.9	748.4	34.6	(39.5)	743.5
% constant currency growth rate	*(6.4)*	*(17.1)*	*(4.8)*	-	-	-	*(8.6)*
Net Merchandise Value	354.6	272.3	515.2	-	-	-	1,142.2
% constant currency growth rate	*(6.4)*	*(17.2)*	*(3.3)*	-	-	-	*(7.8)*
Gross Profit	94.8	76.8	167.1	338.7	34.5	(39.4)	333.8
% Margin	*43.6*	*44.4*	*46.7*	-	-	-	*44.9*
Adjusted EBITDA	(10.0)	(2.6)	16.4	3.8	(24.3)	-	(20.5)
% Margin	*(4.6)*	*(1.5)*	*4.6*	-	-	-	*(2.8)*

2023 Segment Results of the Group

€m	LATAM	SEA	ANZ	Total Fashion Business	Other	Reconciliation	Total
Revenue	250.5	212.4	378.0	840.9	41.5	(44.4)	838.0
% constant currency growth rate	*(21.1)*	*(20.9)*	*(14.3)*	-	-	-	*(18.0)*
Net Merchandise Value	407.8	335.8	535.7	-	-	-	1,279.3
% constant currency growth rate	*(17.9)*	*(15.0)*	*(10.8)*	-	-	-	*(14.2)*
Gross Profit	104.6	88.2	163.2	356.0	41.3	(44.4)	352.9
% Margin	*41.8*	*41.5*	*43.2*	*42.3*	-	-	*42.1*
Adjusted EBITDA	(27.4)	(1.4)	(2.9)	(31.7)	(26.6)	-	(58.3)
% Margin	*(11.0)*	*(0.7)*	*(0.8)*	*(3.8)*	-	-	*(6.9)*

Cash Flows

The liquidity and cash position of the Group is presented in the following summary consolidated statement of cash flows. Note, in the IFRS Group Consolidated Financial Statements, cash flows are presented including those of continuing and discontinued operations (discontinued operations being the Argentina business) for all periods presented.

	For the Year Ended 31 December	
	2024	2023
Net cash generated from / (used in) operating activities	(15.0)	(47.5)
Net cash generated from investing activities	130.1	48.9
Net cash (used in) / generated from financing activities	(130.6)	(99.5)
Change in cash and cash equivalents	**(15.5)**	**(98.1)**
Exchange-rate related changes in cash and cash equivalents	0.2	0.5
Cash and cash equivalents at the beginning of the year	225.9	323.5
Cash and cash equivalents at the end of the year	**210.6**	**225.9**

In 2024, GFG generated negative cash flows from operating activities of €15.0 million (2023: loss of €47.5 million), an improvement year on year of €32.5 million, generated by improved profitability and working capital cash flows.

Cash outflows from investing activities includes additions to property, plant and equipment of €3.9 million (2023: €4.6 million), of which €3.3 million related to investment in our warehouses and fulfilment centres. Additions to intangible assets were €25.7 million (2023: €24.3 million). These investments primarily relate to Internally developed intangible assets of €21.6 million (2023: €21.2 million) and were capitalised in accordance with the recognition criteria of IAS 38, Intangible Assets. In 2024 we generated positive cash flows from investing activities due to the redemption of €161.9 million from investment funds (2023: €75.0 million).

Net cash from financing activities includes repayment of borrowings of €74.5 million (2023: €48.5 million), proceeds from borrowings of €66.2 million (2023: €44.0 million) and the partial repurchase of the convertible bond of €104.3 million (2023: €74.7 million), along with the ongoing bond coupon payments paid biannually at 1.25%. Also included are principal IFRS 16 lease payments of €16.5 million (2023: €17.4 million). The closing pro-forma cash position at the end of 2024 was €222.4 million (2023: €396.5 million), including €nil million held in highly liquid investment funds (2023: €161.1 million) and €11.8 million (2023: €9.5 million) of restricted cash related to the Group's debt facilities.

Financial Position

Assets

	For the Year Ended 31 December		
In €m	2024	2023	Change (%)
Non-current assets	237.8	284.2	
Current assets	399.7	577.8	
Total assets	**637.5**	**862.0**	**(26.0)**

Equity and Liabilities

	For the Year Ended 31 December		
In €m	2024	2023	Change (%)
Equity	211.2	295.7	
Non-current liabilities	122.4	249.5	
Current liabilities	303.9	316.8	
Total equity and liabilities	**637.5**	**862.0**	**(26.0)**

Total assets of the Group decreased by €224.5 million when compared with 31 December 2023, mainly as a result of the decrease in investments funds and cash and cash equivalents, driven by the partial repurchase of €123.6 million of Convertible Bonds.

The net book value of right-of-use assets as at 31 December 2024 was €36.8 million (2023: €51.5 million). Total lease liabilities of €48.1 million (2023: €61.7 million), net of lease repayments and interest, are split between non-current and current lease liabilities on the consolidated statement of financial position.

In 2024, Capex additions were €30.2 million (2023: €28.5 million) and primarily related to the Group's investment in internally developed technology. The net book value of Goodwill in ANZ decreased by €1.8 million to €54.3 million (2023: €56.1 million) as a result of negative translation adjustments.

Inventories decreased by €14.1 million to €96.4 million (2023: €110.5 million), as a result of the Group's controlled intake and focused management of aged inventory. Other current financial assets include €nil million (2023: €161.1 million) in relation to highly liquid investment funds.

Pro-forma cash decreased from €396.5 million to €222.4 million, driven by the partial repurchase of €104.3 million (net of discounts) of Convertible Bonds, Adjusted EBITDA losses and investment in Capex. Included within the year end pro-forma cash balance is €11.8 million (2023: €9.5 million) of restricted cash related to the Group's debt facilities.

Equity decreased by €84.5 million, primarily as a result of losses incurred for 2024.

Non-current liabilities decreased to €122.4 million (2023: €249.5 million), €48.6 million (2023: €160.3 million) representing the non-current portion of the convertible bond liability, discounted to present value. The decrease reflects the partial repurchase during the year.

At 31 December 2024, current liabilities were €303.9 million (2023: €316.8 million), as an increase in trade payables and other financial liabilities of €12.3 million was offset by decreases in provisions and income tax liabilities of €5.1 million and €5.6 million respectively.

2.2.4 REVIEW OF PARENT FINANCIAL STATEMENTS

Section 5 presents the results of the parent Company, Global Fashion Group S.A, for the year ended 31 December 2024, including the result of its branch, GFG Denmark which was wound down during the year. The most significant event in the period was the impairment of investment in the Shares in affiliated undertakings of €114.5 million driven by the reduction in net assets of the subsidiaries. In addition, the partial repurchase of the Convertible Bond reduced the Debenture loan by €120.8 million. All other transactions were part of the ordinary course of business with its affiliates.

2.2.5 OVERALL ASSESSMENT OF THE ECONOMIC POSITION BY THE MANAGEMENT BOARD

Despite continued topline headwinds, the Management Board is pleased with the strategic initiatives executed in 2024, which have driven significant improvements in profitability and cash flow for the full-year. While the challenging macroeconomic and competitive circumstances limited our ability to grow, we still met our upgraded guidance expectations as announced in October 2024. Additionally, we strengthened our balance sheet by securing sizeable convertible bond buybacks at discounted prices in line with our ongoing liability management strategy. Overall, as market demand conditions gradually recover, we have set a solid foundation for sustainable expansion.

2.3 REPORT ON POST BALANCE SHEET EVENTS

On 3 February 2024, Gunjan Soni stepped down from her position on the Management Board. Helen Hickman, Group CFO was appointment onto the Management Board on the same day.

On 12 February 2025, GFG announced it would close operations in Chile. Dafiti Chile faced a challenging operating and competitive environment since the peak of the pandemic. The Chile business will be treated as a discontinued operation from the point at which operations cease, in line with IFRS 5 presentation requirements.

2.4 REPORT ON RISKS AND OPPORTUNITIES

GFG is committed to a proactive risk management approach, anticipating future challenges and building resilience to maintain our competitive edge. The Management Board of GFG is responsible for setting the Group's risk management strategy relying on the Global and Regional Governance including Risk and Compliance (GRC) Committees and to implement and operate effective risk management processes, according to the Group Risk Policy and ERM Framework.

1. GFG operates a risk management approach anchored to the ISO 31000 standard. Through this approach risks are identified, analysed, evaluated and controlled in accordance with the Group's risk appetite and objectives.
2. Our risk management process not only addresses potential threats but also identifies opportunities that align with our business objectives. By capturing our complete risk universe with the various risk levels, we ensure that each risk is categorised and managed effectively with the appropriate resource support and executive level ownership.

3. GFG has implemented a range of controls over financial reporting which are reviewed through an annual programme of self-assessment, with further independent validation conducted by the Internal Audit team.

GFG acknowledges that risks are an ordinary and inherent part of conducting business and the realisation of shareholder value. GFG seeks to identify, understand and proactively manage risks in order to realise its business objectives and minimise uncertainty associated with those objectives. Risk management is an integral part of GFG's approach to good corporate governance and business practice.

GFG remains committed to maturing its risk management approach through periodic reviews of our Risk Management strategy, and ensures that the strategy remains fit for purpose, supporting the Management Board on risk oversight for strategic decision making and resources allocation. In FY2024, the risk management process was strengthened by the introduction of an enhanced risk assessment approach and a structured emerging risk management and reporting framework. Both initiatives foster multi-lateral risk discussions with a wider group of leaders within both Group and regional businesses. This drives a positive result in the awareness and risk management culture.

2.4.1 RISK MANAGEMENT

GFG Risk Management Methodology

GFG adopts the ISO 31000:2018 methodology for Enterprise Risk Management. This risk management system can be broadly characterised into three parts:

1. Principles of Risk Management;
2. Risk Management Framework; and
3. Risk Management Process.

1. Principles of Risk Management

The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of our objectives. This is the benchmark for risk management that GFG has set for itself and continuously refers back to during the risk management process.

GFG's risk management principles align with this benchmark and provide guidance on the characteristics of effective and efficient risk management, communicating its value and explaining its intention and purpose across the Group. At their essence the principles allow GFG to manage the effect of uncertainty on its objectives.

2. Risk Management Framework

The purpose of the framework is to assist GFG in integrating risk management into its significant activities and functions. The components of the framework and the way in which they interact are customised to the needs of the Group and driven through strong leadership and commitment across all levels of our operations. This includes a dedication to supporting all components of the framework through the provision of adequate capability and resources.

The framework emphasises that risk management is a core responsibility and articulates a 'PDCA' risk management cycle:

- P – Plan (Design)
- D – Do (Implement)
- C – Check (Evaluate)
- A – Act (Improve / Integrate)

This establishes a simple but effective cycle for risk management that emphasises the need for continuous adaptation and improvement.

3. Risk Management Process

The risk management process involves the systematic application of the risk management approach i.e. identifying, analysing, evaluating, treating, monitoring and reporting on risk. This process is completed on an annual cycle.

Risk Identification

GFG considers a range of factors to identify risks that may affect one or more objectives, including, but not limited to, threats and opportunities, changes in internal or external context, indicators of emerging risks, limitations and biases.

GFG holistically considers the cause, risk and consequence in order to form a complete understanding of the nature of a risk before factoring in any control measures that may already be in place to mitigate the risk. In this way the identification phase provides a full and current view on each and every risk.

Risk Analysis

Once identified, risks are then analysed to provide a meaningful assessment of the nature and characteristics of the risks, including an analysis of the likelihood and severity of the risk. This analysis is then plotted against a Group-wide matrix to track our most salient risks.

Risk Evaluation

Following analysis, risks are then evaluated to determine what additional actions should be taken (if any) to mitigate the risk and to formulate a risk treatment plan.

Risk Treatment

Risk treatment follows an iterative process including:

- Selecting adequate risk treatment options
- Implementing risk treatment
- Assessing the effectiveness of risk treatment
- Adjusting risk treatment, as required

Selecting the most appropriate risk treatment option(s) is achieved by balancing the benefit of the treatment against the cost and effort of implementation, also taking into consideration the Group's objectives and underlying risk appetite.

Risk Monitoring & Reporting

The risk management process is underpinned by monitoring and reporting, which ensures adequate oversight, transparency and the provision of the best available information upon which to base management decisions.

It is for these reasons that GFG is committed to monitoring and recording its risk management activities at every level of the Group.

GFG maintains risk management oversight by recording, tracking and reviewing all risks, risk sponsors, risk owners and risk treatments, and treatment owners on a regular basis. This ensures accountability, transparency, measurement, and review of progress against risk treatment plans.

The Group adopts a governance, risk and compliance (GRC) committee structure both regionally and globally, which oversees the risk management process and its outputs, including ensuring transparent reporting upstream and downstream. These committees meet quarterly at a minimum, are chaired by the relevant senior executive, and assume responsibility for delivering on the risk treatment plans.

This structure is further supported by the Group's Internal Audit function, which provides independent, objective assurance over the risk management process. This additional layer of control ensures GFG is engaged in a cycle of continuous improvement and alleviates biases and subjectivities from its risk management practices.

The output of the annual risk assessment is also presented and approved by the GFG Management Board and by the GFG Audit Committee (a committee of the Supervisory Board), thereby ensuring both executive and board oversight to support delivery against the risk assessments and treatment plans.

2.4.2 RISKS REPORT

GFG is committed to the management of material risks. This section outlines the principal uncertainties identified through the risk review process in 2024. These are not set out in any particular order and GFG recognises that risks can and will evolve over time.

Strategic and External Risks

Country Risk: Geopolitical & Macroeconomic

The Group's businesses are concentrated across several emerging markets that GFG considers as having great potential for growth in fashion ecommerce. With this comes exposure to a certain degree of country risk, as each territory has its own unique geo-political, socio-economic, and legislative / regulatory environment. 2024 in particular saw a high number of global elections which may further impact our cross-border trade and ways of working.

Key mitigating activities / initiatives

- Continuous monitoring of the geo-political, socio-economic, and regulatory regimes within each territory
- Proactive engagement with thought leaders, industry peers, legal and regulatory authorities and other relevant bodies
- Remaining abreast of and having a voice in material developments impacting in country operations
- Prudent assessment of supply chain stability and overdependence

Competition

The fashion ecommerce industry is characterised by intense competition, and GFG's regions face increasing competitive pressure from local and established global online players, new entrants and traditional stores growing in the online space. This is further exacerbated by inflationary pressures driving increased price competition.

Key mitigating activities / initiatives

- Continuous assessment and evaluation of the competitive environment, remaining abreast of new market entrants, competitor performance and aspirations
- Continued focus on protecting the current position and unique selling points of the regional businesses
- Pooling of experience and sharing of best practice across the Group, leveraging operational efficiencies
- Growth of the GFG Marketplace and Platform Services offerings
- Building and developing strong long-term relationships with key brands and partners to unlock strong commercial exchange

People Risks

Talent Retention

The Group's risk to retaining talent is an ongoing concern as the business continues to focus on managing a lean organisational structure and teams. This is most prevalent in the retention of key skills and critical leadership roles. As an innovative and evolving organisation operating in diverse and competitive markets, GFG's success heavily relies on the knowledge, skills and experience of its people. The potential loss of high-performing, specialist technical expertise and experienced leaders could negatively impact the Group's performance and strategic objectives.

Key mitigating activities / initiatives

- Enhance our established talent management programmes focused on identifying, nurturing and retaining high-potential employees through targeted development and career progression
- Enhance employee engagement by regularly assessing employee engagement levels and address any concerns to foster a positive and motivating work environment
- Effective Reward strategy - ensure compensation packages for top talent aligned to performance and contribution levels
- Invest in leadership development initiatives to nurture current talent and build a strong pipeline of future leaders that ensure succession and continuity of critical roles
- Promote a culture of recognition and appreciation

Operational Risks

Major Disruption to Critical Infrastructure

Risk of interruption to one or more business processes due to disruption to a fulfilment centre as well as critical technology services remains a possibility across the Group. Dependence on a single fulfilment centre in some regions creates a significant risk to disturb operation in the event of a catastrophic loss. There is further risk of failure of critical technology infrastructure underpinned by technical and system platforms that may impact the Group's operational performance.

Key mitigating activities / initiatives

- Cloud infrastructure to minimise risk and impact of outages
- Tech infrastructure built with high resilience, availability and monitoring over reliance over current and new suppliers.
- Business continuity and crisis management plans, as part of a wider Business Continuity Management System, stress and scenario testing and periodic review of exposures and controls at critical physical sites
- Risk transfer via insurance programmes
- Prudent on-site risk management inc. fire suppression, human elements, site surveillance and hazard management

Cyber and Information Security

Cyber and information security risk continues to be a pervasive risk across GFG that can result in inappropriate disclosure, unauthorised access and loss of information. The Group relies on its systems and platforms to guard various sensitive data and to better understand and serve its customers, vendors and employees. In 2024, we continue to experience an increase in cyber security attack attempts in both number and sophistication. GFG develops its proactive and reactive controls to reflect its continuous improvement approach to managing cyber risks.

Key mitigating activities / initiatives

- GFG's operating regions run systems and applications on physically segmented infrastructure with role-based access control and region-level isolation, providing natural risk isolation should there be a breach in one system
- Information Security and Data Governance framework, policy and oversight that are in line with NIST best practices in managing cyber security risks
- Continual improvement with respect to security capabilities, practices and policies including ongoing programmes that deliver cyber awareness campaigns
- Periodic penetration testing to identify strengths and weaknesses
- Cyber self-assessment and objective validation

Climate Risk

GFG continued to assess its climate risk related impact on the business and the associated advancement of climate change and regulation. This was represented through physical and transition risk impact analysis over the short, medium and long term. The physical risk related to increasing impact of climate volatility and rising frequency and severity of extreme weather events which may pose a risk to our suppliers' ability to operate, our brand partners to obtain materials for their products and therefore may have an impact on business continuity. Specific physical risks that have been identified for GFG included extreme heat, flooding, wind and cyclones as well as landslides and water scarcity.

Transition risk associated with the move toward a lower carbon economy, may impact GFG's cost of regulatory compliance, accessibility to the materials used to manufacture our products or other resources needed to operate our business. Specific transition risks identified included carbon pricing, increased regulation in the marine and aviation industry to lower Greenhouse Gases, the customers ongoing demand for sustainable products and changes within the regulatory landscape of areas such as emissions, energy, circular production and product waste

In the medium and long term, the broader impacts of climate change and the transition required to operate a climate sensitive business and meet emerging reporting requirements must be considered.

Key mitigating activities / initiatives

- Ongoing Group-wide Sustainability Governance including strategy and standards monitoring overseen by the Sustainability Committee of the GFG Supervisory board.
- Continue integration of climate risk assessment activities as part of the Group's ERM framework whilst monitoring physical and transition risks.
- Enhance the Group's climate action by adopting third party verified Science Based Targets, driven by scientifically backed data, consistent and transparent reporting, to support our strategic transition and adaptation efforts.

- Implement targets and programmes that increase the use of lower carbon transportation, lower impact material in own and third-party brands, promote 'sustainable product' sales and circular solutions as well as increase the use of renewable energy and energy efficient resources across our operations and supply chain. Social Sustainability and Human Rights Risks in Our Business and Value Chain

GFG works with third party brands and develops and manufactures its own brands with various suppliers in a number of emerging markets. For GFG's own brand there is a risk that social and environmental conditions in the factories, mills or farms in our supply chain do not align with GFG's ethical trade standards. Specific risks include modern slavery, forced or child labour, health and safety standards enforced, fair wage concerns as well as inappropriate subcontracting preventing traceability.

Third-party brands carried on GFG's platforms may have similar risks present in their supply chain, however GFG has much lower visibility of these supply chains and therefore control over the standards in place.

Across both own and third-party brands, despite the presence of relevant verification processes, there is increasing legislative and reputational risk across all markets associated with the making of sustainability claims at the point of sale.

In some markets, a proportion of our workforce is sourced and services delivered via third-party labour service providers. As the third-party retains direct responsibility for ongoing management of the terms and conditions of employment, there is a risk that these agencies do not meet GFG Group standards in terms of the treatment of workers as well as non-payment of wages and benefits, retention of passports, payment of recruitment fees and poor accommodation standards.

<u>Key mitigating activities / initiatives</u>

- Comprehensive GFG Corporate Sustainability strategy, governance and standards endorsed by the GFG Supervisory Board Sustainability Committee that involve monitoring of environmental and social factors including human rights and fair and ethical trading.
- Rigorous ethical trade standards in place for the own brand supply chain, including standards review and auditing of factories before order placement.
- Programmes which facilitate workers in our own brand supply chain raising grievances both within their place of employment and via independent mechanisms and remediation of issues identified.
- ESG risk assessment of brands before onboarding and assessments of third-party brand performance against GFG's Human Rights Standards.
- Risk assessment framework for labour service providers and auditing of those determined high risk, adoption of improvement plans or termination where applicable.
- The full details of or mitigating actions are captured in the People & Planet Positive Report released on 5 March 2025.

Financial Risks

Budget & Planning

The fashion ecommerce business in the developing markets in which GFG operates is highly volatile and subject to influence by a variety of variables and external factors. As such, business performance can be challenging to anticipate and accurately budget for. GFG recognises that a budget and forecast must continually evolve with the business.

<u>Key mitigating activities / initiatives</u>

- Strong budgeting disciplines and continuous process improvement.
- Robust control framework and recourse mechanisms.
- Focus on monitoring of key budget inputs and establishing output KPIs coupled with periodic review of performance.

Funding & Liquidity

The Group is in a loss-making position and as such has had to inject capital at regular intervals into the regional businesses. The Group successfully raised €375 million in 2021 in additional capital through the issuance of Convertible Bonds due 2028 and €120 million in November 2020 through a share placement. The Group continues to work towards becoming cash flow neutral.

<u>Key mitigating activities / initiatives</u>

- Close monitoring of the utilisation of cash and cash forecasts as part of the financial management reporting process.
- Liability management through convertible bond buy-backs.
- Execute local working capital facilities to manage local cash and forex.
- Focus on strong cost controls, to improve operating cash position.

Compliance and Regulatory Risks

Compliance with Laws, Regulations and Standards

GFG operates across 11 countries, each with a unique regulatory and legislative regime with varying levels of maturity, creating an inherent regulatory risk.

Key mitigating activities / initiatives

- Investment in legal and compliance capability in each region, with monitoring via the Group General Counsel, Regional and Group GRC Committees, as well as the Internal Audit Function.
- Periodic in-depth review of material compliance obligations.
- Continuous monitoring and review of changes to the regulatory environment GFG operates in, and assessment of the impact on the Group's operations.

2.4.3 OPPORTUNITIES REPORT

While GFG faces several risks, there are also certain opportunities for the Group. The primary opportunities include the following:

Macroeconomic Developments: Growth opportunities in GFG's markets will be driven by several macroeconomic, demographic and operational tailwinds that will increase customer's online purchasing for fashion and lifestyle, including urbanisation, increasing customer engagement with mobile and other digital devices, and improved last-mile delivery capabilities. These tailwinds increase both the demand for fashion and lifestyle products and grow the share of ecommerce within this sector. As a pure play ecommerce business, GFG is well positioned to benefit from this pattern of activity.

Category and Segment Expansion: Significant scope exists for GFG to continue rolling out all fashion and lifestyle categories across its regions and grow its market share. Adding new and exclusive brands and products and further developing our assortment width and depth also creates differentiation and is expected to increase engagement as GFG solidifies itself as a one-stop destination for fashion and lifestyle. Additionally, GFG has the opportunity to expand its coverage across price levels and other market-specific areas. The Group is uniquely positioned to transition and grow its Platform Services offerings that will ultimately result in improving brand assortment, customer assortment and inventory efficiencies.

Any changes in customer purchasing behaviour in light of shifting priorities and necessities, have been internalised to ensure categories remain relevant and reflect emerging customer wants and needs.

Technology: Further innovation in technology will enable GFG to create an even more engaging shopping experience. A number of AI enabled use cases are used in our systems and platforms that will improve financial performance and customer retention as well as lead to employee efficiencies and more sustainable growth. Data analytics will continue to be used to create an assortment catalogue that is increasingly curated and personalised for each customer. A localised approach to front-end technology, which allows us to be closer to the customer, creates an effective environment for innovation to be developed locally and then shared across the Group, once proven and successful. There are also opportunities for GFG to further centralise certain tools or platforms, thereby simplifying the IT landscape and reducing maintenance and costs, although over dependence is acknowledged as an associated risk.

Climate: GFG recognises an opportunity to continue to differentiate itself as a leader in sustainability and climate responsibility. Its commitment in this space and as articulated in the People & Planet Positive Report is supported by our continued work to increase transparency on GHG emissions along the value chain, work with our partners on increasing the share of our assortment which includes sustainable materials and the interest in circular principles. Such interest could mean that GFG's focus on procuring circular raw materials, finished products and packaging material could reap benefits from an increase in market share and revenue.

2.5 REPORT ON EXPECTED DEVELOPMENTS AND OUTLOOK

Throughout 2024, GFG delivered consistent quarterly improvements in NMV performance, Gross Margin and Adjusted EBITDA margin. These gains, combined with our efforts to increase customer relevance, have positioned us well for this year. In 2025, we anticipate a gradual recovery in consumer demand across our markets, similar to the positive trend observed toward the end of 2024.

Luxembourg, 4 March 2025

On behalf of the Supervisory Board of GFG,
Cynthia Gordon

3. CORPORATE GOVERNANCE REPORT

Both the Management Board and Supervisory Board are committed to upholding the principles of good corporate governance, in accordance with the recommendations of the Federal German Government Commission on the German Corporate Governance Code, of 28 April 2022, which GFG has voluntarily decided to comply with.

In August 2024, the Supervisory Board and Management Board approved its declaration of compliance for GFG. The few deviations from the German Corporate Governance Code are described in the declaration. This is published within the Investor Relations – Corporate Governance section on our website.

3.1 DECLARATION OF COMPLIANCE

In this statement, GFG reports in accordance with Article 68 of the Luxembourg Law of 19 December 2002 on the business and companies' register as well as the companies' accounting and annual accounts (the "2002 Law").

The Company is a Luxembourg société anonyme (S.A.), which is listed solely on the Frankfurt Stock Exchange in Germany. The Company is not subject to the "Ten Principles of Corporate Governance" applicable to companies listed in Luxembourg. In addition, as a company incorporated and existing under the laws of Luxembourg, the Company is not required to comply with the respective German Corporate Governance Code applicable to German stock corporations. However, as the Company's shares are listed on the Frankfurt Stock Exchange, the Management Board and Supervisory Board have decided to follow, on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and Global Fashion Group's corporate structure, the recommendations of the German Corporate Governance Code regarding the principles of good corporate governance.

Compliance with the German Corporate Governance Code

The Management Board and the Supervisory Board diligently addressed compliance with the guidance of the German Corporate Governance Code dated 28 April 2022 in financial year 2024 and decided to issue a statement to a certain extent comparable to that required for stock corporations organised in Germany pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) and commented on the limited number of exceptions. The joint declaration of conformity is published on the Company's website, as follows:

Declaration of Compliance with the German Corporate Governance Code

Global Fashion Group S.A. ("GFG" or the "Company") is a Luxembourg société anonyme (S.A.), which is listed solely on the Frankfurt Stock Exchange in Germany. GFG is not subject to the "Ten Principles of Corporate Governance" applicable to companies listed in Luxembourg. Furthermore, as a company incorporated and existing under the laws of Luxembourg, GFG is not required to report on compliance with the German Corporate Governance Code (the "Code") applicable to listed German stock corporations.

Nevertheless, as GFG regards the Code to be an important foundation for responsible corporate governance, the Management Board and Supervisory Board of GFG have decided to follow on a voluntary basis and to the extent consistent with applicable Luxembourg corporate law and GFG's corporate structure, the recommendations of the Code regarding the principles of good corporate governance.

The Management Board and Supervisory Board of the Company declare that GFG has decided to comply with the recommendations of the Code in its version dated 28 April 2022, published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022, with the following deviations since their announcement and will continue to comply with them to the same extent in the future:

Recommendation C.5 of the Code: One of the members of the Management Board is also the chairman of the Supervisory Board of a non-group listed company. The appointment to both the Management Board of GFG and the non-group listed company Supervisory Board Chairmanship were made before the Code that introduced this recommendation came into effect. The appointment as both a member of the Management Board and chairman of a non-group listed company's supervisory board has not given rise to any conflicts or work management issues to date. The Supervisory Board of GFG considers the case-by-case assessment of the compatibility of both roles to be more appropriate.

Recommendation F.2 of the Code: In order to ensure high-quality financial reporting, the recommended publication periods may not in all cases be complied with. However, we are constantly seeking to improve our reporting system and intend to comply with the reporting periods of the Code in the near future.

Recommendation G.1 bullet point 1 and 3 of the Code: While annual bonuses and the size of grants under the 2019 and 2021 LTIP are capped at certain percentages of base salary, there is no cap with regard to the Company's share price once restricted stock units ("RSUs") or performance stock units ("PSUs"), share options or performance options are vested and delivered. In the opinion of the Supervisory Board, such a cap would not be appropriate as it would interrupt the intended alignment of interests between the shareholders and the Management Board members. The Supervisory Board believes that the Management Board members should, in this regard, participate in any increase in the value of the Company to the same extent as any other shareholder would participate.

The Supervisory Board has not set a maximum total remuneration for the variable compensation. Certain components of the Management Board variable compensation are linked to continuous employment with no financial and non-financial performance criteria attached to it.

Recommendation G.3 of the Code: The Supervisory Board uses an appropriate peer group of other relevant entities to compare the remuneration of the Management Board, however such peer group has not been disclosed as representatives of the common market in which GFG operates evolve at a fast pace and as such, the peer group is periodically reviewed and updated by the Supervisory Board to avoid an automatic upward trend. Consequently, at present the Supervisory Board does not intend to disclose the peer group.

Recommendation G.4 of the Code: The diversified footprint where GFG operates, combined with the large number of employees and its localised market approach to defining remuneration, makes it difficult for GFG to establish an average remuneration for GFG for the purposes of comparing the remuneration of the Management Board. GFG targets to provide remuneration packages that are both competitive externally and proportionate internally.

Recommendation G.7. of the Code: Certain components of the Management Board variable compensation granted as a one-off grant, are linked to continuous employment with no financial and non-financial performance criteria attached to it.

Recommendation G.8 of the Code: GFG Remuneration Policy 2023 contains a special derogation procedure by which the Supervisory Board can in exceptional circumstances, as defined in the policy, subsequently change the performance targets of the Management Board. Such derogation requires a resolution of the Supervisory Board. The Supervisory Board has not used this special derogation procedure in deviation to recommendation G.8 to date.

Recommendation G.11 of the Code: The Supervisory Board can retain a payment under the short-term incentive plan but there is no ability to reclaim any amounts paid since applicable laws regulating the employment agreements of the Management Board members prevent reclaiming earnings already paid.

Recommendation G.12 of the Code: The 2019 LTIP and 2021 LTIP give the Supervisory Board the discretion to accelerate vesting and/or the holding period of a portion of granted RSUs, PSUs, share options or performance options in case of early termination without cause or a change of control, redundancy, retirement, death, illness and other similar circumstances. The Supervisory Board believes this to be an adequate element of the Management Board members' variable compensation.

Recommendation G.13 of the Code: The employment contracts of the Management Board provide for (i) payment in lieu of notice (at the discretion of the Supervisory Board); (ii) payment of pro rata short-term incentive bonus; and (iii) vesting of granted RSU, PSUs, share options and performance options (as applicable) that are scheduled to vest within the 12 months following the early termination by the Company in case of a good leaver event. The combined aforementioned payments are subject to the severance cap recommended by the Code, except in case of a change of control where the payment could in certain situations exceed the recommended cap mainly driven by the value of the Company's share price at the time of the early termination.

Recommendation G.14 of the Code: The employment agreements of the Management Board Members provide for a partial acceleration of 75% of unvested equity in the event of a change of control, regardless of whether such change of control would lead to an early termination of their employment agreement.

3.2 BOARD COMPOSITION & GOVERNANCE STRUCTURE

The governance structure of the Company consists of the Management Board and the Supervisory Board.

The Management Board is responsible for managing the Company, and the Supervisory Board is responsible for carrying out the permanent supervision and control of the Management Board without being authorised to interfere with such management. The Management Board is vested with the broadest powers to act in the name of the Company and to take any actions necessary or desirable to fulfil the Company's corporate purpose with the exception of certain matters set out in the Articles of Association and the Management Board Rules of Procedure which require approval of the Supervisory Board or the Company's shareholders.

The Management Board and Supervisory Board cooperate closely for the benefit of the Company. The Chairperson of the Supervisory Board has regular contact with the Management Board and advises it on strategy, planning and business development and the Management Board informs the Chairperson of the Supervisory Board without delay of matters of fundamental importance for the Company.

The corporate governance rules of the Company that govern the Management Board and Supervisory Board are based on applicable Luxembourg laws, the Articles of Association and its internal regulations, in particular the Management Board Rules of Procedure, the Supervisory Board Rules of Procedure and the German Corporate Governance Code 2022.

The Company's Code of Business Conduct and Ethics applies to all employees, directors and officers worldwide and contains the ethical and legal standards with which employees, directors and officers must adhere. Under the Code of Business Conduct and Ethics, employees, directors and officers are required to comply with all laws and policies including but not limited to, the Anti-Bribery and Anti-Corruption Policy, the Gifts and Hospitality Policy, the Sanctions Policy, the Conflict of Interest Policy, and the Insider Trading Compliance Policy. The details are set out in internal policies and guidelines.

Working Practices of the Management Board

The Management Board is responsible for managing the Company in accordance with applicable laws, the Articles of Association and the Management Board's Rules of Procedure. It has a duty to act in the best interests of the Company and to enhance its long-term enterprise value. The Management Board develops the Company's strategy, then discusses and agrees the strategy with the Supervisory Board and ensures its implementation. It is also responsible for appropriate risk management and control. The Management Board must inform the Supervisory Board in a timely and comprehensive manner of all matters relevant to the Company, and must inform the Chairman of the Supervisory Board without undue delay of any important events or business matters that may have a significant impact on the situation of the Company. The age limit for members of the Management Board is set at 69 years in the Rules of Procedure of the Management Board.

The Management Board performs its management function as a collective body and takes joint responsibility for the overall management of the Company irrespective of the split of business areas. Its members work collaboratively and inform each other regularly about any significant measures and events within their areas of responsibility. The Management Board meets at least once per calendar quarter, and additional meetings are convened as required.

Notwithstanding their collective responsibility for the management Company, the members of the Management Board take responsibility for the areas assigned to them individually within the framework of the Management Board's resolutions. The allocation of responsibilities among the members of the Management Board is defined in the Management Board Rules of Procedure and for financial year 2024 the members of the Management Board took responsibility for the following areas:

GFG Management Board

Christoph Barchewitz, CEO	Gunjan Soni, COO
• LATAM (Dafiti) • ANZ (The Iconic) • International Brand Partnerships • Legal & Governance, Risk & Compliance • Communications • People & Culture • Accounting • Financial Reporting & FP&A • Treasury • Tax • Internal Audit • Investor Relations	• SEA (Zalora) • Product & Engineering • Data • Cyber Security • Sustainability

Composition of the Management Board

According to the Articles of Association, the Management Board shall be composed of at least two (2) members. The Supervisory Board determines the number of Management Board members and appoints the members of the Management Board for a maximum term of office of three (3) years. During 2024, the Management Board consisted of the Group CEO, Christoph Barchewitz, and the Group COO, Gunjan Soni. However, on 3 February 2025, Gunjan Soni resigned from the Management Board and Helen Hickman, Group CFO, was appointed. The Management Board does not currently have a chairman as the Management Board members rotate the role of Chairman.

The Supervisory Board acknowledges and appreciates the importance of diversity. A diverse composition of management and supervisory bodies can promote new perspectives in decision-making processes and discussions and help to further improve performance. In August 2022, the Supervisory Board formalised the previously disclosed diversity targets by the adoption of a Diversity Policy which confirms the Group's approach to diversity within the composition of the Management Board and the Supervisory Board. The Diversity Policy is published on our website.

The Supervisory Board's target for at least one female representative to be appointed to the Management Board by 1 January 2025 has been achieved earlier by the appointment of Gunjan Soni on 1 March 2023, who was subsequently replaced by Helen Hickman on 3 February 2025.

The Supervisory Board and Management Board considers that the executive management team and employee base globally is highly diverse. The Management Board also defined a diversity target of maintaining a 50/50 gender balance on the GFG Executive team until 1 January 2025. During the financial year 2024, the Supervisory Board worked on a succession plan for the members of the Management Board. The Supervisory Board and Management Board will work together on keeping the succession plan up to date.

Working Practices of the Supervisory Board

The Supervisory Board advises and supervises the Management Board in its management of the Company. It is responsible for the permanent supervision and control of the Management Board. It works closely with the Management Board for the benefit of the Company and is involved in all decisions of fundamental importance to the Company.

The rights and duties of the Supervisory Board are governed by legal requirements, the Articles of Association, the Supervisory Board Rules of Procedure and the Management Board Rules of Procedure. The Supervisory Board appoints and removes the members of the Management Board and is responsible for ensuring that long-term succession planning is undertaken.

The work of the Supervisory Board takes place in meetings as well as separate committee meetings whose Chairs provide the entire Supervisory Board with regular updates on the committee's activities. Pursuant to the Supervisory Board Rules of Procedure, the Supervisory Board shall hold at least one meeting in each calendar quarter and additional meetings should be convened as necessary.

Composition of the Supervisory Board

The Supervisory Board must consist of at least three (3) members in accordance with the Articles of Association. The members of the Supervisory Board are appointed and removed at the general meeting of shareholders which determine the term and compensation. Members of the Supervisory Board can only be appointed for a term that does not exceed five years but can be reappointed for successive terms.

The Supervisory Board Rules of Procedure sets targets for its composition and sets out the skills profile that is required for the members of the Supervisory Board. According to this profile, members of the Supervisory Board shall be diverse and have the necessary knowledge, abilities and expert experience to fulfil their duties properly, and the members must be familiar with the sector in which the Company operates. At least one (1) member of the Supervisory Board must have knowledge in the field of accounting and auditing. The Supervisory Board's skills and experience profile includes expertise regarding sustainability issues relevant to the Company. The competence profile of the Supervisory Board has been published in the Corporate Governance section of the Company's website.

Each member shall ensure that they have enough time to perform their mandate. At least three (3) members of the Supervisory Board must have reasonable international experience. In addition, the Supervisory Board has defined a diversity target of about 50% female representation on the Supervisory Board until 1 January 2025 in the updated Diversity Policy adopted by the Supervisory Board on 17 August 2022.

At least three (3) members must not have a board position, consulting or representation duties with main suppliers, lenders or other business partners of the Company, and Supervisory Board members shall not exercise directorships or similar positions or advisory tasks for material competitors of the Company. In addition, no fewer than two (2) members shall be independent, and no more than two (2) former members of the Management Board shall be members of the Supervisory Board. The age limit for members of the Supervisory Board is set as 69 years.

At the 2022 general meeting of the shareholders held on 15 June 2022, shareholders reappointed four members to the Supervisory Board for a period ending at the expiration of the general meeting of shareholders approving the 2024 financial results:

- Cynthia Gordon – Chairperson of the Supervisory Board, Chairperson of the Remuneration Committee and of the Nomination Committee and Member of the Audit Committee and Sustainability Committee;
- Georgi Ganev – Vice Chairperson of the Supervisory Board and Member of the Nomination Committee;
- Carol Shen – Member of the Supervisory Board, Chairperson the Sustainability Committee and Member of the Nomination Committee; and
- Laura Weil – Member of the Supervisory Board, Chairperson of the Audit Committee and Member of the Remuneration Committee.

At the 2023 general meeting of shareholders, held on 14 June 2023, shareholders ratified the appointment of John Baker as member of the Supervisory Board for a period ending at the expiration of the general meeting of shareholders approving the 2024 financial results. John Baker had been provisionally appointed by the Supervisory Board after the resignation of Victor Herrero as Supervisory Board member, effective 1 January 2023. John Baker's appointment was subject to ratification of his appointment by the general meeting of shareholders. John Baker is a member of the Supervisory Board, member of the Audit, Remuneration and Sustainability Committees.

The Chairperson of the Supervisory Board is an independent supervisory chair in line with the recommendations of the German Corporate Governance Code 2022.

During Financial Year 2024, the Supervisory Board acted (amongst other methods) through the Audit Committee, Remuneration Committee, Nomination Committee and the Sustainability Committee. The table below summarises the composition of the Supervisory Board and its Committees from 1 January to 31 December 2024:

Board Member	Supervisory Board	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
Cynthia Gordon	Chairperson	Member	Chairperson	Chairperson	Member
Georgi Ganev	Vice Chairperson			Member	
Laura Weil	Member	Chairperson	Member		
Carol Shen	Member			Member	Chairperson
John Baker	Member	Member	Member		Member

Working Practices of the Audit Committee

The Chairperson of the Audit Committee has specific knowledge and experience in applying accounting principles and internal control procedures. Another member of the Audit Committee has expertise in the field of auditing. Neither the Chairperson of the Supervisory Board nor former members of the Company's Management Board whose term ended less than two (2) years ago are eligible to be appointed as Chairperson of the Audit Committee. All members of the Audit Committee are financially literate and the chairperson has in-depth knowledge of the accounting and financial reporting principles required. All members of the Audit Committee are independent in accordance with the German Corporate Governance Code 2022.

The Audit Committee oversees the accounting and financial reporting processes of the Company and the integrity of the financial statements and publicly reported results, the adequacy and effectiveness of the risk management and internal control frameworks and the choice, effectiveness, performance and independence of the internal and external auditors.

The Audit Committee also monitors the process of preparing financial information, reviews and discusses the audited financial statements with the Management Board members and the independent auditor, and provides a recommendation to the Supervisory Board regarding whether audited financial statements should be included in the annual report. In addition, the Audit Committee reviews the half yearly and quarterly financial statements and prepares a recommendation for the appointment of the Independent Auditor to the Supervisory Board. The Audit Committee also reviews the performance of the Independent Auditor.

Working Practices of the Remuneration Committee

The Remuneration Committee assists the Supervisory Board with oversight of its responsibilities in connection with the design and administration of the remuneration system for the members of the Management Board. More specifically, the Remuneration Committee reviews and approves the Remuneration Policy and monitors its administration. In doing so, the Remuneration Committee sets the compensation of the Management Board members and the associated performance targets using peer benchmarking, corporate governance recommendations and industry best practices. All members of the Remuneration Committee are independent.

Working Practices of the Nomination Committee

The Nomination Committee assists the Supervisory Board with oversight of its responsibilities in connection with succession planning of the Supervisory Board and selection of candidates appointed to the Supervisory Board. Furthermore, the Nomination Committee assists the Supervisory Board with oversight of its responsibilities in connection with the succession planning of the Management Board. All members of the Nomination Committee are independent.

Working Practices of the Sustainability Committee

The Sustainability Committee assists the Supervisory Board with oversight of its responsibilities in connection with the Company's sustainability policies and practices. In particular, it makes recommendations to the Supervisory Board regarding the Company's policy and performance in relation to health and safety, diversity and inclusion and compliance with laws concerning environmental and social matters and reviews their implementation. In addition, the Sustainability Committee reviews and approves the Company's sustainability strategy, objectives, key results and policies and approves for submission to the Supervisory Board the Company's annual sustainability report submitted to it by the Management Board. All members of the Sustainability Committee are independent.

3.3 ANNUAL GENERAL MEETING & SHAREHOLDERS

The shareholders of the Company exercise their rights, including their right to vote, at an Annual General Meeting ("AGM"). Each share in the Company grants one vote.

The AGM is required to be held within the first six (6) months of the financial year, and the agenda along with the reports and documents required for the AGM are to be published on the Company's website (http://ir.global-fashion-group.com).

Certain matters set out in the Articles of Association require the approval of shareholders. Resolutions on matters that require shareholder approval are adopted at the AGM, including, increasing/reducing the Company's share capital or authorised capital, appointment and removal of members of the Supervisory Board and the independent auditors and resolutions on allocation of the remainder of any annual net profit.

To facilitate the personal exercise of their voting rights, GFG makes available a proxy who is bound by instructions and who may also be contacted during the AGM. The invitation to the AGM explains how instructions may be given ahead of the meeting.

3.4 TAKEOVER LAW

Composition of Subscribed Capital

As of December 31, 2024, the share capital of the Company amounts to €2,256,429.12, and is divided into 225,642,912 common shares with a nominal value of €0.01 each. The common shares are fully paid-up. The Company holds common shares in dematerialised form and all future common shares to be issued by the Company will be issued in dematerialised form.

Restrictions on Voting Rights or the Transfer of Shares

The Company's common shares in dematerialised form are freely transferable through book entry transfers in accordance with the legal requirements for dematerialised shares.

Each common share carries identical rights and obligations, save for the common shares held by the Company in treasury, from which the Company derives no rights. As of December 31, 2024, the Company held 278,773 common shares in treasury.

Equity Interests in the Company That Exceed 5% of Voting Rights[1]

On the basis of the voting rights notifications received by the Company in accordance with Article 11, Section 6 of the Luxembourg Transparency Law and Section 40, Paragraph 1 of the German Securities Trading Act (WpHG), as at 31 December 2024 we have been notified that the following direct or indirect shareholders in the capital of the Company have reached or exceeded 5% of the voting rights in the Company:

Name of Shareholder	Details	Holding Percentage	Date Threshold Was Last Crossed/ Met
Zerena GmbH	Indirectly holds 14.86% of the voting rights of the Company, through Rocket Internet SE who directly holds 14.63% and MKC Brillant Services GmbH and Bambino 53. V V GmbH who together directly hold 0.23%	14.86%	3 February 2022
Kinnevik A.B.	Indirectly holds 35.90% of the voting rights of the Company through Invik S.A. who directly holds 35.90%	35.90%	18 December 2020
Crestbridge Management Company S.A.	Indirectly holds 9.12% of the voting rights of the Company, through Rocket Internet Capital Partners SCS who directly holds 6.00% and Rocket Internet Capital Partners (Euro) SCS who directly holds approximately 3.45%.	9.12%	4 July 2019

[1] During 2022-2024, UBS Group AG notified GFG several times of changes in its indirect holding of shares and other financial instruments above and below the 5% voting rights notification threshold. For the avoidance of doubt, UBS Group AG's indirect holding of shares in the Company remained below 5% in each of the notifications received. The latest notification of voting rights was published on 14 November 2024, where UBS Group AG notified GFG of a 6.45% indirect holding of shares and other financial instruments that triggered such voting rights notification. All UBS notifications can be found within the Financial News / Voting Rights / 2022 section on GFG Website (https://ir.global-fashion-group.com/websites/globalfashion/English/1040/financial-news.html#tab-2022).

The Company was not notified of any other direct or indirect capital investments that reach or exceed 5% of the voting rights of the Company during the financial year ended 31 December 2024. Further, the distribution of voting rights included above may have changed within the reportable thresholds.

Legal Requirements and Provisions of the Articles of Association Governing the Appointment and Dismissal of Members of the Management Board, and Amendments to the Articles of Association

The Management Board must consist of at least two (2) persons in accordance with Article 13.1 of the Articles of Association. Otherwise, the Supervisory Board determines the number of Management Board members. The Supervisory Board appoints the members of the Management Board in accordance with Luxembourg Company Law and Article 15 of the Articles of Association for terms of office lasting no longer than three (3) years, although members of the Management Board may be reappointed for successive terms. The Supervisory Board is entitled to revoke the appointment of a Management Board member for cause (pursuant to Article 15.3 of the Articles of Association).

Amendments to the Articles of Association

Changes to the Articles of Association must be agreed at a general meeting of shareholders. Unless a higher majority is required by binding legal requirements or the Articles of Association, resolutions proposed at the AGM are generally passed by a simple majority of votes cast in accordance with Article 11.2 of the Articles of Association. However, according to Article 11.5 of the Articles of Association, a vote passed by a majority of at least two thirds of the votes validly cast at a general meeting at which a quorum of more than half of the Company's capital is represented is required in order to amend the Articles of Association. Abstentions and nil votes shall not be taken into account.

The Company is authorised to amend the wording of the Articles of Association after carrying out capital increases from authorised capital or after the expiry of the corresponding authorisation, option, or conversion period.

Authority of the Management Board to Issue and Buy Back Shares

Authorised Capital

As at 31 December 2024, pursuant to Article 6.1 of the Articles of the Association, the Company's authorised capital, excluding the issued share capital, is €2,137,923.39 represented by 213,792,339 common shares with a nominal value of €0.01 each. Pursuant to Article 6.2 of the Articles of Association, during a period of five (5) years from the date of any resolutions to create, renew or increase the authorised capital, the Management Board, with the consent of the Supervisory Board, is authorised to issue shares, to grant options to subscribe for shares and to issue any other instruments giving access to shares within the limits of the authorised capital to such persons and on such terms and subject to the limitations set out in the Special Report of the

Management Board of the Company with respect to the authorised share capital dated 1 May 2023 (the “Special Board Report”). The issue of such instruments will reduce the available authorised capital accordingly.

The Special Board Report also sets out circumstances in which the powers under the authorised capital could be used if convening a general shareholders’ meeting would be undesirable or not appropriate. For example, such circumstances could arise when there is a financing need or if the convening of a shareholders’ meeting would lead to an untimely announcement of a transaction, which could be disadvantageous to the Company.

As at 1 January 2024, the issued share capital of the Company amounted to €2,237,929.12, and was divided into 223,792,912 common shares with a nominal value of €0.01 each. All of the Company’s common shares are held in dematerialised form and are admitted to trading on the Frankfurt Stock Exchange.

On 12 March 2024, the Company issued 1,850,000 common shares to an employee benefit trust to satisfy the settlement of share incentives which have been granted to current and former employees of the Company and its subsidiaries.

As at 31 December 2024, the issued share capital of the Company amounts to €2,256,429.12, and is divided into 225,642,912 common shares with a nominal value of €0.01 each. All of the Company’s common shares are held in dematerialised form and are admitted to trading on the Frankfurt Stock Exchange.

Pursuant to Article 6.3 of the Articles of Association, the Company’s authorised capital may be increased or reduced by a resolution of a general meeting of shareholders adopted in the manner required for an amendment to the Articles of Association. The authorisations in Articles 6.2 and 6.3 of the Articles of Association may be renewed through a resolution of a general meeting of shareholders adopted in the manner required for an amendment of the Articles of Association and subject to the provisions of the Luxembourg Company Law, each time for a period not exceeding five years.

As at 31 December 2024, €54,700,000 of the Convertible Bonds due 2028 issued by the Company (the ‘Convertible Bonds’ or the ‘Bonds’) remain outstanding. Refer to Note 22 for detail on all Bonds repurchased to date. A portion of up to 29,761,905 common shares under the authorised share capital remains reserved for the conditional issuance of shares under the Convertible Bonds and may not be used for any other purposes.

Treasury Shares

According to Article 7.1 of the Articles of Association, the Company may, subject to compliance with the law, repurchase its own shares and hold them in treasury. As at 31 December 2024, the Company held 278,773 common shares in treasury. In line with Luxembourg Company Law, the voting rights attached to the common shares held in treasury by the Company are suspended. The Company’s Annual General Meeting 2021 authorised the Management Board to repurchase up to 20% of the total number of common shares of the Company until 25 May 2026. No use was made of this authorisation for Financial Year 2024.

Without prejudice to the principle of equal treatment of shareholders in the same situation and the provisions of the Luxembourg Market Abuse Law, pursuant to Article 430-15 of the Luxembourg Company Law, the Company may acquire its own shares either itself or through a person acting in its own name but on the Company’s behalf subject to the following statutory conditions:

- The authorisation to acquire shares is to be given by a general meeting of the shareholders, which determines the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorisation is given, which may not exceed five years, and in the case of acquisition for value, the maximum and minimum consideration;
- The acquisitions must not have the effect of reducing the net assets of the Company below the aggregate of the subscribed capital and the reserves, which may not be distributed under the law or the Articles of Association; and
- Only fully paid-up shares may be included in the transaction.

At the time each authorised acquisition is carried out, the Management Board must ensure that the statutory conditions set out above are complied with.

Where the acquisition of the Company’s own shares is necessary in order to prevent serious and imminent harm to the Company, no authorisation will be required from a general meeting of the shareholders. In such a case, the next general meeting of the shareholders must be informed by the Management Board of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

No authorisation will likewise be required from a general meeting of the shareholders in the case of shares acquired either by the Company itself or by a person acting in his/her own name but on behalf of the Company for the distribution thereof to employees. The distribution of any such shares must take place within twelve months from the date of their acquisition.

Pursuant to Article 430-16 of the Luxembourg Company Law, the acquisition of shares is also permitted in the following circumstances if such an acquisition would not have the effect of reducing the net assets of the Company below the aggregate of the subscribed capital and the Company’s non-distributable reserves:

- Shares acquired pursuant to a decision to reduce the capital or in connection with the issue of redeemable shares;

- Shares acquired as a result of a universal transfer of assets;
- Fully paid-up shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract;
- Shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in particular, in the event of a merger, the division of the Company, a change in the Company's object or form, the transfer abroad of its registered office or the introduction of restrictions on the transfer of shares;
- Shares acquired from a shareholder in the event of failure to pay them up; and
- Fully paid-up shares acquired pursuant to an allotment by court order for the payment of a debt owed to the Company by the owner of the shares.

Generally, such acquired shares must be disposed of within a maximum period of three years after their acquisition or they must be cancelled. There are some statutory exceptions to this.

Material Agreements Entered Into by the Company Providing for a Change of Control Upon a Takeover Bid

The Convertible Bond is subject to the condition of a change of control. In the event of a change of control, each bondholder is entitled to convert their bonds at a preferential conversion price on the control acquisition date.

Compensation Arrangements Agreed by the Company with the Members of the Management Board or Employees in the Event of a Takeover Bid

In the event of a change of control, certain unvested awards granted to the Management Board under the 2019 LTIP and 2021 LTIP will vest at the time of the change of control.

3.5 REMUNERATION REPORT & OTHER DISCLOSURES

This report provides information about the structure of the remuneration framework and how it is operated at GFG. There is a remuneration report for the Management Board and the Supervisory Board.

Our Approach to Reporting

The approach to how we structure and report remuneration at GFG reflects the following considerations:

- As a Company incorporated and existing under the laws of Luxembourg, the remuneration report has primarily been prepared in accordance with Luxembourg's Law of 24th May 2011 (as amended from time to time).

Recognising that it is an important foundation for responsible corporate governance, the Company also voluntarily follows, to the extent that it is consistent with Luxembourg corporate law and GFG's corporate structure, the recommendations of the German Corporate Governance Code 2019, amended in 2022 (the "Code") with certain exemptions, as set out in our Declaration of Compliance dated August 2024).

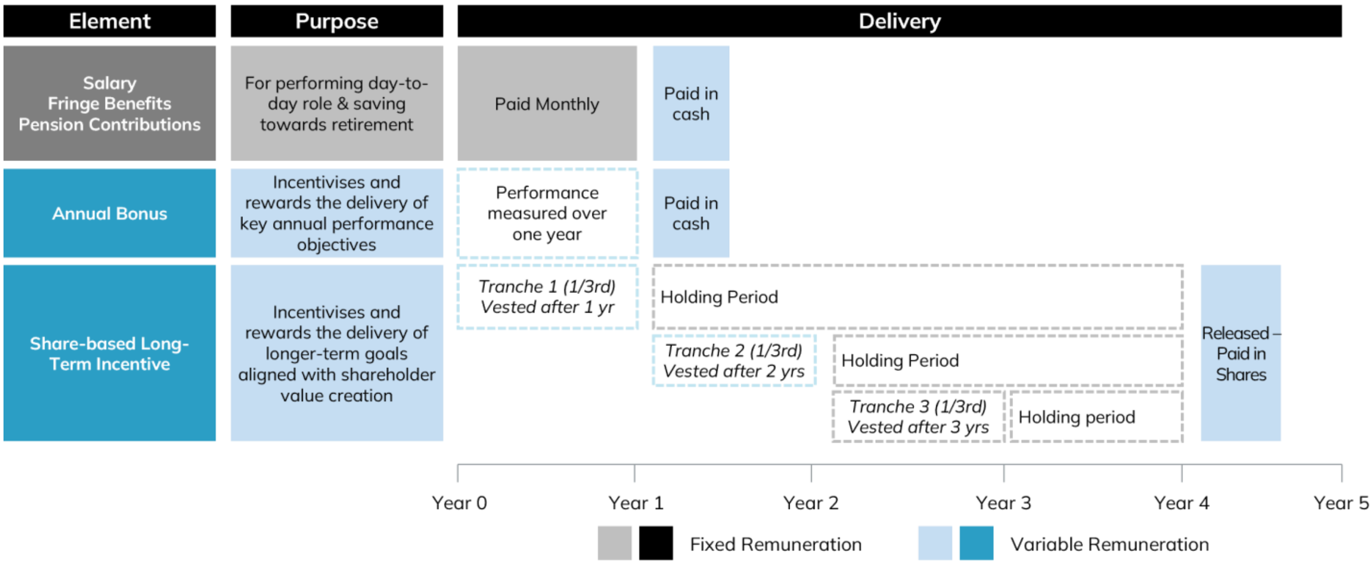
Management Board Remuneration Report

GFG shareholders approved the revised remuneration policy at our 2024 AGM, which includes the remuneration framework applicable to members of the Management Board.

The remuneration framework at GFG is designed to incentivise and reward for performance that will lead to long-term profitability and sustainable growth in shareholder value. To this end, the remuneration framework has been built around the following key principles.

Balanced Package	Long-term Alignment	Strategic Alignment	Competitiveness
Appropriate balance between fixed and variable and short- and long- term elements of pay	Variable components align with and incentivise the delivery of long-term sustainable performance	Framework aligned with GFG's key strategic objectives and overall economic performance	Allows GFG to compete for talent in the key markets and industry in which it operates

With these principles in mind, the Management Board remuneration framework is shown in more detail below.



The framework is intended to place appropriate balance between fixed and variable remuneration, and particular emphasis on the long-term element when setting annual compensation packages. We invite you to read the details of the actual remuneration mix for FY2024 on page 40. A long-term focus helps ensure that Management Board members should only receive significant reward for delivering strong and sustainable performance. GFG has voluntarily elected to comply with the German Code of Corporate Governance, including the four-year holding period recommended for share-based long-term incentives of the Management Board. It also clearly aligns the interests of the Management Board with those of GFG's shareholders.

Further information on each element of remuneration is provided in the following table, while our Remuneration Policy Report (as approved by shareholders at our 2024 AGM) provides further technical details.

Management Board Remuneration for 2024

This section details the remuneration, inclusive of any benefits received by the Management Board during the financial year 2024. All remuneration awarded to the Management Board during 2024 was agreed in accordance with the guidelines and procedures set out in the Company's Remuneration Policy, as set out below.

In 2024, both Christoph Barchewitz (CEO) and Gunjan Soni (COO) were reappointed as members of the Management Board in accordance with the Articles of Association for a further period of three (3) years ending on 30 May 2027. Gunjan was a member of the Management Board for the full 2024 financial year, and subsequently resigned from the Management Board with effect on 3 February 2025. Helen Hickman, Group CFO, was appointed to the Management Board with effect on 3 February 2025.

The tables below set out (i) each individual's total remuneration in relation to 2024 and other relevant information and (ii) their resulting mix of fixed and variable pay. The remainder of the section provides further information on the figures shown.

i) Management Board – Individual Total Remuneration

Christoph Barchewitz (Chief Executive Officer)[1]

Year of appointment to the Management Board: 2019

	Benefits Granted			Benefits Received	
In €[2]	2024 (Min.)	2024 (Max.)	2023	2024	2023
Fixed remuneration	783,027	783,027	751,641	783,027	751,641
Fringe benefits	39,433	39,433	36,488	39,433	36,488
Total (fixed components)	**822,460**	**822,460**	**788,129**	**822,460**	**788,129**
Short-term incentive	0	880,906	845,597	902,081[3]	281,866
Long-term incentive[4]	0	145,250[4]	1,070,400	48,730[5]	0
Total (variable components)	**0**	**1,026,156**	**1,915,997**	**950,811**	**281,866**
Pension supplement	78,303	78,303	75,164	78,303	75,164
Total remuneration	**900,763**	**1,926,919**	**2,779,290**	**1,851,574**	**1,145,159**

[1] Mr. Barchewitz was appointed as CEO on 01 March 2023 and reappointed to the Management Board in 2024.

[2] As the remuneration for Mr. Barchewitz is denominated in British pounds, exchange rates of 1£/1.21€ and 1£/1.16€ have been used for 2024 and 2023 respectively. Throughout the reporting period, total fixed components and pension supplement have remained flat. The only variation observed was due to currency fluctuations.

[3] Reflects a STI payout of an overall performance outcome of 122.7% of target, and an ad-hoc Extraordinary Bonus paid in April 2024 to the value of €174,000 for the extraordinary nature of the transition to sole CEO and the significant tasks Mr. Barchewitz undertook to transition the business overall in this period.

[4] The value of Long-Term Incentive is based on the fair value determined at the grant date. The first tranche of the 2024 grant under the LTI Plan which was made during the reporting period (grant date of 12 June 2024) will vest on 30 April 2025 and remains subject to the holding period until 12 June 2027. The remaining tranches will vest on 30 April 2025 and 30 April 2026 and remain subject to the same holding period.

[5] The 2020 award came out of holding and was delivered, and the value of the Long-Term Incentive received is based on the fair value determined at the release date.

Gunjan Soni (Chief Operating Officer)[1]

Year of appointment of the Management Board: 2023

	Benefits Granted			Benefits Received	
In €[2]	2024 (Min.)	2024 (Max.)	2023	2024	2023
Fixed remuneration	518,300	518,300	419,771	518,300	419,771
Fringe benefits	38,617	38,617	22,833	38,617	22,833
Total fixed components	**556,917**	**556,917**	**442,604**	**556,917**	**442,604**
Short-term incentive	0	466,470	377,794	0[3]	125,931
Long-term incentive[4]	0	103,750[4]	355,014	18,837[5]	58,888
Total variable Components	**0**	**570,220**	**732,808**	**18,837**	**184,819**
Pension supplement	51,830	51,830	41,977	51,830	41,977
Total remuneration	**608,747**	**1,178,967**	**1,217,389**	**627,584**	**669,400**

[1] Ms. Soni was appointed as COO on 01 March 2023 and reappointed to the Management Board in 2024.

[2] As the remuneration for Ms. Soni is denominated in Singapore Dollars, exchange rates of 1S$/0.71€ and 1S$/0.69€ have been used for 2024 and 2023 respectively. Throughout the reporting period, total fixed components and pension supplement have remained flat. The only variation observed was due to currency fluctuations.

[3] No STI is due following the resignation of Ms. Soni.

[4] The value of Long-Term Incentive is based on the fair value determined at the grant date. Following the announcement that Ms. Soni will step down effective 31 March 2025, the 2024 awards are forfeited. A final delivery of prior vested shares will occur in April 2025 and April 2027 upon the holding period expiring.

[5] Vested units, which were subject to a one year holding period, were delivered as shares in 2024.

(ii) Management Board – Individual Remuneration Mix

	Benefits Granted		Benefits Received
	2024 Min.	2024 Max.	2024
Christoph Barchewitz			
Fixed remuneration	100%	47%	49%
Variable remuneration	0%	53%	51%
Gunjan Soni			
Fixed remuneration	100%	52%	97%
Variable remuneration	0%	48%	3%

Salary

In Q1 2024, the committee reviewed our previous industry peer benchmarking exercise for the Management Board members with our external independent advisory partners. The results indicated that the base salaries remain competitive relative to this peer group for our Management Board. The committee considered the overall market benchmarking and concluded that no increases in base salary were required for either member of the Management Board.

Fringe Benefits

In 2024, the Management Board members received contractual benefits that included health, life and income protection insurance, as shown in the figure above.

Pension Contributions

For 2024, Mr. Christoph Barchewitz and Ms. Gunjan Soni were provided with a cash supplement of 10% of base salary in lieu of pension participation. The supplement was paid with the monthly base salary as taxable income.

2024 Annual Short-Term Incentive

At the start of 2024, financial performance targets and non-financial targets were set for the Management Board under the Short-Term Incentive Programme. The Short-Term Incentive target payout was 75% of base salary for on target achievement for Mr. Christoph Barchewitz as the sole CEO. For Ms. Gunjan Soni, the target payout opportunity was 60% of base salary for on target achievement.

The financial metrics for the 2024 Short-Term Incentive, which represent 80% of the total opportunity, were NMV Growth year-over-year (20%), Adjusted EBITDA in absolute EUR (40%) and Normalised Free Cash Flow (40%). The non-financial metrics which represent 20% of the total opportunity relate to our Sustainability objectives which were introduced as targets in 2022 in line with our commitment to become a sustainability leader. These non-financial metrics are aligned with the annual milestones required to deliver our publicly communicated Sustainability Commitments. For 2024, the sustainability related non-financial metrics both achieved the 2024 milestone targets and focused on the following two strategic goals:

- % of units sold that fulfil one or more Sustainable Product Criteria
- % of brands meeting GFG's human rights standards for brands

The Supervisory Board assessed the 2024 performance against the agreed Short-Term Incentive targets and in doing so considered the financial performance of the Group for the full year, and the outcome of the non-financial targets. Based on overall financial and non-financial targets during 2024, the Supervisory Board has determined that the annual bonus achievement was at 122.7%.

Financial Metrics	Weighting	Target	Achievement	Weighted Payout
A combination of key financial metrics, aligned with GFG's short-term business priorities				
NMV	16% of total	(9.3)%	108.1%	17.3%
Adjusted EBITDA	32% of total	(28.0)	113.4%	36.2%
Normalised Free Cash Flow	32% of total	(66.0)	141.5%	45.3%

Sustainability Objectives	Weighting	Target	Achievement	Weighted Payout
Sustainability objectives for Management Board member focused on GFG's strategic sustainability priorities				
Climate Action	10% of total	8% *% of units sold that fulfil one or more Sustainable Product Criteria*	8.9%	14.7%
Fair & Ethical Sourcing	10% of total	20.0% *% of brands meeting GFG's human rights standards for brands*	19.6%	9.2%
Total 2024 annual bonus				**122.7% achievement**

In addition to the Short-Term Incentive achievement outlined above, the Supervisory Board exercised its discretion in accordance with the Remuneration Policy to award a further one-off extraordinary payment of €174,000 for Mr. Christoph Barchewitz paid in April 2024 as sole CEO. The Supervisory Board determined that the extraordinary payment was necessary for the long-term welfare of the Company to appropriately recognise the extraordinary nature of the transition responsibilities including interim CEO of LATAM in H2 2023, transition of Management Board members and reshaping the GFG Leadership Team. The Short-Term Incentive Programme payout together with the extraordinary payment was equal to 48.7% of the total remuneration awarded to Mr. Barchewitz.

Long-Term Incentive Plan – Awards Granted During 2023

In 2024, GFG proposed certain amendments to the Long-Term Incentive Plan ("LTIP"), to include share options and performance share options as an additional instrument available to award variable equity compensation. These amendments were included in a revised Remuneration Policy, which was approved by the annual general meeting of shareholders of the Company on 12 June 2024. These amendments enabled the award of Share Options and Performance Share Options to the Management Board.

During the financial year 2024, Management Board members, Mr. Christoph Barchewitz and Ms. Gunjan Soni received awards under the GFG Share Plan. Awards were granted in the form of Performance Share Options, reflecting GFG's pay for performance ethos to both members.

Performance Share Option awards are divided into three equal tranches that vest after one, two and three years. The metrics and targets for each tranche are set annually at the start of each financial year. The extent to which the targets are achieved determines the vesting level for the associated tranche. All tranches are subject to a holding period of four years from grant.

2024 Grant Tranches	Achievement Based on Financial Year Metrics and Targets
Tranche 1 – vesting 2025	1 Jan to 31 Dec 2024
Tranche 2 – vesting 2026	1 Jan to 31 Dec 2025
Tranche 3 – vesting 2027	1 Jan to 31 Dec 2026

The performance conditions attached to Tranche 1 of the 2024 Grant – NMV Growth in constant currency and Adjusted EBITDA as a percentage of Revenue – remain aligned with GFG's key strategic areas of focus and incorporate realistic yet stretching organisational targets.

	# Performance Share Options Granted (2024 Grant)	
Management Board Member	'On Target'	'At Maximum'
Christoph Barchewitz	489,999	699,999
Gunjan Soni	350,001	500,001

The Supervisory Board granted Mr. Christoph Barchewitz a special long-term performance award in Financial Year 2023, specifically to reward an acceleration of the company's financial performance over the next three years (2023–2026). This award remains unvested until the performance conditions are met or the performance period of 31 December 2026.

Awards are subject to malus and clawback provisions for four years from grant, with trigger conditions which include material misstatement, an error in assessing the performance condition, serious misconduct or material error on behalf of the participant, as well as other circumstances as considered appropriate by the Supervisory Board.

Long Term-Incentive Plan – Outstanding Awards

The following LTIP overview table provides further information for each Management Board member as to the number of units outstanding under the GFG Share Plan and the 2016 LTIP legacy plan. The awards made during 2024 (as described above) can be seen under the line "*Granted during the reporting period*".

The Remuneration Committee and the Supervisory Board extended the holding period from four to six years for the 460,321 shares granted to Christoph Barchewitz in September 2019. These shares were initially scheduled to be released on 30 September 2023 and will now be scheduled for 30 April 2025.

The Company did not apply malus or clawback with respect to any awards held by Management Board members during the financial year 2024.

	Christoph Barchewitz[1]				Gunjan Soni[2]			
	RSUs	PSUs	Performance Share Options	Stock Options	RSUs	PSUs	Performance Share Options	Stock Options
Outstanding at the beginning of the reporting period	410,799	1,944,678	-	608,175	211,665	429,453	-	107,080
Granted during the reporting period	-	-	699,999[3]	-	-	-	500,001[3]	-
Vested during the reporting period	33,333	-[4]	-	-	68,333	-[4]	-	-
Delivered during the reporting period	-	204,749	-	-	48,333	30,816	-	-
Forfeited / expired during the reporting period	-	350,500[5]	-	-	-	155,604[5]	-	-
Exercised during the reporting period (2016 LTIP)	-	-	-	-	-	-	-	-
Outstanding at the end of the reporting period [6]	410,799	1,594,178	699,999	-	163,332	243,033	500,001	-
Exercisable at the end of the reporting period	**-**	**-**	**-**	**608,175[7]**	**-**	**-**	**-**	**107,080[8]**

[1] Appointed to the Management Board in June 2019 and reappointed for a further three-year term on 13 August 2024.

[2] Appointed to the Management Board in March 2023 and reappointed for a further three-year term on 13 August 2024.

[3] The final number of options to vest will depend on the achievement of the pre-defined Performance Conditions over a one-year performance period.

[4] Based on PSU performance conditions achieved during the performance period (i.e. 0% of maximum opportunity).

[5] Represents the non-vested portion of the PSUs resulting from the performance conditions achieved vs. maximum potential.

[6] Includes all units under holding.

[7] Options with strike prices ranging from €5.37 to €7.99. No more options will be granted under this programme.

[8] Options (cash awards) with strike prices ranging from €5.99 to €15.97. No more options will be granted under this programme.

Change in Pay of Management Board Members

GFG operates across a diverse geographical footprint and as of 31 December 2024, employs 3,558 people globally. Given this broad footprint and varying employment laws in each country, our remuneration approach is tailored to the local landscape. As a result, it is difficult for the Company to establish an average remuneration for past financial years to compare with the Management Board's remuneration.

GFG strives to provide remuneration packages that are both competitive externally and proportionate internally for the markets in which we operate. When benchmarking against sector peers that are representative of our markets, the Management Board's remuneration aligns with our sector median for total cash compensation.

Supervisory Board Remuneration Report

The remuneration of the members of the Supervisory Board is established by the shareholders of the Company in accordance with its Articles of Association. The remuneration of the Supervisory Board members was approved at the Annual General Meeting of Shareholders held on 12 June 2024. The table below shows the current Supervisory Board Fee structure.

	Supervisory Board	Audit Committee	Sustainability Committee	Remuneration Committee	Nomination Committee
Chairman	EUR 40,000 (cumulative with Member fee)	EUR 40,000	EUR 20,000	EUR 25,000	EUR 10,000
Deputy Chairman	EUR 10,000 (cumulative with Member fee)	N/A	N/A	N/A	N/A
Member	EUR 30,000	EUR 10,000	EUR 10,000	EUR 10,000	EUR 5,000

The remuneration is payable in monthly instalments through the reporting period. The table below sets out the total remuneration paid to each Supervisory Board member individually for the Financial Year 2024. The Remuneration of the Supervisory Board has remained constant in past years with a slight amendment in Financial Year 2022 when the Remuneration and Nomination Committee were put in place.

Additionally, GFG reimburses the Supervisory Board members for their expenses related to the Supervisory Board mandate. GFG also provides directors and officers insurance coverage for the Supervisory Board members without any deductible payable by the Supervisory Board member.

Board Member	Supervisory Board Positions	FY2024 Fees (€)	FY2024 Total Fees (€)
Cynthia Gordon	Supervisory Board Member	30,000	125,000
	Supervisory Board Chair	40,000	
	Audit Committee Member	10,000	
	Remuneration Committee Chair	25,000	
	Sustainability Committee Member	10,000	
	Nomination Committee Chair	10,000	
Georgi Ganev	Supervisory Board Member	30,000	45,000 (Waived)[1]
	Supervisory Board Deputy Chair	10,000	
	Nomination Committee Member	5,000	
Laura Weil	Supervisory Board Member	30,000	80,000
	Audit Committee Chair	40,000	
	Remuneration Committee Member	10,000	
Carol Shen	Supervisory Board Member	30,000	55,000
	Sustainability Committee Chair	20,000	
	Nomination Committee Member	5,000	
John Baker	Supervisory Board Member	30,000	60,000
	Audit Committee Member	10,000	
	Remuneration Committee Member	10,000	
	Sustainability Committee Member	10,000	

[1] Georgi Ganev waived his entitlement to remuneration for the reporting period. However, this waiver can be removed for future reporting periods.

3.6 FINANCIAL REPORTING & AUDIT OF THE FINANCIAL STATEMENTS

At the AGM on 12 June 2024, Ernst & Young ("EY") were re-elected as the independent auditor of the standalone and consolidated financial statements. In preparation, EY presented a statement of compliance with the relevant ethical requirements on independence and disclosed that there are no business, financial, personal or other relationships between the auditor, its governing bodies and audit managers, on the one hand, and the Company and its directors, on the other, which could give cause to doubt the auditor's independence.

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		For the Year Ended 31 December	
In €m	Note	2024	2023
Continuing operations			
Revenue	24	743.5	838.0
Cost of sales		(409.7)	(485.1)
Gross profit		**333.8**	**352.9**
Operating (expenses) / income:			
Selling and distribution expenses	25,26	(250.2)	(288.3)
Administrative expenses	25,26	(164.7)	(183.8)
Other operating income	27	8.8	3.4
Other operating expenses	27	(4.7)	(7.9)
Net impairment losses on financial assets[1]		(0.3)	(0.1)
Impairment of non-financial assets	11,12,13	(4.8)	(54.7)
Loss before interest and tax (EBIT)[2]		**(82.1)**	**(178.5)**
Gain on repurchase of convertible bonds	22	12.3	18.3
Finance income	28	10.0	15.9
Finance costs	28	(17.7)	(21.7)
Loss before tax from continuing operations		**(77.5)**	**(166.0)**
Income tax expense	30	(6.6)	(13.9)
Loss for the year from continuing operations		**(84.1)**	**(179.9)**
Net loss from discontinued operations	29	(1.0)	(1.6)
Loss for the year		**(85.1)**	**(181.5)**
Loss for the year attributable to:			
Equity holders of the parent		(82.5)	(178.4)
Non-controlling interests		(2.6)	(3.1)
Loss for the year		**(85.1)**	**(181.5)**
Loss per share:			
Basic and diluted, loss per share attributable to ordinary equity holders of the parent (€)	10	(0.4)	(0.8)
Loss per share for continuing operations:			
Basic and diluted, loss per share for continuing operations attributable to ordinary equity holders of the parent (€)	10	(0.4)	(0.8)

[1] Net impairment losses on 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 for the year before income taxes, finance income, and finance costs.

The accompanying Notes are an integral part of the consolidated financial statements.

4.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	For the Year Ended 31 December	
In €m	**2024**	**2023**
Loss for the year	(85.1)	(181.5)
Other comprehensive loss items that will or have been subsequently reclassified to profit or loss, net of tax:		
Exchange differences on translation to presentation currency net of tax from continuing operations	(1.1)	(2.3)
Exchange differences on translation to presentation currency recycled to profit or loss	1.2	-
Net other comprehensive income / (loss) for the year, net of tax	**0.1**	**(2.3)**
Total comprehensive loss for the year, net of tax	**(85.0)**	**(183.8)**
Total comprehensive loss for the year attributable to:		
Equity holders of the parent	(82.2)	(180.8)
Non-controlling interests	(2.8)	(3.0)

The accompanying Notes are an integral part of the consolidated financial statements.

4.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

In €m	Note	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	11	42.0	57.4
Right of use asset	12	36.8	51.5
Goodwill	13	54.3	56.1
Other intangible assets	13	71.7	79.4
Other financial assets	16	33.0	39.8
Total non-current assets		**237.8**	**284.2**
Current assets			
Inventories	15	96.4	110.5
Trade and other receivables	16	48.8	38.6
Other financial assets	16	20.8	19.2
Other financial assets – investment funds	16	-	161.1
Income tax receivables		2.3	2.5
Other non-financial assets	14	20.8	20.0
Cash and cash equivalents	17	210.6	225.9
Total current assets		**399.7**	**577.8**
Total assets		**637.5**	**862.0**

The accompanying Notes are an integral part of the consolidated financial statements.

4.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Equity and Liabilities

In €m	Note	31 December 2024	31 December 2023
Equity			
Common share capital	18	2.3	2.2
Share premium	18	303.6	303.6
Treasury shares	18	(7.5)	(7.5)
Capital reserves	18	2,102.1	2,102.2
Other reserves		42.2	25.8
Share-based payments reserves	18,19	158.6	157.9
Convertible bond equity component	18,22	7.1	23.1
Accumulated deficit		(2,406.2)	(2,323.1)
Foreign currency translation reserve		11.5	11.2
Equity attributable to holders of the parent		**213.7**	**295.4**
Non-controlling interests	18	(2.5)	0.3
Total equity		**211.2**	**295.7**
Liabilities			
Non-current liabilities:			
Lease liabilities	12	32.0	43.6
Other financial liabilities – convertible bonds	22	48.6	160.3
Provisions	21	4.7	4.1
Deferred tax liabilities	30	5.7	4.4
Non-financial liabilities	23	31.4	37.1
Total non-current liabilities		**122.4**	**249.5**
Current liabilities:			
Borrowings	20	3.6	11.9
Lease liabilities	12	16.1	18.1
Trade payables and other financial liabilities	22	201.3	189.0
Other financial liabilities – convertible bonds	22	2.7	5.5
Provisions	21	11.5	16.6
Income tax liabilities	23, 30	15.2	20.8
Non-financial liabilities	23	53.5	54.9
Total current liabilities		**303.9**	**316.8**
Total liabilities		**426.3**	**566.3**
Total equity and liabilities		**637.5**	**862.0**

The accompanying Notes are an integral part of the consolidated financial statements.

4.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Equity Attributable to Shareholders of the Parent											
In €m	Note	Common Share Capital	Share Premium	Treasury Shares	Capital Reserves	Other Reserves	Share-Based Payments Reserves	Convertible Bond Equity Component	Accumulated Deficit	Foreign Currency Translation Reserve	Total	Non-Controlling Interests	Total Equity
As at 1 January 2024		**2.2**	**303.6**	**(7.5)**	**2,102.2**	**25.8**	**157.9**	**23.1**	**(2,323.1)**	**11.2**	**295.4**	**0.3**	**295.7**
Loss for the year		-	-	-	-	-	-	-	(82.5)	-	(82.5)	(2.6)	(85.1)
Other comprehensive loss from continuing operations		-	-	-	-	-	-	-	-	*(0.9)*	*(0.9)*	*(0.2)*	*(1.1)*
Other comprehensive income recycled to profit or loss		-	-	-	-	-	-	-	-	*1.2*	*1.2*	-	*1.2*
Total other comprehensive income / (loss)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**	**(0.2)**	**0.1**
Total comprehensive (loss) / income for the year		-	-	-	-	-	-	-	(82.5)	0.3	(82.2)	(2.8)	(85.0)
Share-based payment expenses	19	-	-	-	-	-	0.7	-	-	-	0.7	-	0.7
Adjustment for hyperinflation		-	-	-	-	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Repurchase of convertible bond	18,22	-	-	-	-	16.0	-	(16.0)	-	-	-	-	-
Disposal of business	29					0.4					0.4		0.4
Proceeds from issued share capital	18	0.1	-	-	(0.1)	-	-	-	-	-	-	-	-
Balance as at 31 December 2024		**2.3**	**303.6**	**(7.5)**	**2,102.1**	**42.2**	**158.6**	**7.1**	**(2,406.2)**	**11.5**	**213.7**	**(2.5)**	**211.2**

The accompanying Notes are an integral part of the consolidated financial statements.

4.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2023

		Equity Attributable to Shareholders of the Parent											
In €m	Note	Common Share Capital	Share Premium	Treasury Shares	Capital Reserves	Other Reserves	Share-Based Payments Reserves	Convertible Bond Equity Component	Accumulated Deficit	Foreign Currency Translation Reserve	Total	Non-Controlling Interests	Total Equity
As at 1 January 2023		**2.2**	**303.6**	**(7.5)**	**2,102.2**	**12.6**	**155.1**	**36.3**	**(2,142.6)**	**13.6**	**475.5**	**3.3**	**478.8**
Loss for the year		-	-	-	-	-	-	-	(178.4)	-	(178.4)	(3.1)	(181.5)
Other comprehensive loss from continuing operations		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*(2.4)*	*(2.4)*	*0.1*	*(2.3)*
Other comprehensive income recycled to profit or loss		*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Total other comprehensive loss		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2.4)**	**(2.4)**	**0.1**	**(2.3)**
Total comprehensive (loss) / income for the year			-	-	-	-	-	-	(178.4)	(2.4)	(180.8)	(3.0)	(183.8)
Share-based payment expenses	19	-	-	-	-	-	2.8	-	-	-	2.8	-	2.8
Adjustment for Hyperinflation		-	-	-	-	-	-	-	(2.1)	-	(2.1)	-	(2.1)
Repurchase of convertible bond	18,22	-	-	-	-	13.2	-	(13.2)	-	-	-	-	-
Balance as at 31 December 2023		**2.2**	**303.6**	**(7.5)**	**2,102.2**	**25.8**	**157.9**	**23.1**	**(2,323.1)**	**11.2**	**295.4**	**0.3**	**295.7**

The accompanying Notes are an integral part of the consolidated financial statements.

4.5 CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

In €m	Note	For the Year Ended 31 December 2024[1]	2023[1]
Cash flows from operating activities:			
Loss for the year before tax from continuing operations		(77.5)	(166.0)
Loss before tax from discontinued operations, including loss on disposal	29	(1.0)	(1.6)
Loss for the year before tax		**(78.5)**	**(167.6)**
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	12, 13	27.2	26.8
Amortisation of intangible assets	13	30.9	31.3
Impairment losses on non-financial assets	11, 12, 13	4.8	54.7
Impairment losses on other financial assets		0.3	0.1
Share-based payment (credit) / expense	19	(0.7)	1.7
Right-of-use asset remeasurement		(0.6)	0.3
Fair value remeasurement	28	(0.8)	(9.6)
Interest income	28	(9.2)	(8.2)
Interest costs	28	13.1	24.5
Foreign currency loss / (gain)		1.6	(2.6)
Other non-cash transactions		(0.9)	(2.3)
Loss from disposal of property, plant and equipment and intangible assets		0.2	3.1
Loss from disposal of subsidiary	29	1.7	-
Gain on repurchase of convertible bonds	22	(12.3)	(18.3)
Changes in provisions	21	(5.2)	(1.5)
Cash from operations before changes in working capital		**(28.4)**	**(67.6)**
Decrease in inventories		10.4	54.5
Increase in trade receivables		(12.9)	(1.8)
Increase / (decrease) in trade payables		23.5	(13.7)
Changes in other receivables and other payables		1.7	(8.5)
Cash flows used in operations		**(5.7)**	**(37.1)**
Income tax paid	30	(10.9)	(6.6)
Interest received		9.1	1.2
Interest paid		(7.5)	(5.0)
Net cash flow used in operating activities		**(15.0)**	**(47.5)**
Cash flow from investing activities:			
Purchase of property, plant and equipment		(3.9)	(4.6)
Proceeds from sale of property, plant and equipment		-	0.3
Acquisition of intangible assets and capitalised development expenditure		(25.7)	(24.3)
Cash (outflow) / inflow from other securities, deposits and transfer of restricted cash		(2.2)	2.5
Proceeds from redemption of investment in investment funds	16	161.9	75.0
Net cash flow from investing activities		**130.1**	**48.9**

In €m	Note	For the Year Ended 31 December 2024[1]	2023[1]
Cash flows from financing activities:			
Proceeds from borrowings and other financial liabilities	20	66.2	44.0
Repayment of borrowings	20	(74.5)	(48.5)
Coupon payments on convertible bonds	22	(1.5)	(2.9)
Repurchase of convertible bonds	18, 22	(104.3)	(74.7)
Payments under lease liabilities		(16.5)	(17.4)
Net cash flow used in financing activities		**(130.6)**	**(99.5)**
Cash and cash equivalents at the beginning of the year	**17**	**225.9**	**323.5**
Effect of exchange rate changes on cash and cash equivalents		0.2	0.5
Cash and cash equivalents at the end of the year	**17**	**210.6**	**225.9**

[1] *Cash flows are presented for both continuing and discontinued operation in line with IFRS 5.*

The accompanying Notes are an integral part of the consolidated financial statements.

4.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Corporate Information

General Information

The consolidated financial statements present the operations of Global Fashion Group S.A. (“GFG S.A.”) and its subsidiaries. GFG S.A. is hereinafter referred as the ‘Parent’, the Company and its subsidiaries are referred to as ‘Global Fashion Group’, the ‘Group’ or ‘GFG’. GFG S.A. was incorporated on 1 October 2014. 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 S.A. 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 consolidated financial statements were approved and authorised for issue by the Supervisory Board on 4 March 2025. The shareholders will ratify the approval of the financial statements at the annual general meeting. The official version of the accounts is the ESEF version available with the Officially Appointed Mechanism (OAM) tool.

Business Activities

The Group’s principal business activity is fashion and lifestyle e-commerce 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 three e-commerce platforms across three regions in 11 countries under the following labels: Dafiti (LATAM), Zalora (SEA) and The Iconic (ANZ). Please refer to Note 6 for more details on our segmental disclosures.

Going into 2024, we expected a continuation of the subdued demand environment seen throughout 2022 and 2023 with persistent macroeconomic headwinds impacting trade. Accordingly, we planned to expand on our proactive cost-cutting measures and implement further efficiency initiatives. Despite the ongoing demand challenges, we also saw potential for an ease in the decline, as consumers recovered in a more moderate interest rate and inflationary environment. Consistent with expectations, 2024 has largely seen a decline in inflation and interest rates across our regions. This was reflected in consumer confidence throughout the later part of 2024, and we started to see an uptick in consumer expenditure in our markets. Fashion has been particularly vulnerable in the higher interest rate environment due to lower household disposable income, which largely impacts the sale of goods of discretionary nature.

As sales and volumes continued to decline this year, we experienced fixed cost deleverage which along with inflation partially offset our targeted cost actions.

The variance in revenue and margin over the course of the year also reflects the seasonality of fashion sales. The Group’s presence in the 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.

During the year, various partial repurchases of the Convertible Bond were carried out, reflecting the strength of the Group’s liquidity position and the Board’s confidence in delivering our long-term strategy within the funding available. See Note 18 and 22 for further details.

(2) Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union (“EU”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented except as further explained in Note 5.

The consolidated financial statements are prepared on a historical cost basis, unless otherwise stated. The consolidated financial statements have been prepared on a going concern basis of accounting.

The 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 percentage figures presented may not exactly reflect the absolute figures they relate to.

(3) Summary of Material Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2024 and 2023. Subsidiaries are those investees that the Company controls because (i) it has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests form a separate component of the Group's equity.

Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Group and to the non-controlling interests.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group receivables, liabilities, and results relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. In such a case, the carrying amounts of the net assets attributable to the owners of the parent and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between this adjustment and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

In case a change in the ownership interest of a subsidiary results in a loss of control, the net assets and the non-controlling interests have to be derecognised. At this time, the gain or loss is derived from the difference between the sum of proceeds from the divestment, the fair value of any retained interest in the former subsidiary and the non-controlling interest to be derecognised, and the divested net assets of the subsidiary. Additionally, any amounts recognised in other comprehensive income in relation to the divested subsidiary are reclassified to profit or loss in case the respective standard on which basis they were initially recognised requires such a recycling. The resulting gains or losses are recognised in the income statement.

Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company as well as the presentation currency of the Group is the euro ("€"). In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that has the biggest influence on the sales prices for goods. This is typically determined by assessing which country's competitive forces and regulations impact the sales prices the most.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions as well as from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of profit or loss.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate on the date of that statement of financial position;
- non-monetary equity items in a foreign currency are translated using historic rates;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve).

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Transaction costs are not included in the fair value. They are accounted for as prescribed by the applicable accounting standard. The fair value of non-financial assets is determined as the best use from a market perspective which may differ from current use of the asset.

The Group uses measurement techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In the fair value measurement of financial assets and liabilities, the credit default risk is considered.

The fair values for assets and liabilities included in the consolidated financial statements are classified based on a three-level hierarchy. The classification is based on the input parameters of the lowest category that is material to the fair value measurement:

- Level 1: Fair values based on quoted prices in active markets.
- Level 2: Fair values that are determined on the basis of valuation techniques which use inputs that are substantially based on observable market data.
- Level 3: Fair values that are determined on the basis of valuation techniques which use inputs that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether the transfers have occurred between levels in hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

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.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

A financial asset is recognised at the date when the Group becomes a party to the contractual provisions of the instrument. The Group’s financial assets comprise of loans and trade and other receivables and financial assets at fair value through profit and loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades), are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

At initial recognition, all financial assets are measured at fair value plus, unless the financial asset is measured subsequently at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are included in current assets, except for those which maturities are greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Initial Classification and Subsequent Measurement

The Group classifies financial assets at initial recognition as financial assets measured at amortised cost, or financial assets measured at fair value through profit or loss.

Financial Assets Measured at Amortised Cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortised cost.

a. The financial asset is held within the Group’s business model whose objective is to hold assets in order to collect contractual cash flows.

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

‘Principal’ is the fair value of the financial asset on initial recognition and ‘interest’ is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. When assessing the contractual terms, the Group considers contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual interest rate, including variable-rate features; prepayment and extension features; and terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

After initial recognition, the carrying amount of the financial asset measured at amortised cost is determined using the effective interest method, net of impairment loss.

Within the Group, such financial assets are represented by receivables against payment service providers, trade receivables, security deposits and other receivables.

Fair Value Through Profit or Loss Financial Assets ("FVTPL")

Financial assets with cash flows that do not meet the Soley Payments of Principal and Interest test ("SPPI") are classified and measured at fair value through profit or loss, irrespective of the business model. Any changes in fair value is recognised in profit or loss as "finance gain" or "finance loss".

Within the Group, such financial assets are represented by investments in investment funds.

Impairment of Financial Assets

All financial assets to which impairment requirements apply carry a loss allowance estimated based on expected credit losses ("ECLs"). ECLs are a probability-weighted estimate of the present value of cash shortfall over the expected life of the financial instrument.

In the Group, the impairment requirements apply to financial assets measured at amortised cost.

Trade Receivables & Contract Assets

The Group uses a practical expedient to calculate the expected credit losses on its trade receivables and contract assets using a provision matrix. The Group uses historical credit loss experience (adjusted if necessary for changes in macroeconomic conditions) to estimate the lifetime expected credit losses.

The impairment provisions calculated using the above provision matrix are recorded on a separate allowance account.

All trade receivables are assessed for impairment using the simplified approach to assets those which are deemed not recoverable. Such trade receivables are recognised as fully impaired and written off. These balances were immaterial for the current and prior financial year. The write-off constitutes a derecognition event whereby the gross carrying amount of such trade receivables is reduced against the corresponding amount previously recorded on the allowance account.

Other Financial Assets

The ECLs for all other financial assets are recognised in two stages:

- For financial assets for which there has not been a significant increase in credit risk since initial recognition, the Group recognises credit losses which represent the cash shortfalls that would result if a default occurs in the 12 months after the reporting date or a shorter period if the expected life of a financial instrument is less than 12 months.
- For those financial assets for which there has been a significant increase in credit risk since initial recognition, a loss allowance reflects credit losses expected over the remaining life of the financial asset.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets of the Group to which the general approach applies are low credit risk as no significant increases in credit risk have occurred. Low credit risk only applies to cash, cash equivalents and restricted cash, which is presented within other financial assets. This exposure is addressed by distributing its financial assets over multiple financial institutions with good credit ratings.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised. See Note 32 for further information.

De-Recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial Liabilities

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are measured on initial recognition at fair value net of directly attributable transaction costs.

The Group's financial liabilities include trade and other liabilities and loans and borrowings.

The Group analysed the terms and conditions of financial instruments that are convertible into common shares of the Group to determine its appropriate classification under IAS 32 *Financial Instruments: Presentation* as equity, a financial liability or as a compound instrument that contains both a liability and an equity component. Please see Note 22 for further details.

Subsequent Measurement

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest rate ("EIR") method, as described below:

<u>Loans & Borrowings</u>

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as a finance expense in the statement of profit or loss. Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting date. Fees paid to establish loan facilities are deferred and recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. See Note 20 for further details.

<u>Trade & Other Payables</u>

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the EIR. See Note 22 for details.

<u>De-Recognition</u>

A financial liability is derecognised when the obligation under the liability is settled, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

<u>Discontinued Operations</u>

A discontinued operation is a component of an entity that either has been disposed of or abandoned, or is classified as held for sale. A disposal group which will be abandoned cannot be classified as a non-current asset held for sale, because the carrying amount will be principally recovered through use. The disposal group still needs to be either a separate major line of business or a geographical area of operations; part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or a subsidiary acquired exclusively with a view to resale and the disposal involves loss of control.

The key to determining at which point the disposal group should be treated as a discontinued operation is determining the date at which it ceases to be used and no longer has a remaining useful life. For the Group's operating disposal group, this will be the date that no further revenue will be generated and assets cease to be used, determining their remaining useful life to be nil.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 29. All other Notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Cash & Cash Equivalents

In accordance with IAS 7, cash and cash equivalents include cash in hand, demand deposits held with banks and other short-term highly liquid investments with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant and that are held for the purpose of meeting short-term cash commitments. See Note 17 for details.

To establish whether an investment instrument or investment in investment funds holding debt instruments is classified under IAS 7 as "Cash and cash equivalents", the Group assesses if:

- the period taken to redeem an investment from the trade date is 2 days or less;
- no restrictions or penalty charges on redemption apply;
- the weighted average life or weighted average maturity of an investment is less than or equal to 90 days or 0.25 years respectively; and
- volatility of returns over historic 12 months is capped by 1% limit.

Investment instruments which exceed the limits above, do not meet the criteria for IAS 7 classification per the professional judgement of the Group management, and will be accounted for under IFRS 9 as an "Other financial asset" and classified as a financial asset measured at fair value through profit or loss. See Note 16 for details.

Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, where required. Costs of minor repairs and maintenance are expensed when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals, determined by comparing the net disposal proceeds with the carrying amount, are recognised in profit or loss for the year within other operating income or expenses.

Depreciation on items of property, plant and equipment is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The assets' residual values, methods of depreciation and useful lives are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Classes of Tangible Assets	Useful Lives in Years
Office / IT equipment	3–5
Leasehold improvements	3-10
Warehouse	10
Motor vehicles	5–8

Please refer to Note 11 for details.

Leases

At inception of a contract, the Group recognises a right-of-use asset and a lease liability for all leases, except for short term leases (leases with a lease term of 12 months or less), which are classified as operating leases and expensed through profit or loss over the period of the lease term.

The Group elected to use the exemptions proposed by IFRS 16 on lease contracts for which the lease terms end within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e. printing and photocopying machines) that are considered low value, being below € 5,000.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate which is a weighted average based on underlying lease liabilities.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on consumer price index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that is reasonably certain to be exercised; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Please refer to Note 12 for details.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the statement of profit or loss due to its operating nature.

Goodwill

Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the business combination.

The Company tests groups of CGUs to which goodwill has been allocated for impairment at least annually and whenever indicators of impairment exist. An impairment loss with respect to goodwill is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Please refer to Note 13 for details.

Other Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets (trademarks and customer relationships) acquired in a business combination is their fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;

- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditure that do not meet these criteria, such as training and maintenance costs are recognised as an expense as incurred.

Expenditure incurred during the research phase of an intangible asset cannot be capitalised and is recognised as an expense.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the carrying amount may not be recoverable and the intangible asset may therefore be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the consolidated statement of profit or loss, in the expense category that best suits the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss, when the asset is derecognised.

The Group's intangible assets have definite useful lives and primarily include capitalised software, licences and rights as well as trademarks and customer relationships.

Intangible assets are amortised using the straight-line method over their useful lives:

Classes of Other Intangible Assets	Useful Lives in Years
Acquired software licenses / rights	1–5
Internally developed software / website costs	3–5
Trademarks	15
Customer relationships	6–16

Please see Note 13 for further details.

Inventories

Inventories comprise raw materials and supplies, finished goods and merchandise. Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the weighted average cost method or the first-in-first-out method.

Write-downs to net realisable value are made to allow for all risks from slow-moving or obsolescent goods and/or reduced saleability and are included within cost of sales. When the circumstances that previously caused inventory to be written down below cost no longer exist, the write down is reversed. See Note 15 for details.

Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that any non-financial asset may be impaired. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. If market capitalisation is lower than the carrying value of equity, the market considers the Group's value is less than the carrying value and an impairment trigger is met. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment at least annually and whenever there are indicators for impairment. Management tests impairment at a group of CGU's level with full allocation of corporate overhead costs.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purpose of impairment testing, goodwill was allocated to the Group's group of regional CGUs. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. Goodwill arising from business combinations is allocated to the group of CGUs that are expected to benefit from the synergies of the business combination.

In assessing value in use, the Discounted Cash Flow ("DCF") approach is used as the primary valuation method. The estimated future cash flows are discounted to their present value using a risk adjusted discount rate that reflects a current market-based assessment of the time value of money and the risks specific to the asset and its forecasts. We derive our discount rates using a capital asset pricing model.

The Group bases its value-in-use calculations on detailed budgets and forecasts, which are prepared separately for each of the Group's group of CGUs to which the individual assets are allocated. Internally developed budgets and forecasts generally cover a period of three years. These are then trended over an additional two years to reflect a five-year horizon. To calculate the terminal value of the group of CGUs, the terminal year cash flows are capitalised into perpetuity using the group of CGU specific perpetual growth rates ("PGR").

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the group of CGUs, and then to reduce the carrying amounts of the other assets in the group of CGUs on a pro rata basis.

A previously recognised impairment loss for non-financial assets other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Please refer to Note 13 for further details.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised directly in equity. Please see Note 18 for further details.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A best estimate is made of the amount of the provision taking into account all identifiable risks arising from the obligation. Provisions with a residual term of more than twelve months are discounted. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement, net of any reimbursement. Refer to Note 21 for more details.

Share-Based Payments

The Group operates equity-settled and cash-settled share-based payment plans, under which Group companies receive services from directors and employees as consideration for equity instruments of the Company or one of its subsidiaries or a right to receive a share-based cash payment.

Equity-Settled Share-Based Payments

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award made. For share options granted, the grant date fair value is determined using the Black-Scholes option valuation formula. For equity settled restricted stock units issued as part of the 2019 Share Plan (see Note 19 for explanation), the grant date fair value is determined with reference to the observed publicly available share price of GFG S.A. on the relevant date.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of awards that will eventually vest, with a corresponding credit to equity. Estimated forfeitures are revised if the number of awards expected to vest differ from previous estimates. Differences between the estimated and actual forfeitures are accounted for in the period it occurs.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately expensed over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event or 12 months after such an event and under the condition the employee is still employed with the Company. These instalments are expensed over the expected time to such vesting event and recorded as employee benefit expense. Exit conditions linked with continued service are considered non-market vesting conditions. No expense is recognised for awards that do not ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense that would have resulted had the terms not been modified, given the original terms of the awards are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Expenses for awards that are cancelled are accelerated. Replacement awards that are not designated as such are accounted for as new grant.

Cash-Settled Share-Based Payments

The fair value of the amount payable to employees with respect to cash-settled share-based payments are recognised as an expense over the vesting period. The fair value is measured initially and at each reporting date until the settlement date, with changes in fair value recognised as employee benefits expenses. The fair value is determined using the Black-Scholes model, or revalued using the latest publicly available share price of GFG S.A. for cash settled units issued as part of the 2018 Employee share option plan. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to the cash-settled awards.

Please refer to Note 19 for further details.

Convertible Bond

The Group has identified separate debt and equity components to the convertible bond compound instrument. As a financial liability, the debt component is initially valued based on the present value of future cash flows, net of directly attributable transaction costs. The financial liability is subsequently measured at amortised cost using the EIR method.

The equity component is recognised as the difference between gross proceeds from the convertible bond issuance and the fair value of the debt component and any bifurcated derivatives.

Upon repurchase of convertible bonds by the Group, the carrying amount of the equity component is reduced and reclassified from Convertible bond equity component to Other Reserves.

The Group also identified several embedded derivates within the convertible bonds. Please refer to Note 22 for further details.

Revenue Recognition

The Group generates revenues mainly from the sale of fashion and lifestyle products online through its retail websites. Revenue is recognised at a point in time when control of the asset is transferred to the customer, i.e. on delivery of the goods or services.

The Group entities generally offer customers a possibility to return any unused goods within a specified period of time (usually 30 days) and receive a full refund in form of cash or store credit. In such cases revenue is recognised only to the extent that is highly probable that a significant reversal will not occur when the uncertainty associated with the right of return is subsequently resolved. The remaining consideration is recognised as a refund liability. The Group determines the amount of revenue and the amount of refund liability using the expected value method, representing the sum of probability weighted outcomes. A corresponding right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

The Group evaluates whether it is principal or agent with respect to its performance obligations. When the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, the Group acts as principal and records revenue at the gross sales price. The Group records the net amounts as commissions earned if it is not primarily obligated and does not have latitude in establishing prices namely in its marketplace business (Note 24). Such amounts earned are determined using a fixed percentage of the transaction value, a fixed-payment schedule, or a combination of the two.

Coupons and loyalty points, except as those explained below, and discounts are deducted from the transaction price.

If as a part of sale transactions, the Group issues coupons or loyalty points to the customers which can either be used as an incremental discount to other available discounts in future transactions or that provide a customer loyalty status, are accounted for as a material right representing an additional performance obligation. The consideration received is allocated based on the relative stand-alone selling prices between the sold goods and the additional performance obligation.

The stand-alone selling price of the material right is estimated reflecting:

a) the discount that the customer would be entitled to, adjusted for any discount that the customer could receive without using the loyalty programme (i.e. any discount available to any other customer) and

b) the likelihood that the customer will use the loyalty points.

The amount allocated to the loyalty points is recognised as revenue when the customer uses the material right or when they expire.

Refund Liabilities

Refund liabilities are estimated on the basis of historical returns and are recorded so as to allocate them to the same period in which the original revenue is recorded. These liabilities are reviewed regularly and updated to reflect management's latest best estimates, although actual returns could vary from these estimates.

Right of Return Assets

The Group estimates the expected returns of goods, based on historical return rates and reduces revenue by the full amount of sales that it estimates will be returned.

The Group also presents expected returns on a gross basis in the statement of financial position. In this context, a right to recover possession of goods from expected returns is recognised in other non-financial assets. The amount of the asset corresponds to the cost of the goods delivered for which a return is expected, taking into account the costs incurred for processing the return.

Contract Assets

A contract asset is initially recognised for revenue earned by the Group for which consideration is not yet unconditionally receivable from the customer.

Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group delivers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., delivers the related goods or services to the customer). The Group's contract liabilities represent advance payments for orders received but not shipped, liabilities from store credit balances and unredeemed customer loyalty points.

Cost of Sales

Cost of sales consists of the purchase price of consumer products, inbound shipping charges and certain personnel expenses. The inbound shipping charges to receive products from the suppliers of the Group are included in inventory, and recognised as cost of sales upon sale of products to the Group's customers. The cost of merchandise sold to the customers is calculated using the weighted average cost method or the first-in-first-out method.

Selling and Distribution Expenses

Selling and distribution expenses include fulfilment and marketing costs. Fulfilment costs represent costs incurred in operating and staffing the Group's fulfilment and customer service centres, including costs attributable to picking, packaging, and preparing customer orders for shipment, including packaging materials; payment processing and related transaction costs. Fulfilment costs also include outbound shipping costs, content and e-production costs, and amounts paid to third parties that assist the Group in fulfilment and customer service operations. Marketing costs consist primarily of targeted online advertising, including search engine marketing, social media and cross-channel campaigns, along with more traditional methods such as print advertising, broadcasting and sponsorship. Also included are payroll and related expenses for personnel engaged in marketing, business development, and selling activities.

Administrative Expenses

Administrative expenses include technology and other administrative expenses.

Technology and content expenses consist principally of technology infrastructure expenses and payroll and related expenses for employees involved in application, product, research and development, category expansion, editorial content, buying, merchandising selection, systems support, and digital initiatives, as well as costs associated with the computer, storage, and telecommunications infrastructure used internally. Costs related to the development of software are capitalised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably.

Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits (such as health services) are accrued in the period in which the associated services are rendered by the employees of the Group. Some employees are eligible for discount coupons. The cost of these coupons is included in employee benefits and subject to social security and tax contributions. The Company recognises a liability and an expense for bonus plans to employees and key management personnel based on a formula and Group performance targets when contractually obliged.

Income Taxes

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred taxes are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than leases or business combinations that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates.

Deferred tax assets are recognised on deductible temporary differences and tax loss carry forwards arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. The deferred tax assets and liabilities must relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis. Please see Note 30.

(4) Critical Accounting Estimates & Judgements in Applying Accounting Policies

Management makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Other disclosures to the Group's exposure to risk and uncertainties are included in the Capital Management and Financial Risk Management sections. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Estimating Variable Consideration for Returns

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return. The Group determines the amount of revenue using the expected value method. The expected value method is the sum of probability weighted outcomes in a range of possible consideration amounts. Historical purchasing patterns and the refund entitlements of customers are used in estimating the expected consideration amounts.

The Group updates its assessment of expected returns regularly and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of the customer's actual returns in the future.

Determination of the Net Realisable Value of Inventories

The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined.

The provision for obsolete inventories reflects management's estimate of losses expected by the Group, calculated on the basis of experience as well as past and anticipated market performance. Estimates are based on information available as of the reporting date and management judgement about the expected sales volumes and margins after the reporting date. The expectation of volumes of loss-making sales and losses to be incurred is based on historical data adjusted for the results of management's analysis of retail industry developments and expected changes in customers' behaviour. Customer behaviour is analysed on a seasonal and geographical basis.

Each reporting date, management makes an assessment of slow moving inventory / non-moving inventory and makes adequate provision for such unsold inventory and makes adequate impairments for such unsold inventory reflecting the decline of the net realisable value.

The inventory balance is categorised depending on the season to which it relates to. The inventory valuation allowance reflects management's estimate of losses expected to be incurred by the Group as a result of sales of stock belonging to the particular season and sell-through rate.

Net realisable value is calculated as estimated selling price less the estimated costs necessary to make the sale. However, the extensive usage of discounts and frequent changes in prices with respect to market conditions makes estimation of selling prices on an item by item basis impracticable. For further information we refer to Note 15.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Statutory tax and customs legislation, which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. For further information, we refer to Note 30.

The Group operates in certain countries where the tax systems, regulations and enforcement processes have varying stages of development creating uncertainty regarding application of tax law and interpretation of tax treatments. The Group is also subject to regular tax audits in the countries where it operates. When there is uncertainty over whether the taxation authority will accept a specific tax treatment under the local tax law, that tax treatment is therefore uncertain. The resolution of tax positions taken by the Group, through negotiations with relevant tax authorities or through litigation, can take several years to complete and, in some cases, it is difficult to predict the ultimate outcome. Therefore, judgment is required to determine provisions for taxes.

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, the Group assumes that a taxation authority with the right to examine amounts reported to it will examine those amounts and have full knowledge of all relevant information when making those examinations.

The Group has a process in place to identify its uncertain tax positions. Management then considers whether or not it is probable that a taxation authority will accept an uncertain tax treatment. On that basis, the identified risks are split into three categories (i) remote risks (risk of outflow of tax payments are 0% to 20%), (ii) possible risks (risk of outflow of tax payments are 21% to 49%) and probable risks (risk of outflow 50% or more). The process is repeated regularly by the Group.

If the Group concludes that it is probable or certain that the taxation authority will accept the tax treatment, the risks are categorised either as possible or remote, and it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. The risks considered as possible are not provisioned but disclosed as tax contingencies in the Group consolidated financial statements while remote risks are neither provisioned nor disclosed.

If the Group concludes that it is probable that the taxation authority will not accept the Group's interpretation of the uncertain tax treatment, the risks are categorised as probable, and it reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates by generally using the most likely amount method – the single most likely amount in a range of possible outcomes.

If an uncertain tax treatment affects both deferred tax and current tax, the Group makes consistent estimates and judgments for both. For example, an uncertain tax treatment may affect both taxable profits used to determine the current tax and tax bases used to determine deferred tax.

If facts and circumstances change, the Group reassesses the judgments and estimates regarding the uncertain tax position taken. Please refer to Note 31 for our analysis of uncertain tax positions.

Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The primary inputs into the IBR calculations are available base rates such as local government bond yields. Company specific spreads are overlaid to the base rates, as well as corporate spreads and security adjustments as needed.

Critical Judgements in Determining the Lease Term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate)
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate)
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the lease assets.

Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model and the cash flows projections cover a detailed three-year forecast. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the perpetual growth rate ("PGR") used for extrapolation purposes. These selected inputs are consistent with industry and macroeconomic forecasts in the regions where the group of CGUs operate. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different groups of CGUs, including a sensitivity analysis, are disclosed and further explained in Note 13.

Fair Value Determination of Share-Based Payment Plans

Estimating the fair value for share-based payment transactions generally requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. For share options, this estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and risk-free rate. The Group initially measures the cost of cash-settled transactions with employees using the Black-Scholes model in order to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees, the Group uses the Black-Scholes model to value options by reference to observable market inputs on the grant date. The options are then not remeasured at the end of each reporting period.

Since GFG became listed the share price input in those models are derived from the Company's quoted share price at the reporting date. Measurement is thus subject to the market driven volatility of the share price. Other inputs may not be directly observable and therefore still need to be estimated.

The assumptions used for estimating the fair value for share-based payment transactions are disclosed in Note 19.

Recognition of Development Costs as Internally Generated Intangible Assets

The Group capitalises costs for development projects in accordance with IAS 38 when certain criteria are met, including the demonstration of technical feasibility, intention to complete the asset and the ability to use or sell the asset to generate probable future economic benefit. Management applies judgement in assessing these criteria.

Climate Change

The Group has conducted a qualitative assessment of climate change risks, identifying both physical and transition risks in accordance with our 2030 sustainability targets. Detailed information on these risks is available in section 2.2 Climate-related impact, risk and opportunities of the Sustainability Report.

Based on the assessment, climate change is anticipated to have minimal impact on the Group's operations in the short to medium term (up to 2030) but may become more significant in the long term. Although the financial impacts of these risks and opportunities have not been fully quantified, they are not expected to materially affect the carrying amounts of assets and liabilities in the current financial statements.

Specifically, management evaluated whether climate change impacts should be incorporated into future cash flow projections used for goodwill impairment assessments. It was concluded that climate change is not expected to materially impact short to medium term cash flows.

Management will continue to evaluate the financial implications of these risks in future assessments.

Specific Considerations:

Income Taxes

Currently, there are no known environmental taxes anticipated to significantly impact financial results. The Group will continuously monitor forecasted taxable profits and any climate-related legislative changes across regions that could affect income taxes.

Property, Plant & Equipment ("PPE"), Intangible Assets and Goodwill

The Group has considered the physical risks posed by climate change over the short, medium, and long term and determined that climate change risks do not have an impact on the impairment tests performed this year. Management will continue to review these factors as potential impairment triggers.

Other Matters

Currently, the Group does not foresee material financial impacts on inventory valuation or the measurement and recognition of financial instruments. Management will continue to assess the impact of climate change on the balance sheet moving forward.

(5) Changes in Material Accounting Policies

The accounting policies applied in these consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023, with the exception of the following.

The following standards, amendments and interpretations were effective 1 January 2024 but do not have a significant effect on the results or financial position of the Group:

Standard	Effective Date	Effects
Amendments to IAS 1 regarding the current or non-current classification of liabilities	1 January 2024	No material effect
Amendments to IFRS 16 – lease liability in a sale and leases back	1 January 2024	No effect
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024	No effect

The following standards and interpretations which are not yet effective are not expected to have a material effect on the results or financial position of the Group:

Standard	Effective Date	Effects
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025	No effect expected
Amendments to IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027	Presentational changes expected to the primary statements and Notes to the financial statements
Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027	No effect expected
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	1 January 2027	No material effect expected
Annual Improvements Volume 11 (issued on 18 July 2024)	1 January 2027	No material effect expected

The Group plans to adopt new standards once effective.

(6) 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 and Chile;
- South East Asia ("SEA") including Malaysia, Indonesia, Singapore, Philippines, 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 financial statements. The column 'Other' includes headquarters and other business activities.

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

Please refer to Note 29 which contains details of the Argentina business disposal, which was categorised as a discontinued operation during the prior year and is no longer presented as part of segment reporting.

Reportable segment information for the year ended 31 December 2024 is set out below:

In €m	LATAM[1]	SEA	ANZ	Total Fashion Business	Other	Reconciliation[2]	TOTAL
Revenues from external customers	217.6	168.0	357.9	743.5	-	-	743.5
Intersegment Revenue	-	4.9	-	4.9	34.6	(39.5)	-
Total Revenue	**217.6**	**172.9**	**357.9**	**748.4**	**34.6**	**(39.5)**	**743.5**
Cost of sales	(122.8)	(96.1)	(190.8)	(409.7)	(0.1)	0.1	(409.7)
Gross Profit	**94.8**	**76.8**	**167.1**	**338.7**	**34.5**	**(39.4)**	**333.8**
Operating (expenses) / income							
Selling and distribution expenses	(75.1)	(54.4)	(121.8)	(251.3)	-	1.1	(250.2)
Administrative expenses	(42.7)	(41.3)	(49.7)	(133.7)	(26.5)	(4.5)	(164.7)
Other (expenses) / income	(7.4)	4.9	(4.5)	(7.0)	(29.8)	35.8	(1.0)
EBIT	**(30.4)**	**(14.0)**	**(8.9)**	**(53.3)**	**(21.8)**	**(7.0)**	**(82.1)**
Depreciation and amortisation	13.8	12.1	18.0	43.9	7.2	7.0	58.1
EBITDA[3]	**(16.6)**	**(1.9)**	**9.1**	**(9.4)**	**(14.6)**	**-**	**(24.0)**
Recurring items (see below)							(0.2)
Non-recurring items (see below)							3.7
Adjusted EBITDA[4]	**(10.0)**	**(2.6)**	**16.4**	**3.8**	**(24.3)**	**-**	**(20.5)**
Reconciliation to loss before tax:							
Finance income							10.0
Finance costs							(17.7)
Share-based payment expense							0.7
Depreciation and amortisation							(58.1)
Gain on repurchase of convertible bond							12.3
Group recharges and associated taxes							(0.5)
One off payroll costs							(3.7)
Change in estimate of prior year tax provision							4.3
IFRS 16 lease modifications							(1.0)
Impairment of goodwill and other assets							(3.3)
Loss before tax from continuing operations							**(77.5)**
Recurring items:							
Share-based payment expense	(0.5)	(0.2)	0.3	(0.4)	(0.3)	-	(0.7)
Group recharges and associated taxes	3.1	2.5	5.3	10.9	(10.4)	-	0.5
Non-recurring items:							
One off payroll costs	1.0	1.0	0.7	2.7	1.0	-	3.7
Change in estimate of prior year tax provision	(0.3)	(4.0)	-	(4.3)	-	-	(4.3)
IFRS 16 lease modifications	-	-	1.0	1.0	-	-	1.0
Impairment of goodwill and other assets	3.3	-	-	3.3	-	-	3.3

[1] Results for LATAM exclude Argentina, which was categorised as a discontinued operation during the year ended 31 December 2023 and sold on 4 July 2024 (Note 29).

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

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

[4] Adjusted EBITDA is EBITDA adjusted for share-based payment expenses, impairment of goodwill and other non-financial assets, Group recharges and associated taxes, changes to estimates for prior year tax, IFRS 16 lease modifications and one off payroll and office closure costs.

Reportable segment information for the year ended 31 December 2023 is set out below:

In €m	LATAM[1]	SEA	ANZ	Total Fashion Business	Other	Reconciliation[2]	TOTAL
Revenues from external customers	250.5	209.5	378.0	838.0	-	-	838.0
Intersegment Revenue	-	2.9	-	2.9	41.5	(44.4)	-
Total Revenue	**250.5**	**212.4**	**378.0**	**840.9**	**41.5**	**(44.4)**	**838.0**
Cost of sales	(145.9)	(124.2)	(214.8)	(484.9)	(0.2)	-	(485.1)
Gross Profit	**104.6**	**88.2**	**163.2**	**356.0**	**41.3**	**(44.4)**	**352.9**
Operating (expenses) / income:							
Selling and distribution expenses	(94.4)	(66.2)	(128.9)	(289.5)	-	1.2	(288.3)
Administrative expenses	(54.2)	(39.7)	(52.4)	(146.3)	(30.2)	(7.3)	(183.8)
Other (expenses) / income	(60.4)	1.2	(6.2)	(65.4)	(35.5)	41.6	(59.3)
EBIT	**(104.4)**	**(16.5)**	**(24.3)**	**(145.2)**	**(24.4)**	**(8.9)**	**(178.5)**
Depreciation and Amortisation	16.7	11.7	14.0	42.4	6.2	8.9	57.5
EBITDA[3]	**(87.7)**	**(4.8)**	**(10.3)**	**(102.8)**	**(18.2)**	**-**	**(121.0)**
Recurring items (see below)							2.1
Non-Recurring items (see below)							60.6
Adjusted EBITDA[4]	**(27.4)**	**(1.4)**	**(2.9)**	**(31.7)**	**(26.6)**	**-**	**(58.3)**
Reconciliation to loss before tax:							
Finance income							15.9
Finance costs							(21.7)
Share-based payment expense							(1.7)
Depreciation and amortisation							(57.5)
Gain on repurchase of convertible bond							18.3
Group recharges and associated taxes							(0.4)
Change in estimate of prior year tax provision							(1.0)
Impairment of goodwill and other assets							(54.7)
One off payroll and office closure costs							(4.9)
Loss before tax from continuing operations							**(166.0)**
Recurring items:							
Share-based payment expense	(0.7)	1.3	0.5	1.1	0.6	-	1.7
Group recharges and associated taxes	2.8	2.5	5.2	10.5	(10.1)	-	0.4
Non-recurring items:							
Change in estimate of prior year tax provision	3.5	(2.4)	0.1	1.2	(0.2)	-	1.0
One off payroll and office closure costs	2.0	-	1.6	3.6	1.3	-	4.9
Impairment of goodwill and other assets	52.7	2.0	-	54.7	-	-	54.7

[1] Results for LATAM exclude Argentina, which was categorised as a discontinued operation during the year ended 31 December 2023 and sold on 4 July 2024 (Note 29).

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

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

[4] Adjusted EBITDA is EBITDA adjusted for share-based payment expenses, impairment of goodwill and other non-financial assets, Group recharges and associated taxes, changes to estimates for prior year tax, IFRS 16 lease modifications and one off payroll and office closure costs.

Information About Geographical Areas

Revenues from external customers by region are determined based on the location of the selling business.

Revenues from external customers include €163.0 million (2023: €182.5 million) in Brazil and €357.9 million (2023: €378.0 million) in Australia.

During 2024 and 2023 no revenues from external customers were generated in Luxembourg, the domicile of Global Fashion Group S.A.

Non-current assets include €42.7 million (2023: €61.0 million) in Brazil and €114.7 million (2023: €125.1 million) in Australia.

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

In €m	2024	2023
ANZ	114.7	125.1
LATAM	42.8	65.5
SEA	37.0	42.4
Other	10.4	11.4
Total	**204.9**	**244.4**

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 the monthly management accounts.

(7) Group Information

The consolidated financial statements include the assets, liabilities and financial results of the Company and its subsidiaries. The table below presents the list of the Company's subsidiaries.

			Ownership[1]	
	Principal Activity	Registered Office	31 December 2024	31 December 2023
Bigfoot GmbH, Berlin, Germany	Investment Holding	Berlin	100%	100%
Jade 1076. GmbH, Berlin, Germany	General Partner	Berlin	100%	100%
Bambino 49. VV UG (haftungsbeschränkt), Berlin, Germany	Trustee	Berlin	100%	100%
Global Fashion Group SGP Services PTE Limited, Singapore, Singapore	Consultancy Services	Singapore	100%	100%
GFG eCommerce Technologies GmbH, Berlin, Germany	IT Services	Berlin	100%	100%
GFG Deutschland Holdings GmbH (formally Jabong GmbH), Berlin, Germany	Holding	Berlin	96.96%	96.96%
Global Fashion Group UK Finance Limited, London, UK	Finance Holding	London	100%	100%
Global Fashion Group UK Services Limited, London, UK	Consultancy Services	London	100%	100%
Dafiti Latam GmbH & Co. Beteiligungs KG, Berlin, Germany	Holding	Berlin	99.14%	99.14%
VRB GmbH & Co. B-126 (Einhundertsechsundzwanzig) KG, Berlin, Germany[2]	Holding	Berlin	0%	95.91%
BFOOT S.R.L. (Arg), Buenos Aires, Argentina[3]	Online Retail	Buenos Aires	0%	95.77%
VRB GmbH & Co. B-127 (Einhundertsiebenundzwanzig) KG, Berlin, Germany	Holding	Berlin	95.84%	95.84%
Bigfoot Chile SpA, Santiago, Chile	Online Retail	Santiago	95.31%	95.31%
VRB GmbH & Co. B-128 (Einhundertachtundzwanzig) KG, Berlin, Germany	Holding	Berlin	96.79%	96.79%

	Principal Activity	Registered Office	Ownership[1] 31 December 2024	31 December 2023
Bigfoot Colombia SAS, Bogota, Colombia	Online Retail	Bogota	96.79%	96.79%
GFG Comercio Digital Ltda (formerly Comercio Digital BF Ltda), Sao Paulo, Brazil	Online Retail	Sao Paulo	99.13%	99.13%
Juwel 145 V V UG (haftungsbeschränkt), Berlin, Germany	Trustee	Berlin	100%	100%
Zalora Group GmbH, Berlin, Germany	Holding	Berlin	100%	100%
VRB GmbH & Co. B-136. KG, Berlin, Germany	Holding	Berlin	97.86%	97.86%
Brillant 1257 GmbH & Co. Verwaltungs KG, Berlin, Germany	Holding	Berlin	90.99%	90.99%
Brillant 1257. GmbH & Co. Zweite Verwaltungs KG, Berlin, Germany	Holding	Berlin	91.77%	91.77%
Brillant Vietnam Co., Ltd, Ho Chi Minh City, Vietnam	Holding	Ho Chi Minh City	91.77%	91.77%
R-SC Vietnam Co., Ltd., Ho Chi Minh City, Vietnam	Consultancy Services	Ho Chi Minh City	91.77%	91.77%
Brillant 1257. GmbH & Co. Dritte Verwaltungs KG, Berlin, Germany	Holding	Berlin	94.49%	94.49%
PT Fashion Eservices, Jakarta, Indonesia	Online Retail	Jakarta	94.48%	94.48%
PT Fashion Marketplace, Jakarta, Indonesia	Online Retail	Jakarta	94.40%	94.40%
Brillant 1257. GmbH & Co. Vierte Verwaltungs KG, Berlin, Germany, Berlin, Germany	Holding	Berlin	91.73%	91.73%
BF Jade E-Services Philippines Inc., Makati City, Philippines[4]	Online Retail	Makati City	46.77%	46.77%
Brillant 1257. GmbH & Co. Fünfte Verwaltungs KG, Berlin, Germany	Holding	Berlin	92.92%	92.92%
Jade E-Services Malaysia Sdn Bhd, Kuala Lumpur, Malaysia	Online Retail	Kuala Lumpur	92.92%	92.92%
Brillant 1257. GmbH & Co. Sechste Verwaltungs KG, Berlin, Germany	Holding	Berlin	94.77%	94.77%
Jade E-Services Singapore Pte Ltd, Singapore, Singapore	Online Retail	Singapore	94.77%	94.77%
Zalora South East Asia Pte Ltd, Singapore, Singapore	Online Retail	Singapore	94.77%	94.77%
RPL Fashion Trading Gungzhou Co., Ltd (China), Guangzhou, China	Online Retail	Guangzhou	94.77%	94.77%
Zalora Hong Kong Ltd, Hong Kong, China	Online Retail	Hong Kong	100%	100%
ZSEA Technology Services Company Limited, Vietnam	Consultancy Services	Ho Chi Minh City	94.77%	94.77%
VRB GmbH & Co. B-129. KG, Berlin, Germany	Holding	Berlin	93.70%	93.70%
Internet Services Australia 1 Pty Ltd, Sydney, Australia	Online Retail	Sydney	93.70%	93.70%
GFG UK 1 Limited, London, UK	Holding	London	100%	100%
GFG Deutschland 1 GmbH, Berlim, Germany	Holding	Berlin	100%	100%
Global Fashion Group TRM Limited, London, UK	Holding	London	100%	100%
Tricae Comercio Varejista Ltda, Sao Paulo, Brazil	Online Retail	Sao Paulo	99.91%	99.91%
Kanui Comercio Varejista Ltda, Sao Paulo, Brazil	Online Retail	Sao Paulo	99.91%	99.91%
Zalora eFulfillment Services Sdn Bhd, Kuala Lumpur, Malaysia	Holding	Malaysia	64.95%	64.95%

			Ownership[1]	
	Principal Activity	Registered Office	31 December 2024	31 December 2023
E-Kilau Sdn Bhd, Kuala Lumpur, Malaysia	Holding	Malaysia	1.84%	1.84%
GFG Denmark, filial af Global Fashion Group S.A., Luxembourg[5]	Branch	Denmark	0%	100%
Zalora Taiwan Co. Ltd, Taiwan	Online Retail	Taiwan	94.77%	94.77%
GFG ME Management Services – FZCO, Dubai	Management Services	Dubai	100%	100%

[1] Ownership percentage excluding shareholdings by Trustee companies.

[2] VRB GmbH & Co B-126 was disposed of during the year ended 31 December 2024 on 31 December 2024.

[3] BFOOT S.R.L (Arg) was sold during the year ended 31 December 2024 on 4 July 2024.

[4] For the years ended 31 December 2024 and 2023, the non-controlling interest element of BF Jade E-Services Philippines Inc., was the most significant element of the comprehensive loss for the year attributable to non-controlling interests. Entity is under the control of the group by virtue of indirect control through a wholly owned trustee subsidiary for which the % ownership in this table does not take into account.

[5] Entity is a branch not a legal subsidiary. This entity was closed on 27 November 2024.

At 31 December 2023 and 2024, the proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

(8) Balances & Transactions with Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control/jointly control the other party or can exercise significant influence over the other party in making financial and operational decisions. Apart from the subsidiaries and associates included in the consolidated financial statements, the Group maintains relationships with other related parties as disclosed below.

Kinnevik Group is a related party to the Group as they have the ability to exercise significant influence as shareholders of the Group as well as their subsidiaries and joint ventures.

No transactions have been entered into with related parties during the twelve months ended 31 December 2024 and 2023 respectively.

Key management personnel

The aggregate compensation to key management personnel, being the Management Board and Supervisory Board of the Group (executive and non-executive and including the Chief Executive Officer and Chief Operating Officer) plus the members of the executive committee of the Group, was as follows:

	For the Year Ended 31 December	
In €m	2024	2023
Short-term employee benefits	4.4	2.0
Share-based payments charge	0.4	1.0
Total	**4.8**	**3.0**

Further details of directors' remuneration can be found in the remuneration report in section 3.5, along with directors' interest in issued shares and share options.

(9) Auditors' Remuneration

Included in administrative expenses is the independent auditor's remuneration, including expenses for audit and non-audit services, payable to the Company's auditor Ernst & Young S.A. and its affiliated companies as follows:

	For the Year Ended 31 December	
In €m	2024	2023
Audit and audit-related services		
Audit of the parent company and consolidated financial statements	1.0	1.1
Audit of the Company's subsidiaries	1.2	1.3
Total fees	**2.2**	**2.4**

(10) Loss per Share

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

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For the Year Ended 31 December	
In €m	2024	2023
Continuing operations	(81.5)	(176.8)
Discontinued operations	(1.0)	(1.6)
Loss attributable to ordinary equity holders of the parent for basic earnings	**(82.5)**	**(178.4)**
Weighted average number of ordinary shares for basic and diluted EPS (m)[1]	223.8	223.0
Basic and diluted EPS from continuing operations (€)	(0.4)	(0.8)
Basic and diluted EPS from discontinued operations (€)	-	-
Total basic and diluted EPS (€)	**(0.4)**	**(0.8)**

[1] *The weighted average number of shares takes into account the weighted average effect of any changes in treasury shares during the year.*

Please see Note 18 for details on equity transactions.

For diluted loss per share, the weighted average number of common shares is equal to the number 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 year.

The Group has up to 29,761,905 (2023: 29,761,905) common shares under the authorised share capital reserved for the conditional issuance of shares under the convertible bond that could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

(11) Property, Plant & Equipment

In €m	Office / IT Equipment	Leasehold Improvements	Warehouse / Motor Vehicles	Assets in the Course of Construction	Total
Cost:					
At 1 January 2023	**31.9**	**6.5**	**76.6**	**4.0**	**119.0**
Additions	0.9	1.8	1.1	0.2	4.0
Disposals	(1.4)	(1.0)	(0.3)	-	(2.7)
Reclassifications	0.3	(0.6)	2.2	(1.9)	-
Currency translation differences	(3.0)	(0.2)	2.3	(0.2)	(1.1)
At 31 December 2023	**28.7**	**6.5**	**81.9**	**2.1**	**119.2**
Additions	0.2	0.8	0.1	3.4	4.5
Disposals	(4.6)	(0.1)	(0.7)	-	(5.4)
Reclassifications	0.7	0.8	3.3	(4.8)	-
Currency translation differences	(0.9)	(0.6)	(8.3)	(0.1)	(9.9)
At 31 December 2024	**24.1**	**7.4**	**76.3**	**0.6**	**108.4**
Depreciation and impairment:					
At 1 January 2023	**(25.3)**	**2.2**	**(30.8)**	**-**	**(53.9)**
Depreciation charge for the year	(2.4)	(1.8)	(6.5)	-	(10.7)
Disposals	1.1	1.2	0.2	-	2.5
Currency translation differences	1.9	0.2	(0.8)	-	1.3
Impairment loss	(0.1)	(0.2)	(0.7)	-	(1.0)
At 31 December 2023	**(24.8)**	**1.6**	**(38.6)**	**-**	**(61.8)**
Depreciation charge for the year	(2.0)	(3.2)	(6.2)	-	(11.4)
Disposals	4.9	0.1	0.7	-	5.7
Reclassifications	0.2	0.1	(0.3)	-	-
Currency translation differences	0.6	0.2	3.2	-	4.0
Impairment loss	-	(0.4)	(2.4)	(0.1)	(2.9)
At 31 December 2024	**(21.1)**	**(1.6)**	**(43.6)**	**(0.1)**	**(66.4)**
Net book value					
At 31 December 2024	**3.0**	**5.8**	**32.7**	**0.5**	**42.0**
At 31 December 2023	**3.9**	**8.1**	**43.3**	**2.1**	**57.4**

(12) Leases

This Note provides information for leases where the Group is a lessee. There are no material instances where the Group is a lessor.

(i) Amounts recognised in the statement of financial position

In €m	31 December 2024	31 December 2023
Right-of-use assets:		
Property	6.2	18.2
Warehouse	30.2	33.0
Office equipment and other	0.4	0.3
Total right-of-use assets	**36.8**	**51.5**
Lease liabilities:		
Current	16.1	18.1
Non-current	32.0	43.6
Total lease liabilities	**48.1**	**61.7**

Please refer to Note 4 for critical judgements related to leases.

Additions to right-of-use assets during the year were €6.3 million (2023: € 6.0 million).

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	For the Year Ended 31 December	
In €m	2024	2023
Depreciation charge of right-of-use assets:		
Property	4.1	3.8
Warehouse	11.4	11.8
Office equipment and other	0.3	0.2
Total depreciation charge of right-of-use assets	**15.8**	**15.8**
Interest expense (included in finance costs)	4.2	5.0
Total interest expense	**4.2**	**5.0**

As a result of the impairment review of assets, an impairment of €1.7m was recognised against the carrying value of right-of-use-assets in the LATAM and ANZ group of CGUs (2023: 1.2 million in the LATAM and SEA group of CGUs).

The total cash outflow for leases in 2024, including interest and payments, was €19.3 million (2023: €20.5 million).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Please refer to Note 3 for detailed accounting policies.

(iv) Variable Lease Payments

Various leases across the Group contain variable lease payment terms that are linked to an index or a rate, specific to the country that the lease is in. Variable lease payments are initially recognised as part of the lease liability using the index or rate as at the date of commencement and the lease liability is subsequently remeasured to reflect the revised lease payments when there is a change in the cash flows.

(v) Residual Value Guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to property and equipment leases. As at 31 December 2024, there were no balances excluded from lease liabilities, which were not expected to be payable (2023: nil).

(vi) Extension and Termination Options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2024, there were no potential future cash outflows that were excluded from the lease liability because it was not reasonably certain that the leases would be extended (or not terminated) (2023: nil).

(vii) Lease not yet commenced to which the lessee is committed.

As at 31 December 2024 and 2023, the Group was not committed to any leases, which had not yet commenced.

Please refer to Note 32 for maturity analysis of lease liabilities.

(13) Goodwill & Other Intangible Assets

In €m	Goodwill	Internally Developed Intangible Assets / Website Costs	Software / Licenses / Rights	Trademark	Customer Relationships	Other	Total Other Intangible Assets
Cost:							
At 1 January 2023	**353.5**	**78.6**	**35.9**	**199.3**	**67.8**	**1.0**	**382.6**
Additions	-	21.2	4.7	0.4	-	-	26.3
Reclassifications	-	0.5	(0.3)	(0.2)	-	-	-
Impairment loss	0.1	(0.4)	-	-	-	-	(0.4)
Disposals	-	(1.7)	(2.9)	-	-	-	(4.6)
Currency translation differences	(3.6)	(1.8)	2.4	(0.5)	(1.2)	-	(1.0)
At 31 December 2023	**350.0**	**96.5**	**39.8**	**199.0**	**66.6**	**1.0**	**402.9**
Additions	-	21.6	0.3	3.8	-	-	25.7
Reclassifications	-	19.0[1]	(19.0)[1]	-	-	-	-
Disposals	-	(0.6)	(0.4)	-	-	-	(1.0)
Currency translation differences	(8.4)	(6.1)	(1.1)	(4.9)	(0.3)	-	(12.4)
At 31 December 2024	**341.6**	**130.4**	**19.6**	**197.9**	**66.3**	**1.0**	**415.2**

(13) Goodwill & Other Intangible Assets (Continued)

In €m	Goodwill	Internally Developed Intangible Assets / Website Costs	Software / Licenses / Rights	Trademark	Customer Relationships	Other	Total Other Intangible Assets
Depreciation and impairment:							
At 1 January 2023	**(257.8)**	**(41.9)**	**(27.0)**	**(154.0)**	**(58.8)**	**(1.0)**	**(282.7)**
Amortisation charge for the year	-	(16.6)	(5.8)	(6.3)	(2.6)	-	(31.3)
Impairment loss	(40.2)	(0.5)	(0.1)	(9.0)	(2.7)	-	(12.3)
Disposals	-	-	1.9	-	-	-	1.9
Currency translation differences	4.1	0.8	(1.3)	0.2	1.2	-	0.9
At 31 December 2023	**(293.9)**	**(58.2)**	**(32.3)**	**(169.1)**	**(62.9)**	**(1.0)**	**(323.5)**
Amortisation charge for the year	-	(19.0)	(4.6)	(5.3)	(2.0)	-	(30.9)
Impairment loss	-	-	(0.2)	-	-	-	(0.2)
Reclassifications	-	(17.5)[1]	17.5[1]	-	-	-	-
Disposals	-	0.3	0.5	-	-	-	0.8
Currency translation differences	6.6	4.1	1.6	4.2	0.4	-	10.3
At 31 December 2024	**(287.3)**	**(90.3)**	**(17.5)**	**(170.2)**	**(64.5)**	**(1.0)**	**(343.5)**
Net book amount							
At 31 December 2024	**54.3**	**40.1**	**2.1**	**27.7**	**1.8**	**-**	**71.7**
At 31 December 2023	**56.1**	**38.3**	**7.5**	**29.9**	**3.7**	**-**	**79.4**

See Note 26 for the breakdown of amortisation expenses between selling & distribution and general administration.

As at 31 December 2024 and 2023, there were no intangible assets in which title was restricted.

[1] In 2024, the definition of 'Internally Generated Intangible Assets / Website Costs' was amended to include services from third parties involved in the development of Intangible Assets. In line with the amended definition, some capitalised costs from 2023 were reallocated to 'Internally Developed Intangible Assets' with a net book value of €3.2m.

Impairment Testing of Groups of CGUs Containing Goodwill and Other Non-Financial Assets

The Group performed the impairment test for its group of CGUs as at 31 December 2024. For the year ended 31 December 2024, the Group recorded €nil impairment charges in respect of the group's investments in LATAM, SEA and ANZ (2023: €41.6 million in LATAM and €2.0 million in SEA).

For the purposes of impairment testing, goodwill was allocated to the Group's group of regional CGUs, as this is the level at which goodwill is monitored by management for internal reporting purposes. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups.

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

In €m	31-December-24	31-December-23
LATAM	-	-
SEA	-	-
ANZ	54.3	56.1
Total	**54.3**	**56.1**

Impairment Approach for the Year Ended 31 December 2024

As part of the 2024 annual impairment assessment of Goodwill and other assets in ANZ, management have assessed internal and external indicators of impairment, covering analyst commentary, internal budget comparisons, macroeconomic and industry analysis and no impairment charge was recognised. Goodwill is reviewed annually in line with requirements and the results of that review for each region are highlighted below.

Management have also assessed internal and external indicators of impairment for the LATAM and SEA groups of CGUs, covering analyst commentary, internal budget comparisons, macroeconomic and industry analysis. Management has identified potential external indicators of impairment in the LATAM and SEA group of CGUs and as a result have re-estimated the recoverable amounts of those groups of CGUs.

The recoverable amounts of each group of CGUs are based on value-in-use, estimated using a DCF model. The model uses cash flow projections covering a detailed three-year forecast, followed by an extrapolation of expected cash flows over an additional two years using annual growth rate, as determined by management. The terminal value of the group of CGUs is calculated using the terminal year cash flow which is capitalised into perpetuity using estimated growth rate, perpetuity growth rate and discount rates. These selected growth rates are consistent with industry and macro-economic forecasts in the regions where the group of CGUs operate. The present value of the expected cash flows of each group of CGUs is determined by applying a discount rate that is commensurate with the risks and uncertainty inherent in the group of CGUs forecasts.

LATAM Group of CGUs

The recoverable amount of the LATAM group of CGUs of €(3.7) million as at 31 December 2024 (31 December 2023: €(1.5) million) has been determined based on a value in use of cash-generating unit calculated using the business plan of the CGU. The projected cash flows reflect the impact of the macroeconomic and market challenges in the LATAM region, including deteriorating GDP, rising unemployment and household debt. When the recoverable amount was considered with the net asset value of the LATAM group of CGUs, headroom remained. As a result of this analysis, management has not recognised an impairment charge in LATAM in 2024 (2023: €41.6 million).

The allocation of the prior year impairment charge of €41.6 million beyond goodwill to other assets was as follows: €0.2 million to other intangible assets, €0.8 million to Property, Plant and Equipment and €0.4 million to Right of Use Assets. The impairment charge is presented as a separate line item in the Consolidated statement of profit or loss.

SEA Group of CGUs

The recoverable amount of the SEA group of CGUs of €15.2 million as at 31 December 2024 (31 December 2023: €6.5 million) has been determined based on a value in use of cash-generating unit calculated using the business plan of the CGU. The projected cash flows reflect the impact of the ongoing macroeconomic and market challenges in the SEA region, including escalated cost of living pressures and decreases in consumer expenditure. As a result of this analysis, management has not recognised any impairment charge in SEA in 2024 (2023: €2.0 million).

The allocation of prior year impairment charge of €2.0 million to assets was as follows €1.0 million to other intangible assets, €0.2 million to Property, Plant and Equipment and €0.8 million to Right of Use Assets. The impairment charge is presented as a separate line item in the Consolidated statement of profit or loss.

ANZ Group of CGUs

The recoverable amount of the ANZ group of CGUs of €89.3 million as at 31 December 2024 (31 December 2023: €132.7 million) has been determined based on a value in use of cash-generating unit calculated using the business plan of the CGU. The projected cashflows reflect the impact of the current macroeconomic and market challenges while considering the positive trends the execution of the business plan is delivering in the ANZ region. As a result of this management has not recognised any impairment in ANZ.

Key assumptions used in the estimation of the discount rates by group of CGU included specific risk premiums to account for the Group's size and take into account local inflation. The discount rates and growth rates used in deriving the group of CGUs recoverable amounts as at 31 December 2024 were as follows:

CGU	Discount Rate	Perpetual Growth Rate
LATAM (excluding Chile)	18.2%	3.2%
SEA	15.6%	2.4%
ANZ	15.8%	2.8%
GFG Group-level test	16.4%	3.0%

The discount rates and growth rates used in deriving each group of CGUs recoverable amounts for the year ended 31 December 2023 were as follows:

CGU	Discount Rate	Perpetual Growth Rate
LATAM (excluding Argentina)	19.5%	3.7%
SEA	17.3%	4.0%
ANZ	17.6%	2.6%
GFG Group-level test	18.1%	3.0%

The key assumptions used in the estimation of the recoverable amounts of all three groups of CGUs are:

- Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC represents a weighted average of the cost of equity and cost of debt. The beta factor is evaluated at each measurement period based on publicly available market data for each CGU and its industry peers.
- Growth rates used to extrapolate cash flows beyond the forecast period – Rates are based on published industry research.
- EBITDA margin is expected to gradually increase over the forecast period.
- Capital expenditure ("capex") includes the planned expenditure by each group of CGUs based on their medium-term plan. A maintenance capex assumption is applied for Capex outside of the unit's medium-term plan.

Sensitivity Analysis

Management considered the following reasonably possible changes in key assumptions for discount rates, perpetual growth rate, projected EBITDA, capital expenditure and free cash flow, leaving all other assumptions unchanged. The sensitivity analysis presented is prepared on the basis that the reasonable possible change in each key assumption (based on percentage point ("pps") movement) would not have a consequential impact on other assumptions used in the impairment review. The associated impact on the impairment assessment is presented in the table below.

	Recoverable Amount Less Carrying Value		
In €m	SEA	ANZ	LATAM
Base case at 31 December 2024	20.0	9.8	10.6
Change in discount rate			
Increase by 2 pps	15.2	(3.8)	9.2
Decrease by 2pps	26.5	28.2	12.4
Change in perpetual growth rate			
Increase by 1 pps	21.8	15.1	11.1
Decrease by 1 pps	18.5	5.3	10.1
Change in projected EBITDA margin[1]			
Increase by 5 pps	99.0	122.1	72.4
Decrease by 5 pps	(63.8)	(121.7)	(60.6)
Change in capital expenditure			
Increase by 5%	17.4	7.0	9.3
Decrease by 5%	22.6	12.7	11.9

[1] Please note that the projected increase in EBITDA margin from 2025 to the terminal value year is above 5pps in each CGU.

If the assumptions used in the impairment review were changed to a greater extent than as presented in the previous table, the changes would in isolation, lead to an impairment loss being recognised for the year ended 31 December 2024.

	Change Required for Carrying Value to Equal Recoverable Amount		
	SEA	ANZ	LATAM
Discount rates	14.6pps	1.3pps	Not applicable[1]
Perpetual growth rate	Not applicable[1]	(2.4)pps	Not applicable[1]
EBITDA margin	(2.0)pps	(0.7)pps	(1.6)pps
Capital expenditure	39.1%	17.4%	40.8%

[1] There is no reasonable fluctuation of that assumption that could lead to an impairment for the group of CGUs

(14) Other Non-Financial Assets

Other non-financial assets are as follows:

In €m	31-December-24	31-December-23
Prepayments	9.1	8.5
VAT and tax refunds	5.7	5.2
Right to recover returned goods	6.0	6.3
Other non-financial assets (current)	**20.8**	**20.0**

(15) Inventories

In €m	31-December-24	31-December-23
Raw materials and supplies	0.5	0.7
Finished goods and merchandise	105.2	122.3
Less: provisions on finished goods and merchandise	(9.3)	(12.5)
Total inventories	**96.4**	**110.5**

During 2024 €1.7 million (2023: €3.7 million) was recognised as an expense write-off for inventories carried at net realisable value. This is recognised in cost of sales.

(16) Trade Receivables and Other Financial Assets

Trade receivables and other financial assets are as follows:

In €m	31-December-24	31-December-23
Non-current		
Receivables from deposits / restricted cash	33.0	39.8
Other financial assets (non-current)	**33.0**	**39.8**
Current		
Trade and other receivables	49.6	39.2
Less: loss allowance (Note 32)	(0.8)	(0.6)
Trade and other receivables (current)	48.8	38.6
Other financial assets		
Investments in investment funds at fair value through profit or loss	-	161.1
Receivables from deposits / restricted cash	12.4	10.3
Receivables from employees	0.1	0.2
Contract Assets	4.4	4.2
Other financial receivables	4.2	4.8
Less: loss allowance	(0.3)	(0.3)
Other financial assets (current)	**20.8**	**180.3**

Non-current and current receivables from deposits/restricted cash include collateral to banks, suppliers and leasing partners and judicial deposits.

During the year, the Group sold €161.9 million (2023: €75.0 million) of its investment in investment funds as part of the Group's cash management strategy. As at 31 December 2024, the fair value of these funds amounted to €nil million (31 December 2023: €161.1 million). The gain in fair value of €0.8 million (31 December 2023: €9.6 million gain) was recognised under "Fair value changes to investments in investment funds" (refer to Note 28).

Reconciliation of fair value measurement of financial assets measured under level 3 only of the fair value hierarchy:

In €m	1 January 2024	Redemptions	Gain in Fair Value	31 December 2024
Investment in Investment funds (Level 3)	10.3	(10.4)	0.1	-

In €m	1 January 2023	Redemptions	Gain in Fair Value	31 December 2023
Investment in Investment funds (Level 3)	10.0	-	0.3	10.3

Note 3 explains the principles of recognition of impairment losses on financial assets.

The additions to the provision for impaired receivables have been included in net impairment losses of financial assets in the statement of profit or loss. Amounts charged to the allowance account are generally written off against the trade receivables, when there is no expectation of recovery.

Further details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 32.

(17) Cash and Cash Equivalents

In €m	31-December-24	31-December-23
Short term deposits	-	1.0
Cash in bank	210.6	224.9
Cash and cash equivalents	**210.6**	**225.9**

For short-term deposits and cash at bank the Group applies a general approach in calculating ECLs. However, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date as, given their maturity, the 12-month and lifetime ECLs are the same. No loss allowance was recognised as of 31 December 2024 (2023: nil).

(18) Equity

Common Share Capital

As at 31 December 2024, the issued share capital was 225,642,912 common shares (2023: 223,792,912), with a nominal value of €0.01 per share. Each common share entitles the holder to one vote at Global Fashion Group's Annual General Meeting. The nominal value of all common shares is fully paid.

The table below details the share capital movements during the current and prior year:

	Number of Common Shares	Nominal Amount in € Per Share (par value 0.01)	Share Capital (€m)	Share Premium (€m)
At 1 January 2023	220,292,912	0.01	2.2	303.6
Common Share Capital issued	3,500,000	0.01	-	-
Balance as at 31 December 2023	223,792,912	0.01	2.2	303.6
Common Share Capital issued	1,850,000	0.01	0.1	-
Balance as at 31 December 2024	**225,642,912**	**0.01**	**2.3**	**303.6**

During the year, 1,850,000 (2023: 3,500,000) common shares were used to facilitate the units being exercised under the share-based payment plans. Please see Note 19 for more details.

Treasury Shares

The total number of common shares in treasury was 278,773 as at 31 December 2024 (2023: 278,773).

Authorised Capital

In the context of the Share Plan in Note 19, the Board approved the future issuance of shares under the terms of the plan.

The tables below summarise the authorised common share capital:

	2024			2023		
Share Capital	No.	Par Value per Share	€ m	No.	Par Value per Share	€ m
Authorised common shares	439,435,251	0.01	4.4	439,435,251	0.01	4.4
Issued common shares	225,642,912	0.01	2.3	223,792,912	0.01	2.2

Capital Reserves

There were no changes to capital reserves in the current or prior year. The reserve represents the cumulative impact of acquisitions of the Group prior to the initial public offering ("IPO").

Share-Based Payment Reserves

Share-based payment reserves relate to IFRS 2 reserves and amounted to €158.6 million as at 31 December 2024 (2023: €157.9 million). The share-based payment reserve is used to recognise the value of equity settled share-based payments provided to directors and employees (Note 19).

Convertible Bond Equity Component

On 15 March 2021, the Group issued Convertible Bonds for net proceeds of €369.1 million. The equity component was valued at €48.6 million being the residual between the net proceeds and value of the debt component at initial recognition (Note 22).

On 25 August 2023, the Group repurchased bonds which were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €74.6 million in aggregate principal amounts (approximately 27% of the principal amount as at the end of December 2022). Following the repurchase, the carrying amount of equity component was €26.6 million (31 December 2022: €36.3 million) as €9.7 million was reclassified from Convertible bond equity component to Other reserves.

On 31 August 2023, the Group repurchased bonds which were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €27.0 million in aggregate principal amounts (approximately 10% of the principal amount as at the end of December 2022). Following the repurchase, the carrying amount of equity component was €23.1 million (31 December 2022: €36.3 million) as €3.5 million was reclassified from Convertible bond equity component to Other reserves.

On 6 May 2024, the Group repurchased bonds that were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €2.8 million in aggregate principal amount (approximately 2% of the principal amount as at the end of December 2023). Following the repurchase, the carrying amount of equity component was €22.8 million (31 December 2023: €23.1 million) as €0.3 million was reclassified from Convertible bond equity component to Other reserves.

On 14 June 2024, the Group repurchased bonds that were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €9.8 million in aggregate principal amounts (approximately 6% of the principal amount as at the end of December 2023). Following the repurchase, the carrying amount of equity component was €21.5 million (31 December 2023: €23.1 million) as €1.3 million was reclassified from Convertible bond equity component to Other reserves.

On 16 August 2024, the Group repurchased bonds, which were due to be redeemed on 15 March 2028. The Group repurchased Bonds representing €110.0 million in aggregate principal amounts (approximately 62% of the principal amount as at the end of December 2023). Following the repurchase, the carrying amount of equity component was €7.2 million (31 December 2023: €23.1 million) as €14.3 million was reclassified from Convertible bond equity component to Other reserves.

On 30 September 2024, the Group repurchased bonds, which were due to be redeemed on 15 March 2028. The Group repurchased Bonds representing €1.0 million in aggregate principal amounts (approximately 1% of the principal amount as at the end of December 2023). Following the repurchase, the carrying amount of equity component was €7.1 million (31 December 2023: €23.1 million) as €0.1 million was reclassified from Convertible bond equity component to Other reserves.

Non-Controlling Interest

As of 31 December 2024 and 2023, non-controlling interests mainly consisted of third-party share ownership of BF Jade E-Services Philippines Inc. No capital contributions from a third-party shareholder were received during 2024 (2023: nil).

(19) Share-Based Payments

As at 31 December 2024, the Group's share-based payment arrangements are composed of:

a. Long-term incentive plan (previously referred to as 2019 share plan);
b. 2018 employee share option plan (ESOP 2018);
c. 2024 GFG Share Option Plan;

The total share-based payment credit of €0.7 million (2023: €1.7 million expense) is comprised of share-based payment and social charges of:

- €(1.0) million (2023: €2.2 million) relating to the Long-term incentive plan; and
- €nil million (2023: €(0.5) million) relating to the 2018 employee share option plan.
- €0.3 million (2023: €nil million) relating to the 2024 GFG Share Option Plan.

The share-based payment expense reduced by €2.4 million since 31 December 2023 (2023: reduced by €6.0 million since 31 December 2022) due to forfeited awards during the year (including the release of related social charges). All awards are subject to applicable employer social charges based on rates that vary by geographic location and by each relevant participants' individual tax status. The Group has accounted for this by recognising a social charge liability on the portion of awards that have been expensed at period end and which the Group would be liable to pay upon exercise. Such liabilities are released upon expiry or forfeiture of the grants.

(a) Long-Term Incentive Plan

Under this plan, the participants have been granted two different types of awards, Restricted Stock Units ("RSU") and Performance Stock Units ("PSU"). All units represent an entitlement to a share in Global Fashion Group S.A ('GFG shares'). The units do not have an exercise price. All units vest over two to three years and PSUs are additionally subject to non-market performance conditions that the Company has set for each year.

Stock Unit Awards	Number of Shares 2024	Number of Shares 2023
Outstanding at the beginning of the year	**9,871,307**	**9,257,520**
Granted during the year	738,575	6,383,524
Forfeited during the year	(2,684.753)	(2,913,672)
Exercised during the year	(2,344,509)	(2,856,065)
Outstanding as at 31 December	**5,580,620**	**9,871,307**
Total awards vested and therefore exercisable as at 31 December	**978,319**	**1,201,918**

Forfeited shares represent units that an employee is no longer entitled to when they leave employment, as the shares are unvested at the leaving date. All vested units were 'in-the-money' as at 31 December 2024.

The weighted average share price for units exercised in the year was €0.24 (2023: €0.66).

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 year was €0.23 (2023: €0.79). The number of awards due to vest in 2025 is 2,501,004.

As at 31 December 2024, liabilities arising from applicable employer social charges of €0.4 million (2023: €1.9 million) were included within other financial liabilities (current).

(b) 2018 Employee Share Option Plan

The balance of the number of vested options outstanding and their related weighted average exercise prices are as follows for the year ended 31 December 2024:

Share Option Awards	Weighted Average Exercise Price 2024	Number of Options 2024
Outstanding at the beginning of the year	8.09	4,070,643
Exercised during the year	0.99	(12,567)
Expired during the year	22.78	(290,768)
Outstanding as at 31 December	5.65	3,767,308
Total awards vested as at 31 December	**5.65**	**3,767,308**
In-the-money awards vested as at 31 December	**-**	**-**

The balance of the number of vested options outstanding and their related weighted average exercise prices are as follows for the year ended 31 December 2023:

Share Option Awards	Weighted Average Exercise Price 2023	Number of Options 2023
Outstanding at the beginning of the year	8.86	6,249,171
Exercised during the year	0.99	(12,567)
Expired during the year	10.43	(2,165,961)
Outstanding at 31 December	8.09	4,070,643
Total Awards vested as at 31 December	**8.09**	**4.070,643**
In-the-money awards vested as at 31 December	**0.18**	**170,132**

The weighted average fair value of options granted during the year was €nil (2023: €Nil).

The weighted average remaining contractual life for the share options outstanding as at 31 December 2024 was 1.34 years (2023: 2.54 years)

The liabilities in relation to the 2018 employee share option plan is shown on the below table:

In €m	2024	2023
Expense arising from cash-settled share-based payment transactions	-	(0.1)
Liability arising from cash-settled portion of share-based payments	0.4	0.4
Liability arising from applicable employer social charges	0.2	0.4

Liabilities are included within trade payables and other financial liabilities and were classified as current as they are expected to be settled within one year from the reporting date. The intrinsic value of the liability is close to the carrying amount.

(C) 2024 GFG Share Options Plan

During the year ended 31 December 2024, the Group launched a new long-term incentive plan, the 2024 GFG Share Option Plan. The significant majority of options are equity settled with a small amount of cash settled options for participants located in countries that either don't allow equity settled schemes or where tax laws are highly unfavourable for such options.

Under this plan, the participants have been granted two different options. A No Cost Option ("NCO") representing the right to purchase shares in GFG at zero cost at a later date subject only to time-based vesting conditions, and a Performance No Cost Option ("PNCO") which is subject to the achievement of defined Group performance criteria as well as time based vesting conditions. The first tranches of these new options were awarded on 1 April 2024 and will vest in instalments over a three-year period under graded vesting for NCOs and yearly for PNCOs. All options need to be exercised within 8 years of vesting, or these will be forfeited. The expense is recognised in the statement of profit or loss over the vesting period.

All options are subject to applicable employer social charges based on rates that vary by geographic location and by participants' individual tax status. The Group recognises social charge liabilities on the portion of options awarded that have been expensed at the year end.

In 2024, 4,574,798 share options were granted to participants of the 2024 GFG Share Option Plan. The weighted average fair value of the options granted during the year was €0.23. The fair value of options granted was calculated using the Black Scholes Model. The inputs used to determine fair value under the Black Scholes valuation model are as follows:

Inputs (€)	2024
Weighted average fair values at measurement date	0.23
The expected life (years)	5.2
Risk free rate	2.86%
Expected volatility (%) (based on historical movements measured weekly)	78.9%
Exercise price	nil
Expected dividends	nil

The share-based payments expense in any given period therefore represents the value of all vested awards (remeasured at the latest applicable value for cash-settled instruments), the value of the graded portion of each award due to vest in the future and recognised in current accounting periods, and the applicable social charges attached to those awards.

The balance of the number of vested options outstanding and their related weighted average exercise prices are as follows for the year ended 31 December 2024:

Share Option Awards	Weighted Average Exercise Price 2024	Number of Options 2024
Outstanding at the beginning of the year	-	-
Granted during the year	-	4,574,798
Exercised during the year	-	-
Forfeited during the year	-	(904,778)
Expired during the year	-	-
Outstanding as at 31 December	-	3,670,020
Total awards vested as at 31 December	**-**	**-**
In-the-money awards vested as at 31 December	-	-

The number of awards expected to vest in 2025 is 1,229,828.

(20) Borrowings

The table below summarises the borrowing facilities of the Group as at 31 December 2024:

Financing Counterparty	Renewal Date	Term	Total Facility		Drawn as at 31 December 2024		Drawn as at 31 December 2023
			LCY m	€ m	LCY m	€ m	€ m
BPI	Jul-25	1 year	₱200	3.3	₱200	3.3	4.9
HSBC	-	-	-	-	-	-	6.3
HSBC	Mar-25	1 year	$7	6.5	$0.3	0.3	0.7
Total borrowings (current)				**10.4**		**3.6**	**11.9**

The table below summarises the changes in the Group's borrowings arising from financing activities:

In €m	1-January-2024	Principal Repayments	Interest Repayments	Accrued Interest	FX Movement	New Borrowings	31-December-2024
Interest bearing bank borrowings (current)	11.9	(74.5)	(0.6)	0.6	-	66.2	3.6

In €m	1-January-2023	Principal Repayments	Interest Repayments	Accrued Interest	FX Movement	New Borrowings	31-December-2023
Interest bearing bank borrowings (current)	17.0	(48.5)	(0.9)	0.9	(0.6)	44.0	11.9

During 2024 GFG terminated one multinational HSBC facility and reduced the BPI facility by ₱100 million pesos (€1.7 million). In addition, the Group had the following bi-lateral facilities in place for the issuance of bank guarantees:

- Trade guarantee facility with Citibank of $15 million. The facility terms require all issued guarantees to be covered by 100% cash collateral plus a 10% uplift to provide cover for exchange rate movements where issuances are in currencies other than USD. The cash collateral is included within Other Financial Assets (current). As at 31 December 2024, the Group had utilised $5.3 million (€5.0 million) of this facility (31 December 2023: €5.6 million).
- Trade guarantee facility with HSBC of €15 million (31 December 2023: €15 million). The facility requires €6.0 million of cash collateral be maintained in an account with HSBC. The cash collateral is included within Other Financial Assets (current). As at 31 December 2024, the Group had utilised €9.8 million (31 December 2023: €9.6 million) of the guarantee facility.

(21) Provisions

Movements in provisions for liabilities and charges are as follows:

In €m	Tax Risks	Litigation Risks	Other	Total
Carrying amount				
Carrying amount at 1 January 2023	**19.8**	**1.0**	**2.1**	**22.9**
Additions	-	-	1.6	1.6
Used	(3.0)	-	-	(3.0)
Currency translation differences	(0.4)	(0.1)	(0.3)	(0.8)
Carrying amount at 31 December 2023	**16.4**	**0.9**	**3.4**	**20.7**
Additions	-	-	0.8	0.8
Reduction	(5.0)	(0.1)	-	(5.1)
Disposal of business	-	-	(0.2)	(0.2)
Currency translation differences	0.2	(0.2)	-	-
Carrying amount at 31 December 2024	**11.6**	**0.6**	**4.0**	**16.2**

Provisions amounted to €16.2 million as of 31 December 2024 (2023: €20.7 million) where of €4.7 million are classified as non-current (2023: €4.1 million) mostly relating to restoration obligations and provisions for litigation and pensions, and €11.5 million as current (2023: €16.6 million).

Provision for tax risks relate to provisions for VAT, import duties (including penalties) and withholding tax. The provision mainly represents management's estimate of the amount payable in connection with a tax review relating to prior purchases of inventory and professional services invoices. Management currently estimates that the tax outflow is more likely than not and the provision has been classified as current. Please see Note 31 for further information.

Litigation risk. The amounts represent a provision for certain legal claims brought against the Group by customers and ex-employees. The provision charge is recognised in profit or loss within administrative expenses. In the managements' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided at 31 December 2024. The provision has been classified as current.

(22) Trade Payables & Other Financial Liabilities

In €m	31-December-24	31-December-23
Non-current		
Convertible bond debt component	48.6	160.3
Other financial liabilities (non-current)	**48.6**	**160.3**
Current		
Trade payables	183.1	169.5
Other financial liabilities	5.9	6.8
Other financial liabilities – convertible bond debt component (current)	2.7	5.5
Refund liabilities	12.3	12.7
Trade payables and other financial liabilities (current)	**204.0**	**194.5**
Trade payables and other financial liabilities	**252.6**	**354.8**

Refund liabilities, included in current other financial liabilities reflect the Group's obligation to refund its customers for returned goods.

The tables below summarise the changes in the Group's convertible bond other financial liabilities during the year:

In €m	1-January-24	Cash Flows	Interest Accrued	Gain on Repurchase	Other	31-December-24
Convertible bond debt component (non-current and current)	165.8	(105.8)	4.0	(12.3)	(0.4)	51.3

The tables below summarise the changes in the Group's other financial liabilities during 2023:

In €m	1-January-23	Cash Flows	Interest Accrued	Gain on Repurchase	Other	31-December-23
Convertible bond debt component (non-current and current)	252.0	(77.6)	9.7	(18.3)	-	165.8

As at 31 December 2024, current other financial liabilities included €2.7 million (2023: €5.5 million) and non-current other financial liabilities included €48.6 million (2023: €160.3 million) related to the debt component of Convertible Bonds.

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%.

The table below details repurchases of the Convertible Bonds:

Date	Principal Amount Repurchased (€ million)	% of Outstanding Principal	Purchase Price per €100,000 Nominal (€)	Cash Outflow (€ million)	Gain Recognised in Profit or Loss (€ million)
25 August 2023	74.6	~27% (as of December 2022)	€73,000	54.9	13.4
31 August 2023	27.0	~10% (as of December 2022)	€73,000	19.8	4.9
2023	**101.6**			**74.7**	**18.3**
6 May 2024	2.8	~2% (as of December 2023)	€73,000	2.0	0.6
14 June 2024	9.8	~6% (as of December 2023)	€75,000	7.4	1.8
16 August 2024	110.0	~62% (as of December 2023)	€85,000	94.1	9.8
30 September 2024	1.0	~1% (as of December 2023)	€85,000	0.8	0.1
2024	**123.6**			**104.3**	**12.3**

The original terms of the bonds remain unchanged for the remaining outstanding units. Unless previously converted, redeemed or repurchased and cancelled, the Convertible Bonds will be redeemed at their principal amount on 15 March 2028. The bondholders also have the right to convert the Convertible Bonds into new and / or existing (at the discretion of the Company) no-par value common shares in the dematerialised form of GFG. The bondholders also have the right to redeem the options early, on 15 March 2026, for the principal amount plus accrued interest. The Group has valued the debt and equity components separately. The liability is measured at amortised cost.

The fair value of the convertible bond as at 31 December 2024 was 86.3% (31 December 2023: 74.63%) of the nominal value, approximately €47.2 million (31 December 2023: €133.1 million). The fair value of Convertible Bonds is classified as level 1 as the bonds are traded in Frankfurt Stock Exchange.

The equity component was €7.1 million (31 December 2023: €23.1 million).

There are several embedded derivatives which would result in the options being redeemed for a variable amount of cash or variable number of shares. These options are accounted for as at fair value with gains/losses reflected in the income statement. However, the valuation of these options was nil at date of issue as well as at 31 December 2024 due to there either being a low probability of relevant contingent events occurring, or the options always being 'out-of-the-money' for the Group. The nature of these contingent events includes change in control and significant rise in share price over a 30-day period.

(23) Other Non-Financial Liabilities

In €m	31-December-24	31-December-23
Non-current:		
Other non-financial liabilities	31.4	37.1
Other non-financial liabilities (non-current)	**31.4**	**37.1**
Current:		
Liabilities from taxes	8.0	8.7
Accruals for personnel related expenses	17.4	14.9
Liabilities to employees	3.8	2.9
Liabilities from social security	1.1	1.7
Contract liabilities	22.9	26.5
Other non-financial liabilities	0.1	0.1
Withholding tax payable	0.2	0.1
Other non-financial liabilities (current)	**53.5**	**54.9**
Income tax liabilities	15.2	20.8
Total non-financial liabilities	**100.1**	**112.8**

Liabilities to employees/accruals for personnel related expenses comprise bonus obligations, accrued vacation and salaries.

Contract liabilities represent advance payments for orders received but not shipped, liabilities from store credit balances and unredeemed customer loyalty points. The contract liability opening balance was recognised as revenue during the year.

(24) Revenue

Revenues for the years ended are as follows:

2024[1]

In €m	LATAM	SEA	ANZ	Total
Sale of goods	184.9	121.0	315.4	621.3
Marketplace	29.7	28.0	36.7	94.4
Other	3.0	19.0	5.8	27.8
Total Revenue from external customers	**217.6**	**168.0**	**357.9**	**743.5**

2023[1]

In €m	LATAM	SEA	ANZ	Total
Sale of goods	211.4	161.8	337.0	710.2
Marketplace	34.3	26.3	32.3	92.9
Other	4.8	21.4	8.7	34.9
Total Revenue from external customers	**250.5**	**209.5**	**378.0**	**838.0**

[1] *In 2024, the definition of Other revenue was amended to include revenue generated by providing marketing services and other services that enable sales on third-party platforms, and 'Sale of Goods' was amended to include sales to offline retailers. For 2023, this revenue was €1.7 million which was presented within 'Other'.*

(25) Employee Benefit Expenses

Employee benefit expenses for the year are as follows:

In €m	2024	2023
Wages and salaries[1]	138.3	160.5
Social security costs[2]	10.8	12.7
Share-based payment expense	(0.7)	1.7
Total	**148.4**	**174.9**

[1] *Wages and salaries included in Cost of sales amounts to €nil (2023: €0.2m) and amounts included within Selling and Distribution expenses €56.2m (2023: €68.5m) and Administrative expenses were €82.2m (2023: €91.8m).*

[2] *Social security contributions included within Selling and Distribution expenses €2.9m (2023: €4.3m) and Administrative expenses were €7.9m (2023: €8.4m).*

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services) are accrued in the year in which the employees render the associated services.

The average monthly number of employees in 2024 was:

	LATAM	SEA	ANZ	Other[1]	Total
Average number of employees	1,328	1,367	1,069	158	3,922

The average monthly number of employees in 2023 was:

	LATAM	SEA	ANZ	Other[1]	Total
Average number of employees	2,050	1,609	1,240	172	5,071

[1] *"Other" includes employees of headquarters and other business activities.*

Total Selling and Distribution expenses for the year were €250.2 million (2023: €288.3 million). Total Administrative expenses for the year were €164.7 million (2023: €183.8 million). Employee benefit expenses and Depreciation and Amortisation (Note 26) are included within these balances per the consolidated statement of profit or loss.

(26) Depreciation and Amortisation Expenses

During the financial year, depreciation and amortisation expenses were categorised in expenses per function, as follows:

In €m	31-December-24	31-December-23
Included in selling and distribution expenses:		
Depreciation of property, plant & equipment	9.2	8.2
Depreciation of right-of-use assets	12.0	12.4
Amortisation of intangible assets	0.5	0.6
Included in general and administrative expenses:		
Depreciation of property, plant & equipment	2.2	2.3
Depreciation of right-of-use assets	3.8	3.4
Amortisation of intangible assets	30.4	30.6
Total	**58.1**	**57.5**

(27) Other Operating Income and Expenses

Other operating income for the year is as follows:

In €m	31-December-24	31-December-23
Other operating income:		
Gain on disposal of PPE	-	0.2
Income from subleasing office and warehouse space	2.7	1.4
Gain on lease modification	0.6	-
Other income	2.4	1.8
Other taxes	3.1	-
Total other operating income	**8.8**	**3.4**

Other operating expenses for the year are as follows:

In €m	31-December-24	31-December-23
Other operating expenses:		
Loss from disposal of intangible assets	0.4	2.1
Loss from disposal of PPE	0.1	-
Write-off of receivables	0.6	0.7
Other taxes	-	(1.1)
Other expenses	3.6	6.2
Total other operating expenses	**4.7**	**7.9**

(28) Financial Result

The financial result for the year is as follows:

In €m	Note	31-December-24	31-December-23
Interest income		9.2	6.3
Interest expenses		(4.9)	(7.0)
Interest expense on lease liabilities	12	(4.2)	(5.0)
Interest expense on convertible bond	22	(4.0)	(9.7)
Foreign exchange (losses)/gains		(4.6)	-
Fair value changes to investments in investment funds		0.8	9.6
Total Financial Result		**(7.7)**	**(5.8)**

(29) Discontinued Operations

Argentina

On 6 September 2023 it was announced that Global Fashion Group would close operations in Argentina. BFOOT S.R.L. (Arg) experienced worsening performance since 2020 due to multiple factors, including consistently high inflation, restrictive import controls and the exodus of international brands and vendors. On 18 September 2023, BFOOT S.R.L. (Arg) ceased its operations as no further revenue was generated from sales of inventory. In accordance with IFRS 5, the entity was treated as a discontinued operation from this date. On 4 July 2024, BFOOT S.R.L (Arg) was sold for 180USD. This equates to the cash held in BFOOT S.R.L (Arg) as at 4 July 2024. The results of BFOOT S.R.L. (Arg) for the year are presented below.

In €m	31-December-24	31-December-23
Revenue	-	10.7
Expenses	-	(16.2)
Operating profit (EBIT)	**-**	**(5.5)**
Finance income	0.8	2.7
Finance costs	(0.1)	(2.1)
Loss before tax from discontinued operations	**0.7**	**(4.9)**
Income taxes	-	-
Loss on disposal of BFOOT S.R.L. (Arg)	(1.7)	-
Loss for the year from discontinued operations	**(1.0)**	**(4.9)**

The net cash flows of BFOOT S.R.L. (Arg) for the year are as follows:

In €m	31-December-24	31-December-23
Operating	(1.5)	(2.4)
Investing	-	(0.1)
Financing	-	3.2
Net cash (outflow) / inflow	**(1.5)**	**0.7**

(30) Income Taxes

Income tax expense is as follows:

In €m	31-December-24	31-December-23
Current tax expense	(5.2)	(11.7)
Thereof prior period	*(1.0)*	*(1.1)*
Deferred tax	(1.4)	(2.2)
Income tax expense for the year	**(6.6)**	**(13.9)**

Income tax paid in 2024 amounts to €10.9 million (2023: €6.6 million).

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

In €m	31-December-24	31-December-23
Profit / (loss) before tax	**(76.9)**	**(168.7)**
Weighted average applicable tax rate (in %)	*19.63%*	*20.01%*
Tax calculated at domestic tax rates applicable to profits in the respective countries	15.1	33.8
Tax effect of items which are not deductible or assessable for taxation purposes:		
Share-based payment expenses	-	0.1
Other permanent differences	5.0	63.1
Income which is exempt from taxation	57.3	103.3
Expenses not deductible for tax purposes	(63.6)	(87.1)
Utilisation of previous unrecognised tax losses	1.4	(0.3)
Unrecognised tax loss carry forwards for the year	(21.8)	(125.9)
Adjustments in respect of prior years	(1.0)	(3.3)
Other	1.0	2.6
Income tax expense for the year	**(6.6)**	**(13.9)**

Deferred Tax Effects Relating to Each Component of Other Comprehensive Income

In 2024 and 2023 the Group did not recognise any deferred tax (charge) / credit relating to components of other comprehensive income.

Tax Loss Carry Forwards

The Group has unrecognised potential deferred tax assets in respect of unused tax loss carry forward of approx. €3,973.2 million (2023: €3,941.4 million). The tax loss carry forwards expire as follows:

In €m	31-December-24	31-December-23
Tax loss carry forward expiring by the end of:		
Within one year	4.5	14.6
After one year but not more than five years	9.7	12.6
More than five years	1,079.7	1,081.4
Indefinite	2,879.3	2,832.8
Total tax loss carry forwards	**3,973.2**	**3,941.4**

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Tax authorities in the countries in which we operate could challenge the Group's tax losses significantly reducing the availability of the tax losses in future periods.

Deferred Taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

In €m	1-January-24	Exchange Differences	Transferred to Disposals	Charged / (Credited) to Profit or Loss	31-December 24
Tax effect of deductible / (taxable) temporary differences and tax loss carry forwards					
Difference between tax and accounting value of:					
Trade name	(8.7)	0.2	-	1.3	(7.2)
Customer relationship	(0.9)	-	-	0.6	(0.3)
Technology	(1.3)	-	-	0.1	(1.2)
Tax loss carry forwards	2.2	(0.2)	-	(10.6)	(8.6)
Other	4.3	-	-	7.3	11.6
Net deferred tax asset / (liability)	**(4.4)**	**-**	**-**	**(1.3)**	**(5.7)**
Recognised deferred tax asset	6.5	(0.2)	-	5.3	11.6
Recognised deferred tax liability	(10.9)	0.2	-	(6.6)	(17.3)

In €m	1-January-23	Exchange Differences	Transferred to Disposals	Charged / (Credited) to Profit or Loss	31-December-23
Tax effect of deductible/(taxable) temporary differences and tax loss carry forwards					
Difference between tax and accounting value of:					
Trade name	(13.8)	-	-	5.1	(8.7)
Customer relationship	(2.3)	-	-	1.4	(0.9)
Technology	(1.2)	-	-	(0.1)	(1.3)
Tax loss carry forwards	11.0	(0.1)	-	(8.7)	2.2
Other	4.1	0.1	-	0.1	4.3
Net deferred tax asset / (liability)	**(2.2)**	**-**	**-**	**(2.2)**	**(4.4)**
Recognised deferred tax asset	15.1	(0.1)		(8.5)	6.5
Recognised deferred tax liability	(17.3)	0.1	-	6.3	(10.9)

In the context of the Group's current structure, tax losses and current tax assets of different group companies may not be offset against current tax liabilities and taxable profits of other group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

The Company controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal ("outside basis differences"). Hence, for temporary differences the Company had €90.3 million (2023: €41.7 million) of unremitted earnings of subsidiaries for which no deferred tax liabilities were recognised.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12:

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company operates, including Luxembourg, Germany, the United Kingdom, Malaysia and Vietnam. The legislation is effective for the Company's financial year beginning January 1, 2024. The rules impose a minimum 15% effective tax rate, based on the OECD's Pillar Two Model Rules, applicable in each jurisdiction in which the Company operates. In May 2023, the IASB amended IAS 12 Income Taxes to include a mandatory temporary exception from recognising deferred taxes relating to Pillar Two. The Company has applied this mandatory exception which did not have a material impact to the consolidated financial statements.

The assessment of the potential exposure to pillar two income taxes has been made based on the most recently available financial information. Based on the Company's analysis of 2024 results, the Company can rely on transitional safe harbour relief in the majority of the subsidiary jurisdictions, while for other jurisdictions no material top-up tax exposure has been identified.

(31) Contingencies and Commitments

Legal Proceedings

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 consolidated financial statements.

In addition, in line with standard business practice, various Group companies have given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries and associates to parties outside the Group. The Group currently estimates that potential exposures related to such guarantees, indemnities and warranties could be up to €0.3 million (2023: €10.0 million), however, the ultimate liability for legal claims may vary from the amounts provided and is dependent upon the outcome of any potential litigation proceedings, investigations and/or possible settlement negotiations and as such, the potential liability has not been included in the consolidated statement of financial position. There are also a number of charges registered over the assets of Group companies in favour of third parties in connection with the Group's banking facilities (Note 20).

Tax Contingencies

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 31 December 2024, potential tax risks, including the issues above, estimated by the Group amount to €62.3 million (2023: €94.1 million) including €20.5 million in relation to income tax and €41.8 million in relation to indirect tax (2023: €40.5 and €53.6 million), of which provisions of €20.6 million (2023: €32.9 million) including €9.0 million in relation to income tax and €11.6 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.

Capital Commitments

As at 31 December 2024, the Group had commitments of €1.5 million (2023: €10.1 million) primarily relating to the development of Internally Generated Intangible Assets in ANZ and improvements to a fulfilment centre in SEA.

(32) Financial Risk Management

In the course of its ordinary business activities, Group is exposed to market risk (primarily interest rate risk, foreign currency risk), credit risk and liquidity risk. In accordance with the Group's financial risk management these risks are identified, analysed and evaluated on a regular basis. It is the main objective of the Group's proactive risk management to decide on actions to avoid, contain or limit the defined maximum risk exposure from such risks. It is the Group's management responsibility to manage those risks. The management provides written principles for overall risk management and reviews and agrees policies for managing each of these risks, of which the material risks are summarised below.

Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise interest rate risk, currency risk, and other price risk. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities, and (c) assets and liabilities measured at fair value, all of which are exposed to general and specific market movements. Management considered that the price risk related to investment funds is insignificant.

Interest Rate Risk: The interest rate risk involves the influence of positive and negative changes in market interest rates on the Group's financial position and cash flows. The Group does not have formal policies and procedures in place for management of interest rate risks as management considers this risk as insignificant due to the scope of debt financing operations of GFG.

Foreign Currency Risk: Currency risk is the risk that the fair value of financial assets or financial liabilities held in foreign currency or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 as intercompany financing. However, the Group maintains an effective natural hedge of 94.9% 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 local currencies.

At 31 December 2024, if the EUR had strengthened/weakened by +/- 10% against all other currencies with all other variables held constant, the hypothetical impact on profit for the year would have been €1.9 million (2023: €0.3 million) higher / lower, mainly as a result of foreign exchange gains / losses on translation of trade and other receivables, cash as well as trade and other payables and loan liabilities denominated in EUR.

In respect of currency risk, management sets limits on the level of exposure by currency and in total. The positions are monitored monthly. The Group does not use derivatives as hedging instruments to limit its exposure from foreign currency risks.

During 2024, there were significant fluctuations in some of the Group's key reporting currencies, as follows:

Currency/EUR	Closing FX Rate 31 December 2024	Closing FX Rate 31 December 2023	% Variance
BRL	6.4	5.4	19.6%
AUD	1.7	1.6	3.4%

Credit Risk: Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is exposed to credit risk primarily from trade receivables and cash and cash equivalents. In relation to cash and cash equivalents, the Group only deals with highly rated financial institutions and therefore the estimated credit loss is not material.

Customer credit risk is managed by each region subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to counterparties or groups of counterparties. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review. The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances.

An impairment analysis is performed at each reporting date based on groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

At 31 December 2024, the exposure to credit risk for trade receivables by type of counterparty was as follows:

In €m	Gross Carrying Amount	Loss Allowance
From online payment providers	29.1	(0.1)
Logistics companies	3.3	(0.1)
Large corporate clients	14.8	(0.6)
Individual customers	2.3	-
Other	0.1	-
Total	**49.6**	**(0.8)**

At 31 December 2023, the exposure to credit risk for trade receivables by type of counterparty was as follows:

In €m	Gross Carrying Amount	Loss Allowance
From online payment providers	22.6	(0.1)
Logistics companies	2.2	-
Large corporate clients	12.2	(0.4)
Individual Customers	1.8	(0.1)
Other	0.5	(0.1)
Total	**39.3**	**(0.7)**

The Group uses an allowance matrix to measure the ECLs of all types trade receivables, with the exception of the Indonesian operation who use specific identification for loss allowance. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

In €m	Gross Carrying Amount	Loss Allowance	Loss Rate
Current (not past due)	44.8	(0.1)	(0.2)%
1-30 days past due	1.3	-	0.0%
31-60 days past due	2.7	-	0.0%
61-90 days past due	-	-	0.0%
More than 90 days past due	0.8	(0.7)	(87.5)%
Total	49.6	(0.8)	(1.6)%

The carrying amounts best represent the maximum exposure to credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

In €m	Movement in Loss Allowance
Balance at 1 January 2024	**(0.7)**
Net remeasurement of loss allowance (as per income statement)	(0.1)
Balance at 31 December 2024	**(0.8)**

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity by maintaining adequate reserves, capital funding (for example, the issued share capital as detailed in Note 18), banking facilities, reserve borrowing facilities (see further detail in Note 20) and Convertible Bonds, by continuously monitoring forecast and actual cash flows.

The Group seeks to maintain a stable funding base primarily consisting of shareholders´ issues of capital, then borrowing, trade and other payables.

The table below shows liabilities at 31 December 2024 and 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the respective reporting period.

The liquidity risk for the Convertible Bonds is limited due to the fixed coupon rate of 1.25%.

The maturity analysis of financial liabilities at 31 December 2024 is as follows:

In €m	Demand and Less Than 1 year	1 to 5 Years	Over 5 Years	Total
Liabilities				
Undiscounted borrowings	4.0	-	-	4.0
Trade payables and other financial liabilities	200.3	0.8	-	201.1
Other financial liabilities- convertible bond	0.7	56.4	-	57.1
Undiscounted Lease liabilities	16.3	34.6	1.5	52.4
Total future payments, including future principal and interest payments	221.3	91.8	1.5	**314.6**

As at 31 December 2024, the carrying value of borrowings, trade payables and other financial liabilities and lease liabilities, were €3.6 million, €252.6 million and €48.1 million respectively.

The convertible bond redemption value of €48.6 million is included within trade payables and other financial liabilities due within one to five years.

The maturity analysis of financial liabilities at 31 December 2023 was as follows:

In €m	Demand and Less Than 1 year	1 to 5 Years	Over 5 Years	Total
Liabilities				
Undiscounted borrowings	12.2	-	-	12.2
Trade payables and other financial liabilities	183.2	5.8	-	189.0
Other financial liabilities- convertible bond	2.2	182.8	-	185.0
Undiscounted Lease liabilities	17.0	38.9	8.2	64.1
Total future payments, including future principal and interest payments	**214.6**	**227.5**	**8.2**	**450.3**

As at 31 December 2023, the carrying value of borrowings, trade payables and other financial liabilities and lease liabilities, were €11.9 million, €354.7 million and €61.7 million respectively.

(33) Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. It is the primary objective of the Group's capital management to ensure that all the Group entities can operate on a going concern basis and maintain a sufficient capital structure to provide a long-term growth of the Group's value. The Group decides on adjustments of the capital in light of changes in economic and trading conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

In €m	31-December-24	31-December-23
Equity attributable to equity holders of the parent	213.7	295.4
Total assets	637.5	862.0
Equity ratio	33.5%	34.3%

There were no changes made to the objectives, policies or processes during the period from incorporation up to 31 December 2024.

(34) Hyperinflationary Economies

IAS 29 Financial Reporting in Hyperinflationary Economies was adopted during the second half of 2018 in Argentina, where the three-year cumulative inflation rate for consumer prices and wholesale prices reached levels of 123% and 119% respectively. The gain/loss on the net monetary position due to Hyperinflation for the year ended 31 December 2024 was €0.8 million (2023: €0.3 million).

Price Index	31-December-24	31-December-23
As at 1 January	4,261.5	1,203.0
Movement in the year	3,432.5	2,330.2
As at 31 December	**7,694.0**	**3,533.2**

(35) Events After the Reporting Period

On 3 February 2025, Gunjan Soni stepped down from her position on the Management Board. Helen Hickman, Group CFO, was appointed onto the Management Board on the same day.

On 12 February 2025, GFG announced it would close operations in Chile. Dafiti Chile faced a challenging operating and competitive environment since the peak of the pandemic. The Chile business will be treated as a discontinued operation for FY2025 reporting onwards.

There were no other events subsequent to the year end that would require disclosure in the consolidated financial statements.

5. PARENT FINANCIAL STATEMENTS

5.1 BALANCE SHEET

As at 31 December 2024

Assets

In €		Note	31 December 2024	31 December 2023
B. Formation Expenses		3	**195,320.02**	**1,302,687.86**
C. Fixed Assets			**375,492,397.26**	**481,987,947.26**
I.	Intangible assets			
2.	Concessions, patents, licenses, trademarks and similar rights and assets, if they were		-	-
	a) acquired for valuable consideration and need not be shown under C.I.3		-	-
	b) created by the undertaking itself		-	-
III.	Financial assets	4	375,492,397.26	481,987,947.26
1.	Shares in affiliated undertakings		375,492,397.26	481,987,947.26
D. Current Assets			**10,621,873.01**	**18,718,468.56**
II.	Debtors	5	1,614,464.26	9,022,321.34
1.	Trade debtors		-	67,049.14
	a) becoming due and payable within one year		-	67,049.14
2.	Amounts owed by affiliated undertakings		932,654.37	8,582,719.17
	a) becoming due and payable within one year		-	5,210,308.48
	b) becoming due and payable after more than one year		932,654.37	3,372,410.69
4.	Other debtors		681,809.89	372,553.03
	a) becoming due and payable within one year		681,809.89	372,553.03
III.	Investments		52,409.32	52,409.32
2.	Own shares	7	52,409.32	52,409.32
IV.	Cash at bank and in hand	6	8,954,999.43	9,643,737.90
E. Prepayments			**248,173.82**	**82,243.16**
Total Assets			**386,557,764.11**	**502,091,346.84**

The accompanying notes are an integral part of the consolidated financial statements.

5.1 BALANCE SHEET (CONTINUED)

As at 31 December 2024

Capital, Reserves and Liabilities

In €	Note	31 December 2024	31 December 2023
A. Capital and reserves	7	**329,622,706.63**	**320,537,303.37**
I. Subscribed capital		2,256,429.14	2,237,929.14
II. Share premium account		3,568,635,553.56	3,568,654,053.56
III. Revaluation reserve		-	-
IV. Reserves		52,409.32	52,409.32
2. Reserve for own shares		52,409.32	52,409.32
V. Profit or loss brought forward		(3,250,407,088.63)	(2,867,968,202.08)
VI. Profit or loss for the financial year		9,085,403.24	(382,438,886.57)
C. Creditors	8	**56,935,057.48**	**181,554,043,47**
1. Debenture loan		54,700,000.00	178,300,000.00
a) Convertible loans		54,700,000.00	178,300,000.00
i) becoming due and payable within one year		-	-
ii) becoming due and payable after more than one year		54,700,000.00	178,300,000.00
b) Non-convertible loans		-	-
i) becoming due and payable within one year		-	-
ii) becoming due and payable after more than one year		-	-
4. Trade creditors		170,137.89	7,585.92
a) becoming due and payable within one year		170,137.89	7,585.92
6. Amounts owed to affiliated undertakings		192,980.78	898,914.03
a) becoming due and payable within one year		192,980.78	898,914.03
b) becoming due and payable after more than one year		-	-
8. Other creditors		1,871,938.81	2,347,543.52
a) Tax authorities		73,790.22	73,942.88
b) Social security authorities		151,255.33	150,340.58
c) Other creditors		1,646,893.26	2,123,260.06
i) becoming due and payable within one year		1,646,893.26	2,123,260.06
D. Deferred income		-	-
Total capital, reserves and liabilities		**386,557,764.11**	**502,091,346.84**

The accompanying notes are an integral part of the consolidated financial statements.

5.2 PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2024

In €		Note	31 December 2024	31 December 2023
4.	**Other operating income**	9	**3,262,780.65**	**9,468,498.41**
5.	**Raw materials and consumables and other external expenses**	10	**(5,611,916.73)**	**(7,288,269.00)**
	a) Raw materials and consumables		(5,298.90)	(1,326.10)
	b) Other external expenses		(5,606,617.83)	(7,286,942.90)
6.	**Staff costs**	11	**(517,237.26)**	**(917,676.59)**
	a) Wages and salaries		(493,885.36)	(907,674.95)
	b) Social security costs		(23,351.90)	(10,001.64)
	ii) other social security costs		(23,591.90)	(10,001.64)
7.	**Value adjustments**		**(1,173,895.06)**	**(2,635,833.69)**
	a) in respect of formation expenses and of tangible and intangible fixed assets	3	(1,107,367.83)	(2,635,833.69)
	b) in respect of current assets		(66,527.23)	-
8.	**Other operating expenses**	12	**(457,143.05)**	**(531,731.54)**
11.	**Other interest receivable and similar income**	13	**132,241,594.42**	**347,573,101.51**
	a) derived from affiliated undertakings		112,122,443.89	319,667,150.61
	b) other interest and similar income		20,119,150.53	27,905,950.90
13.	**Value adjustments in respect of financial assets and of investments held as current assets**	4	**(114,495,550.00)**	**(722,707,627.03)**
14.	**Interest payable and similar expenses**	14	**(3,872,450.51)**	**(5,386,843.14)**
	a) concerning affiliated undertakings		(2,000,399.76)	(2,979,761.58)
	b) other interest and similar expenses		(1,872,050.75)	(2,407,081.56)
15.	**Tax on profit or loss**		**(77,659.72)**	**(7,050.00)**
16.	**Profit or loss after taxation**		**9,298,522.74**	**(382,433,431.07)**
17.	Other taxes not shown under items 1. to 16.	15	(213,119.50)	(5,455.50)
18.	**Profit or loss for the financial year**		**9,085,403.24**	**(382,438,886.57)**

The accompanying notes are an integral part of the consolidated financial statements.

5.3 NOTES TO THE PARENT FINANCIAL STATEMENTS

(1) General Information

Global Fashion Group S.A. (hereafter the "Company" or "GFG" SA) was incorporated on 1 October 2014 and organised under the laws of Luxembourg as Société Anonyme for an unlimited period of time.

The registered office of the Company is established at 5, Heienhaff, L-1736 Senningerberg, Grand-Duchy of Luxembourg and the Company is registered with the Register of Commerce of Luxembourg under B 190907. The Company is the parent of Group companies (together the "Group") which operate in the online fashion business across three regions being Latin America (LATAM), South East Asia (SEA) and Australia and New Zealand (ANZ) under the following brand names:

- Dafiti – LATAM
- Zalora – SEA
- THE ICONIC – ANZ

On 6 September 2023, Global Fashion Group announced it would close operations in Argentina and the sale occurred 4 July 2024. Dafiti Argentina experienced worsening performance since 2020 due to multiple factors, including consistently high inflation, restrictive import controls and the exodus of international brands and vendors.

On 12 February 2025, Global Fashion Group announced it would close operations in Chile. The Dafiti Chile business has faced significant headwinds, particularly in the post-COVID period. The challenging operating environment and increasing pressure from local and cross-border competitors have made it increasingly difficult for the business to compete effectively. This has unfortunately resulted in a substantial decline in its scale and market share.

The accounting year of the Company begins on 1 January and terminates on 31 December of each year.

The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control, and development of its portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect participation or right of any kind or which forms part of the same group of entities as the Company and lend funds, render services or otherwise assist any such entity in any other manner.

The Company may further provide all financial management services, including, but not limited to, treasury management services, currencies management services, interest rate and foreign exchange risk management to any entity in which it holds a direct or indirect controlling interest.

The Company may raise funds, especially through borrowing in any form, and may issue any kind of notes, securities or debt instruments, bonds and debentures and generally issue any securities options to subscribe for securities of any type.

A further purpose of the Company is the (i) acquisition by purchase, registration or in any other manner as well as the transfer by sale, exchange or otherwise of intellectual and industrial property rights, (ii) the granting of license on such intellectual and industrial property rights, and (iii) the holding and the management of intellectual and industrial property rights.

The Company shall not, and shall not be permitted to, engage in activities which require any license, authorization, or registration under the law of 12 July 2013 on alternative investment fund managers, as amended.

The Company may carry out any commercial, industrial, financial, real estate, technical, intellectual property, or other activities which it may deem useful in the accomplishment of these purposes.

The Company had a branch in Denmark whose accounts are included in these financial statements until the dissolution of the branch on 27 November 2024. As a result of the dissolution, its assets and liabilities have been transferred to GFG S.A..

Since 2 July 2019, the shares of the Company are traded on the regulated market of the Frankfurt Stock Exchange (the “Listing”).

The Company also prepares consolidated financial statements, which are published according to the provisions of the Luxembourg law. The consolidated accounts are available at the registered office of the Company.

The financial statements were approved and authorised for issue by the Supervisory Board on 4 March 2025. The shareholders will ratify the approval of the financial statements at the annual general meeting.

(2) Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Supervisory Board.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 on the accounting and financial statements of undertakings as subsequently amended (“the Law”), determined and applied by the Supervisory Board.

The financial statements of the Company are prepared under the historical cost convention and the going concern assumption.

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Supervisory Board to exercise their judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore present the financial positions and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant Accounting Policies

The main valuation rules applied by the Company are the following:

Formation Expenses

Formation expenses, including costs relating to equity raising are written off on a straight-line basis over a period of 5 years. The formation expenses relating to issuance of Convertible Bonds are amortised during the period started with the issuance of Convertible Bonds and ending on the put option date (Note 3).

Intangible Assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation, less amounts written off and after value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The depreciation rates and methods applied are as follows:

Category	Depreciation Rate	Depreciation Method
Concessions, patents, licenses, trademarks and similar rights and assets	33.33%	Linear
Software	20.00%	Linear

Financial Assets

Shares in affiliated undertakings, loans to these undertakings and securities or other financial instruments held as fixed assets are valued at acquisition cost nominal value (loans) including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Supervisory Board, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Own Shares

Own shares are initially measured at acquisition cost and recognised as an asset with a corresponding non-distributable reserve created from share premium and retained earnings. Own shares are subsequently re-measured at the lower of cost or market value using the average cost. Transferred or cancelled shares are valued using the average cost method. They are subject to value adjustments where their recovery is compromised. These value adjustments are reversed when the reasons for which the value adjustments were made have ceased to apply.

Foreign Currency Translation

These financial statements are expressed in Euro (EUR).

The transactions expressed in a currency other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

The translation at the balance sheet date is made according to the following principles:

- Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period;
- Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. Solely the exchange gains are recorded in the profit and loss account at the moment of their realisation;
- Income and charges expressed in a currency other than EUR are translated into EUR at the exchange rate prevailing at the transaction date;
- Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

Consequently, only realised foreign exchange gains and losses and unrealised foreign exchange losses are taken into account in the profit and loss account.

Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Cash at Bank and In Hand

Highly liquid investments with an original maturity of three months or less are considered to be cash at bank and in hand.

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or to the date on which they will arise.

At the close of business, each year, the Supervisory Board determines whether provisions should be set up to cover foreseeable liabilities and charges. Previous year's provisions are reassessed every year.

Provision for taxation corresponding to the difference between the tax liability estimated by the company and the advance payments for the financial years for which the tax return has not been filed are recorded under "tax debts".

Provisions may also be created to cover charges which originates in the financial year under review or in previous financial year.

Debts

Debts are recorded at their reimbursement value. The debt origination and further amendments costs are included in formation expenses.

Deferred Income

Deferred income includes income received during the financial year but relating to a subsequent financial year.

Expense Recognition

Expenses are charged in the year they are incurred, and they are stated on an accrual basis.

Other Operating Income

The Company's income principally comprises of consultancy and technical fees charged to affiliated companies. Income is recognised as earned.

Convertible Bonds

Convertibles bonds are recorded at their nominal value and the relevant portion of issuance costs are recorded under formation expenses.

(3) Formation Expenses

The movements for the year were as follows:

In €	Total as at 31 December 2024	Total as at 31 December 2023
Gross book value – opening balance	**9,773,539.02**	**9,773,539.02**
Additions for the year	-	-
Gross book value – closing balance	**9,773,539.02**	**9,773,539.02**
Accumulated value adjustment – opening balance	**(8,470,851.16)**	**(5,835,017.48)**
Allocations for the year	(666,024.39)	(1,512,785.10)
Reversal of unamortised costs related to partial bond repurchase	(441,343.45)	(1,123,048.58)
Accumulated value adjustment – closing balance	**(9,578,219.00)**	**(8,470,851.16)**
Net book value – closing balance	**195,320.02**	**1,302,687.86**

Formation expenses relate to the transaction's costs qualifying as IPO (occurred in July 2019) related costs for a consideration of €4,203,912.00 and the Convertible Bonds issuance expenses (occurred in March 2021) for a consideration of €5,569,627.02 which have been capitalised and amortised over a 5 year period.

The formation expenses related to the Convertible Bonds issuance expenses have been reduced by €441,343.83. The Company completed several repurchases of its outstanding Convertible Bonds over 2024. In total, GFG repurchased €123.6 million in 2024, representing 33% of the principal amount at issuance. As at 31 December 2024, the formation expenses related to the IPO have been fully amortised.

(4) Shares in Affiliated Undertakings

The movements for the year are as follows:

In €	Total as at 31 December 2024	Total as at 31 December 2023
Gross book value – opening balance	**3,000,704,741.08**	**2,891,704,740.85**
Additions for the year	8,000,000.00	111,000,000.23
Disposals for the year	-	(2,000,000.00)
Gross book value – closing balance	**3,008,704,741.08**	**3,000,704,741.08**
Accumulated value adjustment – opening balance	**(2,518,716,793.82)**	**(1,796,179,328.82)**
Allocation for the year	(114,495,550.00)	(722,537,465.00)
Disposals for the year		-
Accumulated value adjustment – closing balance	**(2,633,212,343.82)**	**(2,518,716,793.82)**
Net book value – closing balance	**375,492,397.26**	**481,987,947.26**

The additions in the year relate to the investments in Global Fashion Group SGP Services Pte. Ltd for a total amount of €8,000,000.00 (2023: €28,000,000.00).

As at 31 December 2024, the investment in Global Fashion Group SGP Services Pte. Ltd presents an impairment of €8,000,000.00 (2023: €28,000,000.00), the investment in Bigfoot GmbH presents no impairment in 2024 (2023: €389,942,673.00) and the investment in Global Fashion Group UK Finance Limited presents an impairment of €106,495,550.00 (2023: €304,594,792.00).

Name	Country	Last Balance Sheet Date	Ownership	Net Equity at the Last Balance Sheet Date €	Result for the Last Financial Year €	Carrying Value as at 31 December 2024 €	Carrying Value as at 31 December 2023 €
Bigfoot GmbH	Germany	31.12.2024	100%	(671,066,078.70)	8,516,957.15	86,823,829.91	86,823,829.91
Global Fashion Group UK Finance Limited	United Kingdom	31.12.2024	100%	282,806,460.21	(108,118.00)	286,724,622.92	393,220,172.92
GFG eCommerce Technologies GmbH	Germany	31.12.2024	100%	13,632,495.26	2,589,122.70	1,943,944.43	1,943,944.43
						375,492,397.26	**481,987,947.26**

In €			31 December 2024		
Name	**Country**	**Ownership**	**Gross Book Value**	**Accumulated Value Adjustments**	**Net Book Value**
Bigfoot GmbH	Germany	100%	2,170,175,277.38	(2,083,351,447.47)	86,823,829.91
Global Fashion Group UK Finance Limited	United Kingdom	100%	697,814,964.69	(411,090,342.00)	286,724,622.69
Global Fashion Group SGP Services Pte. Ltd.	Singapore	100%	138,770,554.35	(138,770,554.35)	-
GFG eCommerce Technologies GmbH	Germany	100%	1,943,944.43	-	1,943,944.43
			3,008,704,740.85	**(2,633,212,343.82)**	**375,492,397.26**

In the opinion of the Supervisory Board, the investments in the above companies do not present further permanent impairment as of 31 December 2024.

In €			31 December 2023		
Name	**Country**	**Ownership**	**Gross Book Value**	**Accumulated Value Adjustments**	**Net Book Value**
Bigfoot GmbH	Germany	100%	2,170,175,277.38	(2,083,351,447.47)	86,823,829.91
Global Fashion Group UK Finance Limited	United Kingdom	100%	697,814,964.69	(304,594,792.00)	393,220,172.69
Global Fashion Group SGP Services Pte. Ltd.	Singapore	100%	130,770,554.35	(130,770,554.35)	-
GFG eCommerce Technologies GmbH	Germany	100%	1,943,944.43	-	1,943,944.43
			3,000,704,741.08	**(2,518,716,793.82)**	**481,987,947.26**

(5) Debtors

As at 31 December 2024, the debtors' balance were the following:

In €	Within One Year	After More Than One Year	Total 31 December 2024
Trade debtors	-	-	-
Amounts owed by affiliated undertakings[1]	-	932,654.37	932,654.37
Other debtors[2]	681,809.89	-	681,809.89
Total debtors	**681,809.89**	**932,654.37**	**1,614,464.26**

As at 31 December 2023, the debtors' balance were the following:

In €	Within One Year	After More Than One Year	Total 31 December 2023
Trade debtors	67,049.14	-	67,049.14
Amounts owned by affiliated undertakings[1]	5,210,308.48	3,372,410.69	8,582,719.17
Other debtors[2]	372,553.03	-	372,553.03
Total debtors	**5,649,910.65**	**3,372,410.69**	**9,022,321.34**

(1) As at 31 December 2024, amounts owed by affiliated undertakings are mainly composed of management recharges levied on GFG Comercio Digital Ltda for an amount of €717,215.74 (2023: €717,215.74), Dafiti LATAM GmbH & Co. KG of €43,200.00 (2023: €43,200.00), Jade eServices Singapore Pte Ltd of €5,179.00 (2023: €104,512.00) and Internet Services Australia for €164,416.00 (2023: €133,981.00).

Intercompany loans outstanding as at 31 December 2023 amounting to €4,879,731.89 to Global Fashion Group TRM Limited and €2,529,230.00 to Bigfoot GmbH were fully repaid during the year, as well as one of €1,750,000.00 to Bigfoot GmbH which was granted in the year.

(2) As at 31 December 2024, other debtors are mainly composed of (i) VAT receivables for an amount of €2,441,373.25 (2023: €1,649,357.20), VAT prepayment for an amount of €4,644,437.50 (2023: €4,644,437.50), offset with VAT payables of €5,262,500.38 (2023: €4,758,330.38), and VAT payables of prior years of €1,197,975.02 (2023: €1,194,863.67) (ii) and the advance of the net worth tax paid for an amount of €45,193.20 (2023: €31,266.10), and Receivables from Corporate Income Tax €10,593.90 (2023: nil).

(6) Cash at Bank and in Hand

As at 31 December 2024, cash at bank and in hand consists of current account balances amounting to €8,954,999.43 (2023: €9,643,737.90).

(7) Capital & Reserves

In €	Subscribe Capital	Share Premium Account	Reserves for Own Shares	Profit or Loss Brought Forward	Profit or Loss for the Financial Year	Total
As at 31 December 2023	**2,237,929.14**	**3,568,654,053.56**	**52,409.32**	**(2,867,968,202.08)**	**(382,438,886.57)**	**320,537,303.37**
Prior year result allocation	-	-	-	(382,438,886.55)	382,438,886.55	-
Capital increase	18,500.00	-	-	-	-	18,500.00
Proceeds from issued share capital	-	(18,500.00)	-	-	-	(18,500.00)
Net profit / (loss) for the year	-	-	-	-	9,085,403.24	9,085,403.24
As at 31 December 2024	**2,256,429.14**	**3,568,635,553.56**	**52,409.32**	**(3,250,407,088.63)**	**9,085,403.24**	**329,622,706.63**

The movements on the capital and reserves items during the year were as follows:

Subscribed Capital

As of 31 December 2023, the subscribed capital was composed of 223,792,914 common shares with a par value of €0.01 per share.

On 28 February 2024, the Management Board resolved to increase, conditional to the receipt of the subscription price and the subscription certificate by the Company, the Company's share capital by an amount of eighteen thousand five hundred euro (€18,500.00) so as to raise it from its then current amount of two million two hundred thirty-seven thousand nine hundred twenty-nine euro and fourteen cents (€2,237,929.14) up to two million two hundred and fifty six thousand four hundred and twenty nine euro and fourteen cents (€2,256,429.14) through the issue of one million eight hundred and fifty thousand (1,850,000) common shares in dematerialised form with a nominal value of one cent (€0.01) each. GFG issued the 1,850,000 shares to the employee benefit trust.

As of 31 December 2024, the subscribed capital is composed of 225,642,914 common shares with a par value of €0.01 per share.

The table below details the share capital movements during the year:

	Number of Common Shares	Nominal Amount in €m (par value 0.01)	Share Capital (€m)	Share Premium (€m)
At 1 January 2024	**223,792,914**	**n/a**	**2.2**	**3,568**
Additions of the year	1,850,000	0.01	-	-
Disposals for the year	-	-	-	-
Balance as at 31 December 2024	**225,642,914**	**n/a**	**2.2**	**3,568**

Each common share entitles the holder to one vote at Global Fashion Group's Annual General Meeting. The nominal value of all common shares is fully paid. In 2024, the Company recorded a value adjustment on its own shares of €nil (2023: €170,162.00) to restate them at lower of cost or market value.

Share Premium Account

As of 31 December 2024, the share premium amounts to €3,568,635,553.56 (2023: €3,568,654,053.56).

Reserves for Own Shares

As at 31 December 2024, the Company holds 278,733 of its own shares (2023: 278,733) for a total amount of €52,409.32 (2023: €52,409.32) included in the assets shown in the balance sheet.

Legal Reserve

The Company is required to appropriate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 31 December 2024, no allocation to legal reserve was made due to the negative financial result in the previous financial year.

(8) Creditors

As at 31 December 2024 and 2023, amounts due and payable for the accounts shown under "Creditors" were as follows:

In €	Within 1 Year	Within 2-5 Years	After 5 Years	Total 31 December 2024
Convertible bonds	-	54,700,000.00	-	54,700,000.00
Trade creditors	170,137.89	-	-	170,137.89
Amounts owed to affiliated undertakings	192,980.78	-	-	192,980.78
Tax and social security debts	225,045.55	-	-	225,045.55
Other creditors	1,646,893.26	-	-	1,646,893.26
Total creditors	**2,235,057.48**	**54,700,000.00**	**-**	**56,935,057.48**

In €	Within 1 Year	Within 2-5 Years	After 5 Years	Total 31 December 2023
Convertible bonds	-	178,300,000.00	-	178,300,000.00
Trade creditors	7,585.92	-	-	7,585.92
Amounts owned to affiliated undertakings	898,914.48	-	-	898,914.48
Tax and social security debts	224,283.46	-	-	224,283.46
Other creditors	2,123,260.06	-	-	2,123,260.06
Total creditors	**3,254,043.47**	**178,300,000.00**	**-**	**181,554,043.47**

On 15 March 2021, the Group issued Convertible Bonds for net proceeds of €369.1 million (nominal value is €375 million), with a fixed coupon rate of 1.25%. Unless previously converted, redeemed or repurchased and cancelled, the Convertible Bonds will be redeemed at their principal amount on 15 March 2028. The bondholders also have the right to convert the Convertible Bonds into new and/or existing (at the discretion of the Company) no-par value common shares in dematerialised form of GFG. The bondholders also have the right to redeem the options early, on 15 March 2026, for the principal amount plus accrued interest (put option).

On 25 August 2023, the group repurchased bonds which were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €74.6 million in aggregate principal amounts (approximately 27% of the principal amount as at the end of December 2022).

On 31 August 2023, the group repurchased bonds which were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €27 million in aggregate principal amounts (approximately 10% of the principal amount as at the end of December 2022).

On 6 May 2024, the Group repurchased bonds that were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €2.8 million in aggregate principal amounts (approximately 2% of the principal amount as at the end of December 2023).

On 14 June 2024, the Group repurchased bonds that were due to be redeemed on 15 March 2028. The Group repurchased bonds representing €9.8 million in aggregate principal amounts (approximately 5% of the principal amount as at the end of December 2023).

On 16 August 2024, the Group repurchased bonds, which were due to be redeemed on 15 March 2028. The Group repurchased Bonds representing €110.0 million in aggregate principal amounts (approximately 62% of the principal amount as at the end of December 2023).

On 30 September 2024, the Group repurchased bonds, which were due to be redeemed on 15 March 2028. The Group repurchased Bonds representing €1.0 million in aggregate principal amounts (approximately 1% of the principal amount as at the end of December 2023).

As at 31 December 2024, other creditors mainly included provisions for audit costs for an amount of €643,157.57 (2023: €904,786.39), Convertible Bonds interest provision for an amount of €200,442.00 (2023: €452,676.34) and other accruals.

(9) Other Operating Income

The other operating income consists of recharged legal and consulting costs to Group companies: €2,192,409.00 (2023: €2,254,452.00) to Internet Services Australia 1 PTY Limited, €644,534.00 (2023: €640,224.00) to Jade eServices Singapore Pte Ltd and €425,837.65 (2023: €801,092.90) to Global Fashion Group SGP Services Pte. Ltd.

(10) Raw Materials & Consumables and Other External Expenses

The raw materials and consumables and other external expenses were as follows:

In €	31 December 2024	31 December 2023
Raw materials and consumables	**(5,298.90)**	**(1,326.10)**
- Other external fees	(5,298.90)	(1,326.10)
Other external expenses	**(5,606,617.83)**	**(7,286,942.90)**
- Legal fees	(875,953.64)	(934,063.32)
- Accounting and audit fees	(1,107,145.62)	(1,095,198.43)
- Other external fees	(879,014.78)	(807,716.66)
- Other operational expenses	(2,744,503.79)	(4,449,964.49)
Total raw materials and consumables and other external expenses	**(5,611,916.73)**	**(7,288,269.00)**

(11) Staff

The Company did employ one employee during the year (2023: one employee).

(12) Other Operating Expenses

The other operating expenses were as follows:

In €	31 December 2024	31 December 2023
Director's Fee	(307,133.40)	(330,000.12)
Software licenses	(150,009.65)	(201,731.42)
Total other operating expenses	**(457,143.05)**	**(531,731.54)**

(13) Other Interest Receivable and Similar Income

In 2024, other interest and similar income mainly relates to dividend income from Global Fashion Group UK Finance Limited for €111,998,338.64 (2023: €316,918,911.30), the gain on repurchase of Convertible Bonds of €19,855,857.38 (2023: €27,432,000.00), bank interest of €242,506.75 (2023: €445,838.81) and foreign exchange gain of €20,786.40 (2023: €28,112.12).

(14) Interest Payable and Similar Expenses

In 2024, other interest and similar expenses included interest on intercompany loans of €2,000,399.76 (2023: €2,979,761.58), interest on the Convertible Bonds of €1,821,419.29 (2023: €2,342,220.28) and foreign exchange losses of €51,420.18 (2023: €64,861.28).

(15) Taxation

The Company is subject to all the taxes relevant to commercial companies in Luxembourg.

The Company is in scope of the OECD Pillar Two model rules (“the P2 Model Rules” or “P2 Rules”). The P2 Rules have been enacted in Luxembourg. The legislation is effective for the Company’s financial year beginning January 1, 2024 and imposes a minimum 15% effective tax rate. The Group has assessed the application of the Pillar Two rules for FY 2024 and has concluded that no tax liability should be booked in the accounts.

The management of the Company recognises that the Company has €3,261,688,580.69 of carried forward tax losses available at 31 December 2024. These losses lead to a potential deferred tax asset of €778,565,064.20 calculated at a tax rate of 23.87%. An amount of €986,685,196.76 can be carried forward for seventeen years following the tax year in which the losses arose. An amount of €2,275,003,383.93 can be carried forward indefinitely.

(16) Auditor's Fees

Art. 65 paragraph (1) 16° of the Law of December 19th, 2002 on the register of commerce and companies and the accounting and financial statements of undertakings (the “law”) requires the disclosure of the independent auditor fees. In conformity with the law, these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed, and these consolidated accounts and the related consolidated management report and auditors’ report thereon have been lodged with the Luxembourg Trade Registry.

(17) Related Parties Transactions

The Company conducts transactions with affiliated entities of GFG Group on normal commercial terms and conditions. These transactions may include loans granted / received to / from group entities (Notes 5 and 8), intercompany recharges in connection with delivery / reception of services and other operations.

(18) Off Balance Sheet Commitments

Guarantees Issued

The Company has provided counter guarantees in relation to two bank guarantee facilities that are in place to provide support and secure payment obligations to suppliers of some of its direct or indirect subsidiaries:

Trade guarantee facility with Citibank of $15.0 million (31 December 2023: $15.0 million). The facility terms require all issued guarantees to be covered by 100% cash collateral plus a 10% uplift to provide cover for exchange rate movements where issuances are in currencies other than USD. The cash collateral is held in GFG TRM, a subsidiary of the Company. As at 31 December 2024, $5.3 million (€5.0 million) of this facility were utilised (31 December 2023: €5.6 million).

Trade guarantee facility with HSBC of €15.0 million (31 December 2023: €15.0 million). The facility requires €6.0 million of cash collateral to be maintained in an account with HSBC. As at 31 December 2024, €9.8 million (31 December 2023: €9.6 million) of this guarantee facility were utilised. The cash collateral is held in GFG TRM, a subsidiary of the Company.

Long-Term Incentive Plans

The Company is committed through awards to members of the management and other employees under terms and conditions of share-based compensation plans to issue shares of the Company or to settle awards in cash. The issuance of shares or the settlement in cash is subject to the achievement of service and conditions as set out in the plans below:

ESOP 2018

With respect to the existing ESOP (Employee Share Option Plan) 2018, the Company is committed to issue a maximum number of 3,767,308 (2023: 4,070,643) shares at an average exercise price of €5.65 (2023: €8.09), of which 3,767,308 (2023: 4,070,643) options are vested as of 31 December 2024. Exercise requires the payment of the agreed exercise price.

LTIP 2019

In September 2019, the Company launched a new Long Term Incentive Plan. All units vest over two to three years and Performance Stock Units (PSUs) are additionally subject to non-market performance conditions that the Company will set for each year.

In 2024, 738,575 (2023: 6,383,524) share units were granted to participants of the 2019 Share plan. 2,684,753 (2023: 2,913,672) units were forfeited and 2,344,509 (2023: 2,856,065) units were exercised during the year. 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 €0.23 (2023: €0.79). The number of awards due to vest in 2025 is 2,501,004.

<u>2024 GFG Share Options Plan</u>

During the year ended 31 December 2024, the Group launched a new long-term incentive plan, the 2024 GFG Share Option Plan. The significant majority of options are equity settled with a small amount of cash settled options for participants located in countries that either don't allow equity settled schemes or where tax laws are highly unfavourable for such options.

Under this plan, the participants have been granted two different options. A No Cost Option ("NCO") representing the right to purchase shares in GFG at zero cost at a later date subject only to time-based vesting conditions, and a Performance No Cost Option ("PNCO") which is subject to the achievement of defined Group performance criteria as well as time-based vesting conditions. The first tranches of these new options were awarded on 1 April 2024 and will vest in instalments over a three-year period under graded vesting for NCOs and yearly for PNCOs. All options need to be exercised within 8 years of vesting, or these will be forfeited. The expense is recognised in the statement of profit or loss over the vesting period.

All options are subject to applicable employer social charges based on rates that vary by geographic location and by participants' individual tax status. The Group recognises social charge liabilities on the portion of options awarded that have been expensed at the year end.

In 2024, 4,574,798 share options were granted to participants of the 2024 GFG Share Option Plan. The weighted average fair value of the options granted during the year was €0.23. 904,778 (2023: nil) units were forfeited and nil (2023: nil) units were exercised during the year. The fair value of the awards granted is equal to the GFG share price quoted on the Frankfurt stock exchange. The number of awards due to vest in 2025 is 1,229,828.

Support Letters

The Company issued several letters of support to its subsidiaries.

(19) Advances and Loans Granted to the Members of the Administrative Managerial and Supervisory Bodies

There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during the financial year.

(20) Subsequent Events

On 3 February 2025, Gunjan Soni stepped down from her position on the Management Board. Helen Hickman, Group CFO, was appointed onto the Management Board on the same day.

On 12 February 2025, GFG announced it would close operations in Chile. Dafiti Chile faced a challenging operating and competitive environment since the peak of the pandemic.

6. ADDITIONAL INFORMATION

6.1 RESPONSIBILITY STATEMENTS

Consolidated Financial Statements

We, Christoph Barchewitz, Chief Executive Officer, and Helen Hickman, Chief Financial Officer, confirm to the best of our knowledge, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and that the Group Management Report (Section 2) 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 risks and uncertainties that Group faces.

Parent Financial Statements

We, Christoph Barchewitz, Chief Executive Officer, and Helen Hickman, Chief Financial Officer, confirm to the best of our knowledge, the accompanying parent financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg, and that the Group Management Report (Section 2) 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 Fashion Group S.A. faces.

4 March 2025

Christoph Barchewitz (CEO) and Helen Hickman (CFO)

6.2 INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Global Fashion Group S.A.

5, Heienhaff L-1736 Senningerberg

Opinion

We have audited the consolidated financial statements of Global Fashion Group S.A. and its subsidiaries (the "Group" or "GFG") from section 4.1 to section 4.6, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition and Returns Allowances

Risk Identified

The Group's revenue is mainly generated from retail sales of fashion products to direct customers through GFG's applications and websites. For retail sales, revenue corresponds to the amount of the consideration GFG expects to receive as exchange for transferring the promised goods or services net of sales deductions including returns, taxes and duties. Historical rejections and returns rates are used to anticipate future rejections and returns in order to deduct such anticipated returns from revenue leading to net revenue. The customers have the option to return merchandise free of charge within the revocation period granted in the various countries in which GFG operates.

GFG's management estimates expected returns based on assumptions and judgments in particular based on customer demographics by country, timing and method of payments, product category and service level, taking into consideration the seasonal effects and historical trends.

Due to the high transaction volume of the sales of merchandise, the generally possible risk of fictitious revenue and the uncertain estimate of expected returns, we consider the occurrence and measurement of revenue from the delivery of merchandise to be a key audit matter.

Our Answer

Our audit procedures over revenue and related returns allowances included, among others:

- We documented our understanding of the revenue recognition process, performed walkthroughs over each class of revenue transactions and evaluated the design and implementation of the related controls, and tested their operating effectiveness.
- We understood and assessed IT controls in place for the systems in scope, assisted by our information technology specialists. We tested the operating effectiveness of controls around management of access rights, and evaluated respective ISAE reports from the respective service providers
- We tested the end-to-end reconciliation from the e-commerce platform to the general ledger.
- We assessed the compliance requirements and accounting treatment of revenue recognition in accordance with IFRS 15.
- We tested on a sample basis the credit notes issued during the year, in addition to those issued subsequent to year end and assessed the reversal of revenue and whether it is supported by adequate evidence.
- We performed sales cutoff testing and checked that the revenue is recognised when goods have been delivered to customers.
- We read the terms of coupons issued and discounts allowed and we tested the allocation of cash received from the customers between the fair value of goods sold and coupons issued.
- We tested the arithmetical accuracy of the computation of the provision on sales returns.
- We tested the assumptions associated with the provision for sales returns based on historical fact patterns and trends in each of the significant locations.
- We tested the accuracy of customer bill generation on a sample basis and tested a sample of the credits and discounts applied to customer bills.
- We traced cash receipts for a sample of customers back to the customer invoices and to the general ledger to cover the completeness over the revenue and related returns.
- We vouched from general ledger a sample of transactions to the related customer invoices and delivery slips in order to cover the existence of revenue and related returns.
- We performed a correlation testing between sales, receivables and cash and we obtained audit supporting evidence (delivery slips, invoices, payment receipts) for a test of sales based on mathematical statistical assumptions regarding the existence of revenue.
- We performed substantive analytical procedures on revenue based on our industry knowledge, forming an expectation of revenue based on key performance indicators.
- We assessed the adequacy of the expected credit loss of trade receivables, its computation methodology, and analysed individual significant long outstanding balances.
- We assessed the adequacy of the Group's disclosures in respect of the accounting policies on revenue recognition, revenue and receivables disclosures as disclosed in Note 3 and Note 24 to the consolidated financial statements.

2. Inventories and Inventory Allowances

Risk Identified

The merchandise inventory of GFG is continuously subject to risks associated with existing and potential future excess stocks, which are sold with high discounts. Write downs on estimated future excess stocks as well as existing excess stocks are calculated at the end of the reporting period and recognised in the consolidated financial statements.

Significant judgement is required in assessing the appropriate level of the provision for slow moving and/or obsolete inventory. Such judgements include management's expectations of forecast inventory demand, supply chain, fulfilment, plans to dispose of inventories at a lower cost. As a result, we consider the measurement of inventories and inventory allowances to be a key audit matter.

Our Answer

Our audit procedures over inventories and inventory allowances included, amongst others:

- We assessed the compliance of GFG's accounting policies in relation to inventory and inventory allowances with International Financial Reporting Standards as adopted by the EU.
- We observed physical inventory counts at major locations to ascertain the condition of inventory and performed testing on a sample of items to assess the cost basis and net realisable value of inventory.
- We checked the clerical accuracy of the computation of provision for slow moving and obsolete inventories as at 31 December 2024 and we assessed the assumptions used.
- We have also read the inventory management report to identify slow moving or obsolete inventories
- We obtained a detailed analysis by category of the inventory provision and checked its clerical accuracy based on past historical experience and data.
- Within the scope of the inventory valuation, GFG's management considers the expected sell through of merchandise for various sales channels and seasons. We compared the timing of the sell through using past data with actual sales and examined any significant deviations or irregularities in detail.
- We assessed the adequacy of the Group's disclosures in respect of the accounting policies on inventories and the inventory allowances in Note 3 and Note 15 to the consolidated financial statements.

3. Non-identification of Impairment on Goodwill and Other Intangible Assets

Risk Identified

GFG accounted for a material amount of goodwill generated from business combinations on its statement of financial position. Goodwill is carried at cost less accumulated impairment losses, if any and is allocated to cash-generating units or Group of cash-generating units ("CGUs"). In addition, GFG accounted for a material amount of intangible assets consisting of trademarks and customer relationships arising from business combinations.

As of 31 December 2024, goodwill amounts to €54.3 million and intangible assets to €71.7 million.

These amounts are material to the consolidated financial statements. In addition, the impairment assessment process includes significant judgements and is based on assumptions derived from the Group's business plan which are affected by expected future market or economic conditions. As a result, we consider the measurement of goodwill and intangibles assets to be a key audit matter.

Our Answer

Our audit procedures over non-identification of impairment on Goodwill and other intangible assets included, amongst others:

- We assessed the Group's determination of cash generating units ("CGUs") based on our understanding of the nature of the Group and its operations, and assessed whether this was consistent with the internal reporting of the business.
- We assessed the historical accuracy of management's estimates and budget.
- We evaluated the key assumptions of the cash flow forecasts from the business plan, taking into account our knowledge of the business and relevant external information.
- We involved our valuation experts to assist us with our assessment of the WACC, expected inflation rates and terminal growth rates and the other management assumptions used in the model by comparing to the relevant assumptions to the relevant industry trends and economic forecast.
- We recomputed the value in use of each CGU prepared by Management and compared with the carrying value in order to determine whether an impairment exists. When applicable we tested the clerical accuracy of the computation of the impairment.
- We assessed the Group's sensitivity analysis on the CGUs in two main areas being the discount rate and growth rate assumptions.

- We assessed the adequacy of the Group's disclosures in respect of the accounting policies on goodwill and intangible assets in Note 3 and Note 13 to the consolidated financial statements.

4. Recognition of Income and Indirect Tax Contingencies and Tax Positions

Risk Identified

Income and indirect tax positions were significant to our audit because the assessment process is complex and involves a high degree of judgment and the amounts involved are material to the consolidated financial statements as a whole. 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 are considered as uncertain tax positions and 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.

Moreover, 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. Management exercises judgment in assessing the level of provision required for both indirect and income taxation when such taxes are based on the interpretation of complex tax laws. The future actual outcome of the decisions concerning these tax exposures may result in materially higher or lower amounts than the amounts included in the accompanying Consolidated Financial Statements.

Our Answer

Our audit procedures over recognition of direct and indirect tax contingencies and tax positions, amongst others:

- We assessed the management's assumptions and estimates in relation to uncertain tax positions, and we considered the advice received by management from external parties to support their position. We have involved our tax specialists, where relevant, to consider management's assessment of the tax positions and related provision/liability accruals when necessary.
- We further assessed the recoverability of indirect tax receivables and the completeness of indirect tax payables in light of current laws and regulations and their related interpretations.
- We also assessed the adequacy of the Group's disclosures in respect of the tax contingencies and tax positions as set out in Notes 30 and 31 of the accompanying Consolidated Financial Statements.

Other Information

The Supervisory Board is responsible for the other information. The other information comprises the information included in the group management report from section 2.1 to section 2.5 and the corporate governance report from section 3.1 to section 3.6 but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Supervisory Board and Those Charged with Governance for the Consolidated Financial Statements

The Supervisory Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Supervisory Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

In preparing the consolidated financial statements, the Supervisory Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supervisory Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur D'Entreprises Agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supervisory Board.
- Conclude on the appropriateness of Supervisory Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 12 June 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The group management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance report in section 3 is the responsibility of the Supervisory Board. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2024, identified as “GFG_ConsolFS-2024-12-31-en.xhtml”, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young

Société anonyme

Cabinet de révision agréé

Gaël Denis

Luxembourg, 4 March 2025

6.3 INDEPENDENT AUDITOR’S REPORT ON THE PARENT FINANCIAL STATEMENTS

To the Shereholders of Global Fashion Group S.A.

5, rue Heienhaff L-1736 Senningerberg

Opinion

We have audited the financial statements of Global Fashion Group S.A. (“the Company” or “GFG”), which comprise the balance sheet as at 31 December 2024, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the “Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (“CSSF”). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the “Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements” section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Shares in Affiliated Undertakings

Risk Identified

Global Fashion Group S.A. ("GFG"), as ultimate holding Company of the Group, holds a number of shares in affiliated undertakings, which are operating mainly in emerging markets in the fashion industry. As described in Note 2 to the financial statements, the shares in affiliated undertakings are valued at cost less any durable impairment in value. At least annually, the Company evaluates the carrying value of the investments. Impairment losses are measured and recorded based on the difference between the estimated recoverable amount and the carrying amount of the asset. Impairment of shares in affiliated undertakings is considered a key audit matter due to historical impairment, business industry and locations of these investments. Impairment is reversed when the existing reasons for which the value adjustments were made have ceased to apply.

Our Answer

Our audit procedures over the impairment of the shares in affiliated undertakings included, among others:

- Obtaining and reading the latest capital call to which GFG subscribed or the shareholders' agreements to confirm the acquisition cost of each investment and the movement during the year.
- Obtaining and reading the latest financial statements of each investment in order to identify whether any going concern issue or liquidity issue exists at the investment level and ultimately if the investment is recoverable.
- Assessing the valuation model prepared by Management and its impairment test for the determination of the recoverable amount of the investments.
- Recomputing the estimated value of equity interests of the investments prepared by Management and comparing the carrying value of the investments to the estimated value of equity interests in order to determine whether an impairment or a reversal of impairment exists.

We also assessed the adequacy of the Company's disclosures in respect of the accounting policies on impairment as disclosed in Note 2 of the financial statements.

Other Information

The Supervisory Board is responsible for the other information. The other information comprises the information included in the management report from section 2.1 to section 2.5 and the corporate governance report in section 3.1 to section 3.6 of the annual report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Supervisory Board and of Those Charged with Governance for the Financial Statements

The Supervisory Board is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Supervisory Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is also responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the financial statements, the Supervisory Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Supervisory Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur D'Entreprises Agréé" for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Supervisory Board.
- Conclude on the appropriateness of Supervisory Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 12 June 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The management report from section 2.1 to section 2.5 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement in section 3.1 to section 3.6 of the annual report is the responsibility of the Supervisory Board. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2024 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format.

In our opinion, the financial statements of the Company as at 31 December 2024, identified as "GFG_ConsolFS-2024-12-31-en.xhtml", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young

Société anonyme

Cabinet de révision agréé

Gaël Denis

Luxembourg, 4 March 2025

6.4 FINANCIAL DEFINITIONS

Note that the Group discloses a number of Additional Performance Measures ("APMs") which are not required by, or presented in accordance with IFRS. Management believes that by providing these non-IFRS financial measure investors can better understanding of the business and its results of operations and evaluate how the business is executing its strategy.

In line with IFRS 5 disclosure requirements, all financial KPIs related to the Statement of Profit or Loss are presented excluding Argentina (as a discontinued operation) for the current and comparative year. All non-financial KPIs are also presented excluding Argentina for the current and comparative year.

1. Active Customers

Active Customers are the number of customers who have purchased at least one item after cancellations, rejections and returns in the last twelve months.

2. Adjusted EBITDA

Adjusted EBITDA is calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets, and adjusted for share-based payment expenses, impairment of goodwill and other non-financial assets, Group recharges and associated taxes, changes to estimates for prior year tax, IFRS 16 lease modifications and one off payroll and office closure costs.

Adjusted EBITDA is reconciled in the Note 6 to the consolidated financial statements and in section 2.2.3 Financial Performance.

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 year, 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 management considers it to be an important supplemental measure of the Group's operating performance. Management believes that investors' understanding of our performance is enhanced by including non-IFRS financial measures as a reasonable basis for understanding the Group's ongoing results of operations. By providing this non-IFRS financial measure, together with a reconciliation to the nearest IFRS financial measure, management believes that investors' understanding of the business and its results of operations are enhanced, as well as assisting investors in evaluating how well the business is executing its strategic initiatives.

Adjusted EBITDA provides a basis for comparison of business operations between current, past and future periods by excluding items that management does not believe are indicative of core operating performance. A(7.0)

Adjusted EBITDA, a non-IFRS measure, may not be comparable to other similarly titled measures used by other companies.

3. Average Order Value

Average Order Value is defined as the NMV (see below for definition) per order.

4. Capex

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

The current year and prior year figures below are presented excluding Argentina:

In €m	FY2024	FY2023
Additions		
Property, plant & equipment	4.5	4.3
Goodwill & other intangibles	25.7	24.2
Total capex	**30.2**	**28.5**

5. EBITDA

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

EBITDA is reconciled with the Note 6 to the consolidated financial statements and in section 2.2.3 Financial Performance.

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

6. Net Merchandise Value

Net Merchandise Value ("NMV") is defined as the value of goods sold including value-added tax ("VAT") / goods and services tax ("GST") and delivery fees, after actual or provisioned rejections and returns. Retail NMV is the net merchandising value for goods sold through our retail business. Marketplace NMV is the net merchandising value for good sold through our Marketplace business.

NMV is used as a complete measure of the merchandise volumes being sold on GFG's platforms through both Retail and Marketplace business models. Revenue, on the same basis, only takes into account the commission on a Marketplace transaction and is therefore disconnected from true volume. As Retail and Marketplace volumes carry similar levels of profitability, management believes it is important to allow users of the Annual Report to understand the Group's progress on this measure.

NMV is a non-financial measure, as it includes sales taxes not recorded in revenue and Marketplace price information that cannot be reconciled to the financial statements.

In €m	FY2024	FY2023
Retail NMV	700.4	792.6
Marketplace NMV	441.8	486.7
Total NMV	**1,142.2**	**1,279.3**
Retail share of NMV	*61%*	*62%*
Marketplace share of NMV	*39%*	*38%*

7. Net Working Capital

Net working capital is calculated as inventories plus current trade and other receivables less current trade payables and other financial liabilities excluding current liabilities from the Convertible Bond and share-based payments.

In €m	FY2024	FY2023
Inventory	96.4	110.5
Trade and other receivables (current)	48.8	38.6
Trade payables and other financial liabilities	(204.0)	(194.5)
Convertible bond liability (Note 22)	2.7	5.5
Liabilities related to SBP (Note 23)	1.3	2.9
Net working capital	**(54.8)**	**(36.9)**

8. Order Frequency

Order Frequency is defined as the average number of Orders per customer per year (calculated as the last twelve month's Orders divided by Active Customers).

9. Pro-Forma Cash and Pro-Forma Net Cash

Pro-forma cash is defined as cash and cash equivalents at the end of the year, short term duration bonds and securitised funds plus restricted cash and cash on deposits.

In €m	FY2024	FY2023
Cash and cash equivalents	210.6	225.9
Restricted cash	11.8	9.5
Investment funds	-	161.1
Pro-forma cash	**222.4**	**396.5**

Pro-forma net cash is defined as pro-forma cash less principal Convertible Bond debt and third-party borrowings.

In €m	FY2024	FY2023
Pro-forma cash	**222.4**	**396.5**
Convertible bond debt	(54.7)	(178.3)
Third party borrowings	(3.6)	(11.9)
Pro-forma net cash	**164.1**	**206.3**

10. Normalised Free Cash Flow

Normalised Free Cash Flow ("NFCF") represents operating cash flows excluding discontinued operations, exceptional items, changes in factoring principal, interest and tax on investment income and convertible bond interest.

In €m	FY2024	FY2023
Adjusted EBITDA	(20.5)	(58.3)
Cash lease costs[1]	(19.3)	(20.3)
Working capital[2]	38.3	48.4
Total funding operations	**(1.5)**	**(30.2)**
Intangible capital expenditure	(25.7)	(24.2)
PPE capital expenditure	(3.9)	(4.3)
Total capital expenditure	**(29.6)**	**(28.5)**
Other [3]	(14.3)	(9.0)
Normalised free cash flow	**(45.4)**	**(67.7)**

[1]Including payments under lease liabilities per section 4.5 and interest payments under lease liabilities which are presented within interest paid.

[2]Including movements in inventories, trade receivables, trade payables and other receivables and other payables, per section 4.5. and excluding principal factoring repayments.

[3]Including income tax paid and interest paid per section 4.5. Excluding exceptional cash tax items and interest payments under lease liabilities.

6.5 INFORMATION RESOURCES

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

CONTACT

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GLOBAL FASHION GROUP