

Acquisition of  
New Guards Group

8 August 2019

FARFETCH

## IMPORTANT NOTICE

This presentation, and the accompanying oral presentation, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation and the accompanying oral presentation that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding the acquisition of the New Guard Group (“Acquisition”) described herein, benefits and synergies of the Acquisition, future opportunities, anticipated business levels, future financial or operating performance, planned activities and objectives, anticipated growth, market opportunities, strategies, competition and other expectations following the Acquisition, as well as statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “forecast,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature. These forward-looking statements are based on management’s current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: we face uncertainties regarding the consummation of the Acquisition, including that certain conditions to the consummation of the Acquisition will not be satisfied; we may not enter into a final agreement for the Bridge Facility in the timeframe expected or at all; we may experience difficulties integrating the operations of New Guards into our business and in realizing the expected benefits of the Acquisition, and we may need to use resources that are needed in other parts of our business to do so; New Guards may have liabilities that are not known, probable or estimable at this time, including costs or liabilities arising from New Guards’ failure to comply with intellectual property laws and licensing obligations to which they are subject; the Acquisition may result the diversion of Farfetch or New Guards management time and attention to issues relating to the Acquisition and integration; we may face difficulty retaining certain key employees of New Guards following the Acquisition; we will use substantial portions of our cash on hand to consummate the Acquisition; the complexity of the integration and transition associated with the Acquisition, together with the resulting increased scale, may affect our internal control over financial reporting and ability to effectively and timely report financial results; we may not achieve expected synergies and operating efficiencies attributable to the Acquisition within our expected time-frames or at all; we may incur significant transaction costs and integration costs in connection with the Acquisition; there is limited financial information on which to evaluate the Acquisition; the Acquisition could result in unexpected disruptions of the combined business; we may face challenges protecting and preserving New Guards’ intellectual property rights; the Acquisition may result in harm to our existing business relationships with retailers and boutiques as a result of the Acquisition; the Acquisition may result in harm to our brand and reputation; risks inherent to New Guards and its business model will result in additional strategic and operational risks to the Farfetch group which may impact our risk profile and which we may not be able to mitigate effectively. Important factors discussed under the caption “Risk Factors” in our annual report on Form 20-F filed with the SEC on March 1, 2019, as such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov) may affect Farfetch’s own performance which could in turn impact our ability to deliver the expected benefits, performance and other stated expectations following of the Acquisition.

In addition, we and New Guards operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation and the accompanying oral presentation are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. In addition, the forward-looking statements made in this presentation and the accompanying oral presentation relate only to events or information as of the date on which the statements are made in this presentation and the accompanying oral presentation. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by us. All subsequent written and oral forward-looking statements attributable to Farfetch, New Guards, their respective boards of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this notice.

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Certain figures in this presentation may not recalculate exactly due to rounding. This is because percentages and/or figures contained herein are calculated based on actual numbers and not the rounded numbers presented.

# Summary of Deal Terms and Financing Considerations

<b>NEW GUARDS GROUP COMPANY DESCRIPTION</b>	<ul style="list-style-type: none"><li>• Platform for the development of innovative fashion brands</li><li>• On average, owns c. 75% of operating entities of group brands including Off White, Marcelo Burlon County of Milan, Palm Angels and others</li></ul>
<b>STRUCTURE AND CONSIDERATION</b>	<ul style="list-style-type: none"><li>• Farfetch to acquire 100% of the shares for an Enterprise Value of \$675mm<sup>(1)</sup></li><li>• Consideration split equally between cash and Farfetch shares</li><li>• Long term management incentives to key employees to align for long term growth and profitability</li></ul>
<b>FINANCING</b>	<ul style="list-style-type: none"><li>• Cash portion of the purchase price consideration to be funded with cash on hand<ul style="list-style-type: none"><li>&gt; Entered into a commitment letter for €300mm senior secured loan facility for up to 12 months to ensure adequate financial flexibility and liquidity going forward</li></ul></li></ul>
<b>CLOSING</b>	<ul style="list-style-type: none"><li>• Expected to close in Q3 2019</li><li>• Davide De Giglio and Andrea Grilli to be retained as CEO and CCO respectively</li></ul>

<sup>1</sup> Converted from EUR to USD at an exchange rate of 1.11.



# The Acquisition of New Guards Group Extends Farfetch's Capabilities as the Leading Global Technology Platform for the Luxury Fashion Industry

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**“Brand Platform” extends Farfetch’s capabilities and reach across the luxury fashion ecosystem**



**Adds portfolio of exciting brands to the Farfetch Marketplace and expands existing portfolio brands’ reach**



**Promotes additional alignment with boutique sellers via a new model of “connected wholesale”**



**Enables promotion of strongest sector talent and positions Farfetch to be the catalyst for several “Brands of the Future”**



**Strong financial profile and accretive to Farfetch**



# NGG HOLDING

# NEWGUARDSGROUP HOLDING

*New Guards Group is a platform that has launched several global luxury fashion brands, with a proven track record of identifying and nurturing culturally relevant emerging brands, designers and creative directors in the sector*

MARCELO BURLON  
COUNTY OF MILAN



Palm Angels



HERON PRESTON



ALANUI



Off-White™



UNRAVEL PROJECT



KIRIN  
PEGGY GOU

# Key New Guards Group Executives & Creative Directors

## GROUP EXECUTIVES



**Davide de Giglio**  
Chief Executive Officer



**Andrea Grilli**  
Chief Commercial Officer

## CREATIVE DIRECTORS



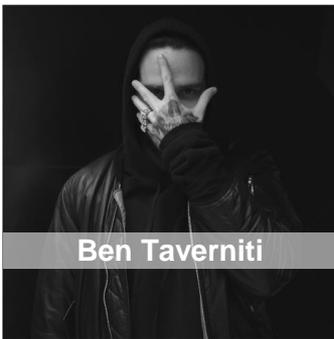
**Virgil Abloh**

**Palm Angels**



**Marcelo Burlon**

**ALANUI**



**Ben Taverniti**

**KIRIN**



**Heron Preston Johnson**

**HERON PRESTON**



**Peggy Gou**

**BEN TAVERNITI  
UNRAVEL PROJECT**



**MARCELO BURLON**  
COUNTY OF MILAN



**Carlotta Oddi**

**Off-White™**



**Francesco Ragazzi**

## Marketplaces

**FARFETCH**

**STADIUM GOODS®**

**FARFETCH**

PLATFORM

## Enterprise Solutions

**FPS**

**Store of the Future**

**CURIOSITYCHINA**  
A FARFETCH COMPANY



Design



Production



Wholesale Distribution



Brand Development



Photography



Product Catalogue



Marketing



Inventory Management



Payments



Fulfilment



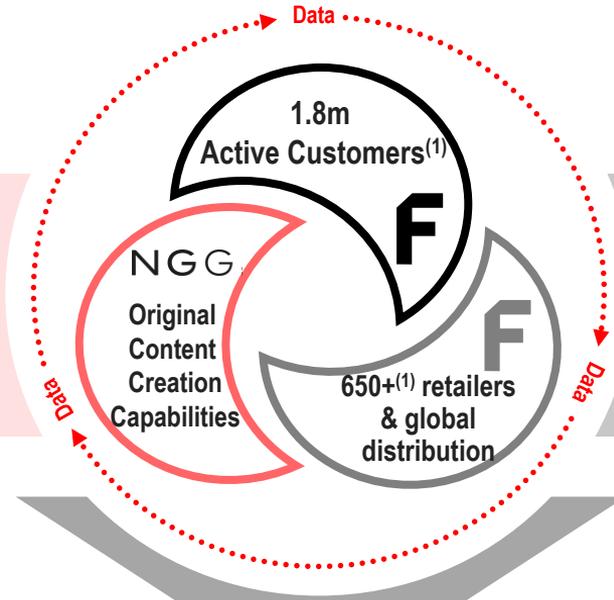
Customer Service

**NGG\_**  
**NEWGUARDSGROUP\_**

*Capabilities Acquired*

# Brand Platform Paired With Farfetch Capabilities Creating a Flywheel

*Combining the global tastemakers' talent & audience with Farfetch's platform capabilities & data to create culturally relevant original content ("Brands of the Future")*



*Leveraging extensive online and offline data captured through various touchpoints of customer experience and transactions*

**PROFITABLE GROWTH & EXPANSION OF BRAND PORTFOLIO**

ALANUI

Off-White™

MARCELO BURLON  
COUNTRY OF MILAN

BEN TAVERNITI  
UNRAVEL PROJECT

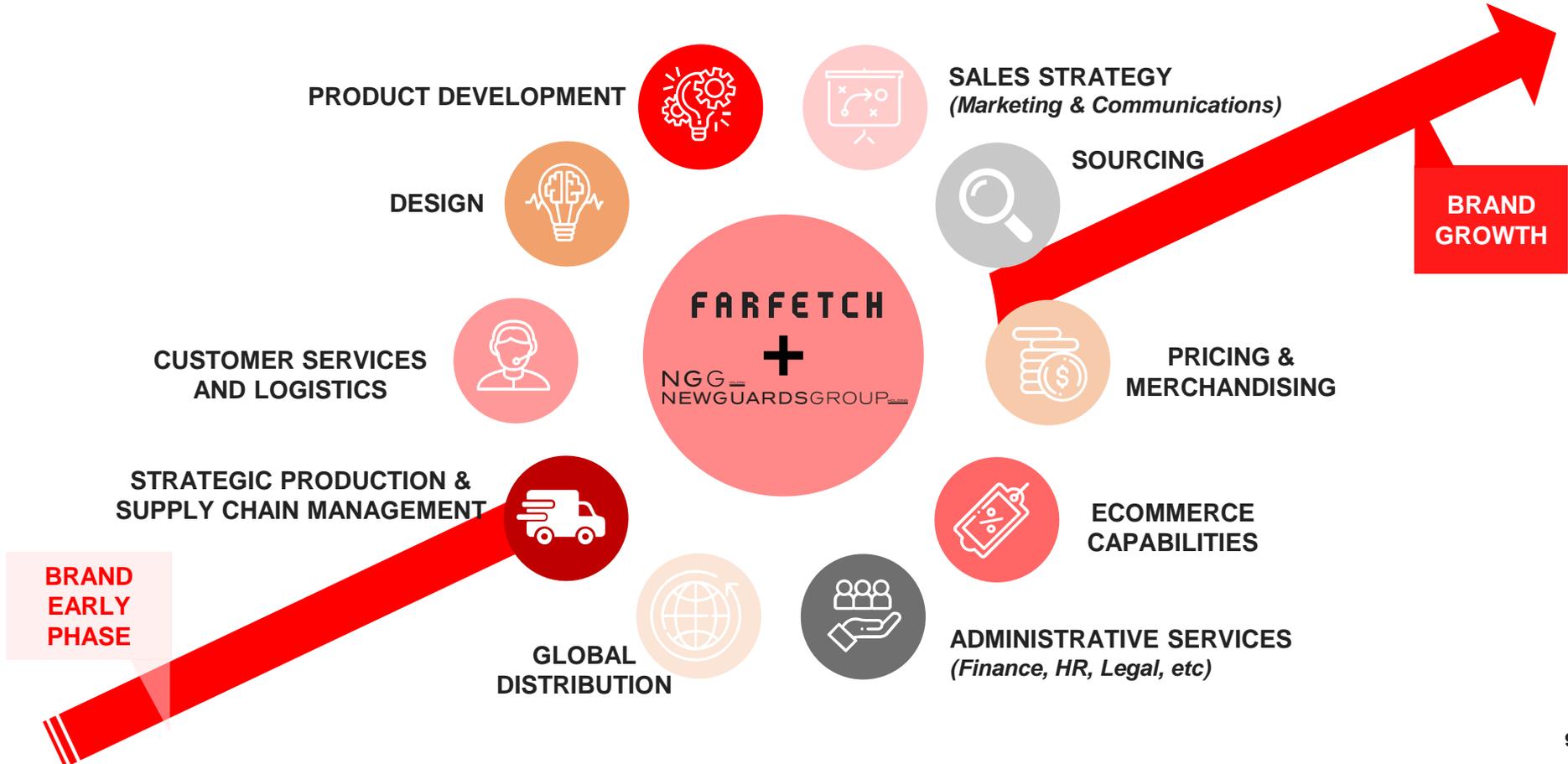
HERON PRESTON

Palm Angels

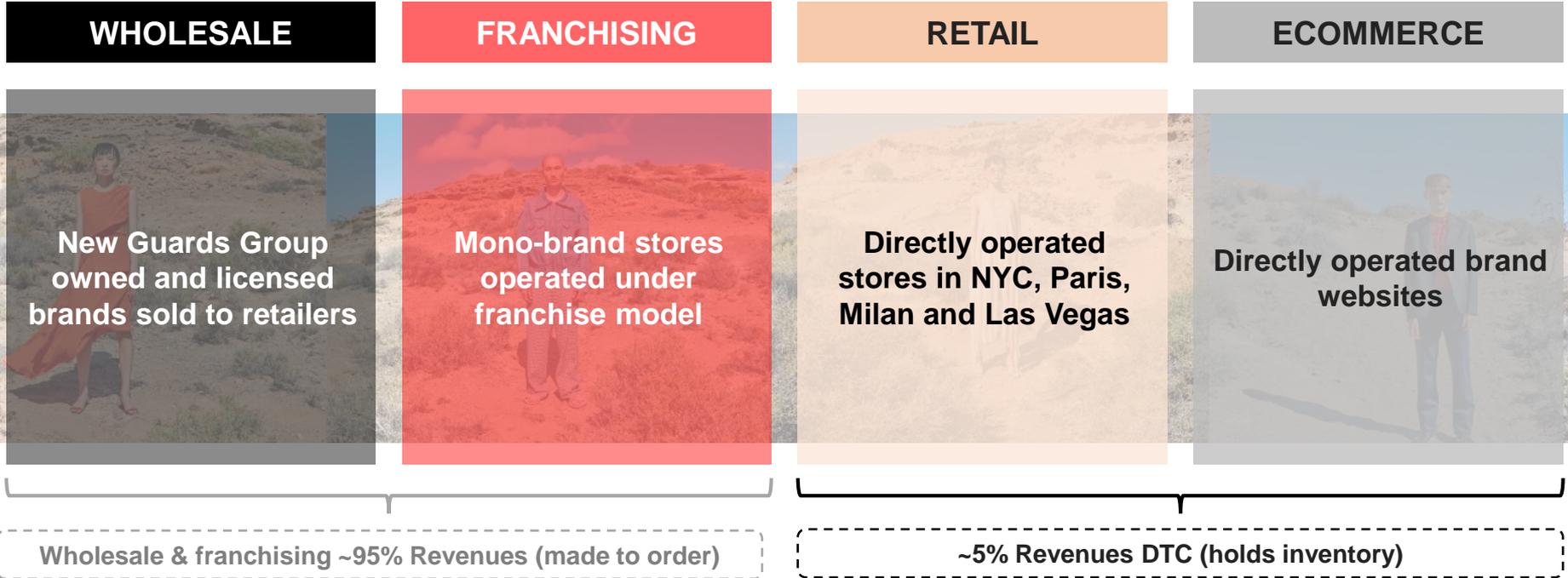
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+ New Brands of the Future

# 360° Shared Services for Creating the Brands of the Future



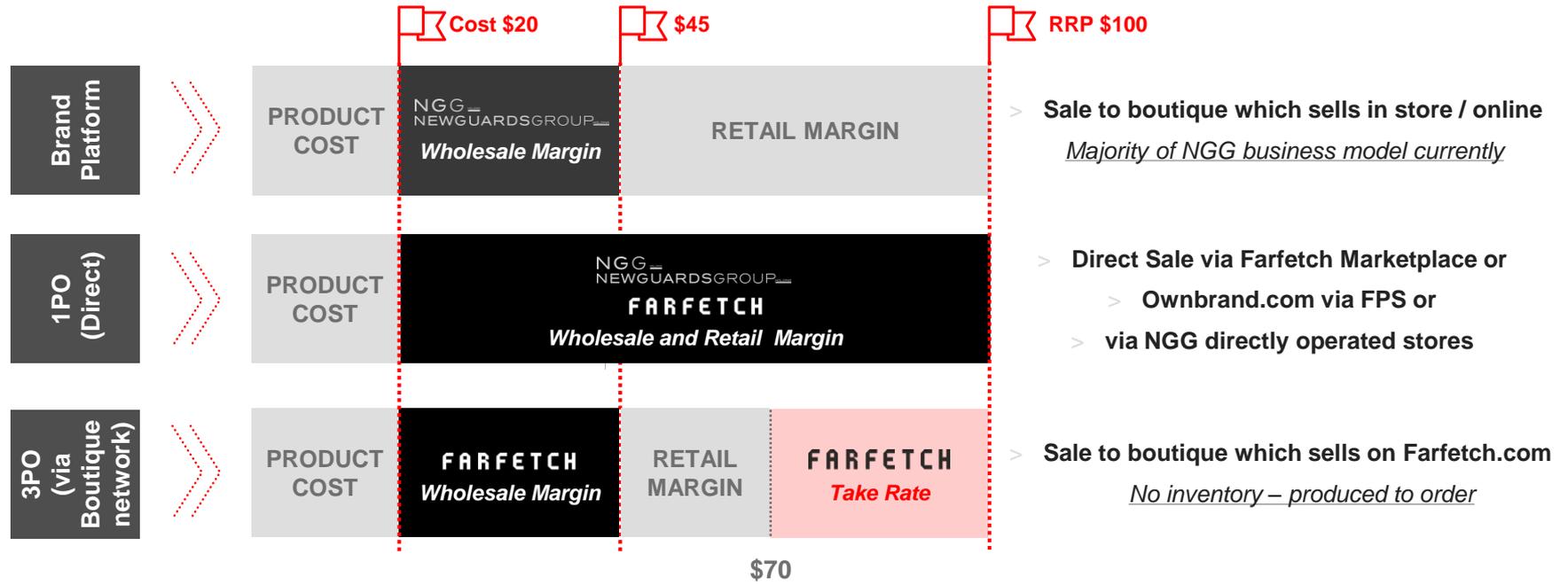
# New Guards Group Distribution Channels Today



Note: Wholesalers include department stores / other online retailers and specialist retailers / distributors.

# Supported by A Compelling Economic Model

## Illustrative Example of Unit Economics



# New Guards Group: Financial Overview

## Revenue

LTM to 30 April 2019

**\$345m**

H1 '19

**\$190m**

y-o-y growth

**+59%**

**% Gross Margin**  
(H1 '19)

**55%**

## Profit Before Tax

LTM to 30 April 2019

**\$95m**

H1 '19

**\$57m**

y-o-y growth

**+83%**

# GMV & Revenue Build



Note: GMV is inclusive of product value, shipping and duties and net of returns, value added taxes and cancellations.

1 Includes GMV from all our directly owned and operated sites and related apps.

2 Also includes BrownsFashion.com and Stadium Goods.

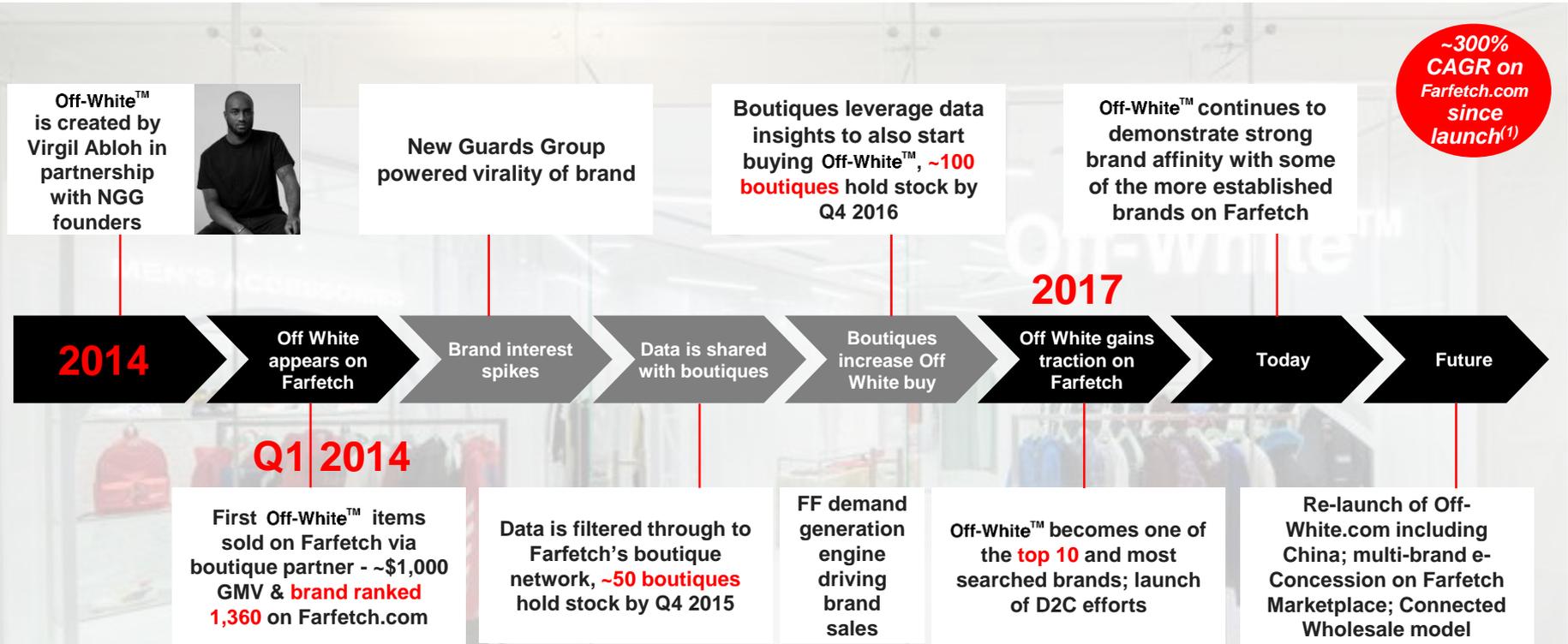
3 FPS GMV includes Farfetch Platform Solutions GMV, NGG Brand.com GMV and other GMV.

4 NGG wholesale Brand Platform.

5 Includes GMV from Browns In-store, Stadium Goods In-Store and NGG Brands In-store.

6 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# Case Study: Off-White™ + FARFETCH



Off White is representative of the potential we see for our “Brands of the Future” strategy and elevates the Farfetch value proposition

<sup>1</sup> Based on CAGR from first full quarter of Off White GMV sales on Farfetch.com (Q2 2014) to Q2 2019.