



Subject to Completion. Dated September 5, 2018

37,503,501 Shares

FARFETCH

Farfetch Limited

Class A Ordinary Shares

\$ per share

This is the initial public offering of Class A ordinary shares of Farfetch Limited. We are selling 30,056,495 of our Class A ordinary shares and the selling shareholders identified in this prospectus are selling 7,447,006 of our Class A ordinary shares in this offering. We will not receive any proceeds from the sale of Class A ordinary shares by the selling shareholders.

Prior to this offering, there has been no public market for our Class A ordinary shares. It is currently estimated that the initial public offering price per share will be between \$15.00 and \$17.00. We have been approved to list our Class A ordinary shares on The New York Stock Exchange under the symbol "FTCH."

Following this offering, we will have two classes of shares outstanding, Class A ordinary shares and Class B ordinary shares. The rights of the holders of Class A ordinary shares and Class B ordinary shares are identical, except with respect to voting and conversion rights. Each Class A ordinary share is entitled to one vote per share and is not convertible into any other shares. Each Class B ordinary share is entitled to 20 votes per share and is convertible at any time into one Class A ordinary share. In addition, our Class B ordinary shares will automatically convert into Class A ordinary shares upon certain transfers and other events. After giving effect to the sale of Class A ordinary shares hereby, José Neves, our Chief Executive Officer and the beneficial owner of our outstanding Class B ordinary shares, will hold approximately 78.0% of the voting power of our outstanding shares following this offering and the concurrent private placement described below (77.6% if the underwriters exercise their option to purchase additional Class A ordinary shares in full).

Concurrently with, and subject to, the consummation of this offering, Kadi Group Holding Limited, an existing shareholder and an affiliate of JD.com Inc., or any of its affiliates, has agreed to purchase from us, in a private placement, Class A ordinary shares totalling one-third of the number of Class A ordinary shares Kadi Group Holding Limited would need to purchase in order to maintain its percentage holding of our total issued and outstanding share capital on a fully diluted basis immediately following the consummation of this offering at a price per share equal to the initial public offering price. Kadi Group Holding Limited will not purchase any further Class A ordinary shares in the event that the underwriters exercise their option to purchase additional shares.

Artemis, the Pinault family investment arm, which controls Kering, has indicated an interest in purchasing an aggregate of up to \$50.0 million in Class A ordinary shares in this offering at the initial public offering price. Because this indication of interest is not a binding agreement or commitment to purchase, Artemis could determine to purchase more, less or no Class A ordinary shares in this offering, or the underwriters could determine to sell more, less or no shares to Artemis. The underwriters will receive the same discount on any of our Class A ordinary shares purchased by Artemis as they will from any other shares sold to the public in this offering.

We are both an "emerging growth company" and a "foreign private issuer" under applicable U.S. Securities and Exchange Commission rules and will be eligible for reduced public company disclosure requirements. See "Prospectus Summary—Implications of Being an 'Emerging Growth Company' and a 'Foreign Private Issuer.'"

Investing in our Class A ordinary shares involves risks. See "Risk Factors" beginning on page 23.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$	\$
Underwriting discount(1)	\$	\$
Proceeds, before expenses, to us	\$	\$
Proceeds, before expenses, to the selling shareholders	\$	\$

(1) We refer you to "Underwriting" for additional information regarding underwriting compensation.

To the extent that the underwriters sell more than 37,503,501 Class A ordinary shares, the underwriters have the option to purchase up to an additional 5,625,525 Class A ordinary shares from us at the initial public offering price, less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on to purchasers on 2018.

Goldman Sachs & Co. LLC
Credit Suisse
Cowen

J.P. Morgan
Deutsche Bank Securities

Allen & Company LLC

UBS Investment Bank
Wells Fargo Securities
BNP PARIBAS

Prospectus dated , 2018

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.



SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman Sachs & Co. LLC		
J.P. Morgan Securities LLC		
Allen & Company LLC		
UBS Securities LLC		
Credit Suisse (USA) Securities LLC.		
Deutsche Bank Securities Inc.		
Wells Fargo Securities, LLC		
BNP Paribas Securities Corp.		
Cowen and Company, LLC		
Total		



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 1 to Registration Statement on Form F-1 of Farfetch Limited of our report dated May 30, 2018 relating to the financial statements of Farfetch.com Limited, which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
London, United Kingdom
September 5, 2018



WALKERS

Page 4

SCHEDULE 1

LIST OF DOCUMENTS EXAMINED

1. The Certificate of Incorporation dated 15 May 2018 and the Amended and Restated Memorandum and Articles of Association of the Company to be in effect upon the consummation of the sale of the Offered Shares (the “**Memorandum and Articles of Association**”), the Register of Directors, Register of Officers and Register of Mortgages and Charges, copies of which have been provided to us by its registered office in the Cayman Islands (together, the “**Company Records**”).
2. The Cayman Online Registry Information System (CORIS), the Cayman Islands’ General Registry’s online database, searched on 4 September 2018.
3. A Certificate of Good Standing dated 4 September 2018 in respect of the Company issued by the Registrar (the “**Certificate of Good Standing**”).
4. Copies of the executed minutes of the meetings of the board of Directors dated 17 August 2018 approving the offering for sale of the Offered Shares (together, the “**Resolutions**”).
5. Copies of the following documents (the “**Documents**”):
 - (a) the Registration Statement on Form F-1 (Reg. No. 333-226929), originally filed on 20 August 2018 by the Company with the United States Securities and Exchange Commission (“**SEC**”) in respect of the initial public offering and sale by the Company of the Offered Shares, registering the Offered Shares under the Securities Act (including all amendments or supplements thereto the “**Registration Statement**”);
 - (b) a preliminary prospectus dated 5 September 2018 (the “**Preliminary Prospectus**”);
 - (c) a draft form of the Underwriting Agreement to be entered into between the Company and Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, as representatives of the several underwriters named therein (the “**Underwriters**”) and the Selling Shareholders specified therein (the “**Underwriting Agreement**”); and
 - (a) such other documents as we have deemed necessary to render the opinions set forth herein.



Item 7. Recent Sales of Unregistered Securities

During the three years preceding the filing of this registration statement, Farfetch Limited has not issued its securities without registration under the Securities Act. In connection with the Reorganization Transactions described in the accompanying prospectus, the outstanding shares of Farfetch.com Limited will be exchanged for shares of Farfetch Limited with equivalent rights. Farfetch Limited will issue 285,280,580 ordinary shares upon the conversion of all ordinary shares, restricted linked ordinary shares and preference shares held by the shareholders of Farfetch Limited prior to this offering. All outstanding ordinary shares will be converted to (i) 242,422,500 Class A ordinary shares and (ii) 42,858,080 Class B ordinary shares. The Class A ordinary shares and the Class B ordinary shares described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transaction will not involve a public offering. No underwriters will be involved in the transaction.

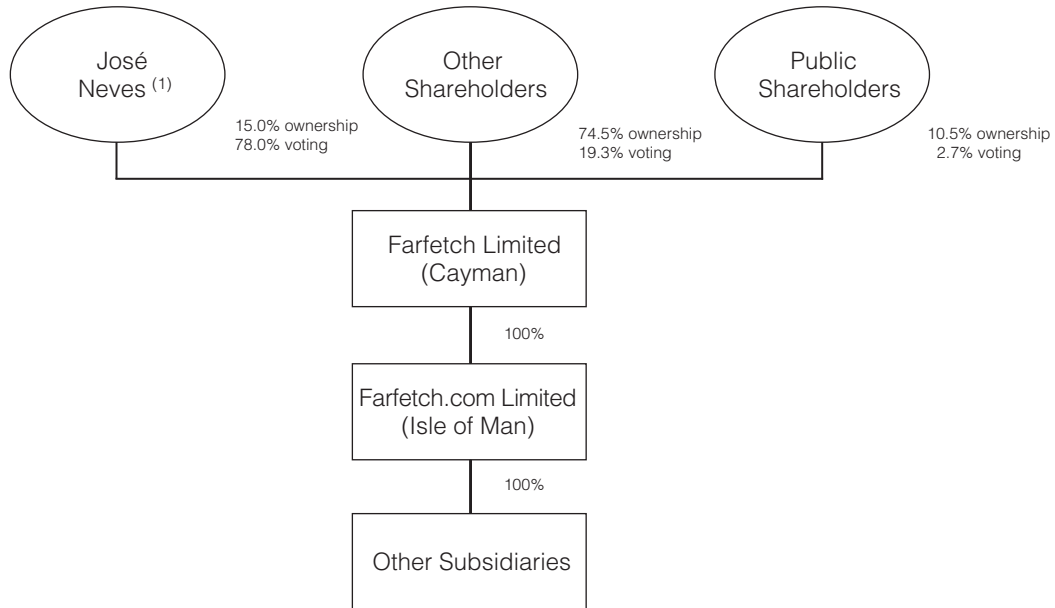
Item 8. Exhibits

(a) The following documents are filed as part of this registration statement:

- 1.1 Form of Underwriting Agreement.
- 3.1† Amended and Restated Memorandum and Articles of Association of the Registrant.
- 4.1† Registration Rights Agreement, dated as of July 21, 2017 by and among Farfetch.com Limited and certain shareholders of Farfetch.com Limited.
- 4.2† Deed of Amendment related to the Commitment Agreement, dated as of August 8, 2018 by and among Kadi Group Holding Limited, José Neves and TGF Participations Limited.
- 4.3† Form of Class A Ordinary Share Certificate.
- 5.1 Opinion of Walkers, counsel of the Registrant, as to the validity of the Class A ordinary shares.
- 10.1 Form of Board Member Indemnification Agreement.
- 10.2† Amended and Restated Rules of the Farfetch.com Limited Enterprise Management Incentive Scheme, adopted July 17, 2013.
- 10.3† Rules of the Farfetch.com Limited Share Option Scheme, adopted July 18, 2013.
- 10.4† Farfetch.com Limited 2015 Long-Term Incentive Plan, adopted February 13, 2015.
- 10.5† Asset Purchase Agreement, dated as of June 12, 2017, among Farfetch.com Limited, Farfetch UK Limited, Advance Magazine Publishers Inc. and CN Commerce Ltd.
- 10.6† Collaboration Agreement, dated as of June 13, 2017, between Farfetch.com Limited, Farfetch UK Limited and Advance Magazine Publishers Inc.
- 10.7† Side Letter to the Asset Purchase Agreement, dated as of July 7, 2017, between Farfetch.com Limited, Farfetch UK Limited, Advance Magazine Publishers Inc. and CN Commerce Ltd.
- 10.8† Share Purchase Agreement, dated as of October 31, 2017, between Farfetch UK Limited, ASAP54.com Limited and Daniela Cecilio.
- 10.9† Consultancy Agreement, dated as of December 21, 2017, between Farfetch Limited UK, DCN Consultancy Services Limited and Daniela Cecilio.
- 10.10† Payment Processing Agreement, dated as of April 18, 2018, between Chinabank Payment Technology Co. Ltd. and Farfetch UK Limited.
- 10.11† Amended and Restated Forward Purchase Agreement, dated as of August 8, 2018, between Farfetch.com Limited and Kadi Group Holding Limited.
- 10.12† Consultancy Agreement, dated August 15, 2018, between Farfetch UK Limited and Natalie Massenet.



The following diagram illustrates our corporate structure immediately following the Reorganization Transactions and the consummation of this offering and the concurrent private placement (assuming the underwriters do not exercise their option to purchase additional Class A ordinary shares in full):



(1) Includes shares registered in the name of TGF Participations Limited, a company incorporated under the laws of the Isle of Man with registered number 007463V, for which José Neves is the only named beneficiary. TGF Participations Limited holds all of our issued and outstanding Class B ordinary shares.

A description of the material terms of our Articles, Class A ordinary shares and Class B ordinary shares as will be in effect following the Reorganization Transactions and the consummation of this offering are described in the section entitled “Description of Share Capital and Articles of Association.”

Concurrent Private Placement

On June 21, 2017, Kadi Group Holding Limited (“Kadi Group”), a wholly owned subsidiary of JD.com Inc. (“JD.com”), completed the purchase of an equity interest in Farfetch.com. In connection with Kadi Group’s purchase of shares in Farfetch.com, Kadi Group and Farfetch.com entered into a forward purchase agreement, as amended, pursuant to which, subject to certain conditions, we agreed to issue and Kadi Group agreed to subscribe for one-third of such number of shares (at a price per share equal to the initial public offering price per share) that would result in Kadi Group maintaining its percentage holding, or 13.94%, of our issued and outstanding share capital on a fully diluted basis immediately following the consummation of this offering. Kadi Group may assign this right to purchase to any of its affiliates. Kadi Group has agreed not to sell or transfer any of our Class A ordinary shares it held immediately prior to this offering during the two-year period commencing from the consummation of this offering, subject to limited exceptions. The above transaction shall be referred to throughout this prospectus as the “concurrent private placement.” See “Related Party Transactions—Relationships with Kadi Group Holding Limited” for additional information.

In addition, Kadi Group has agreed to a 180-day lock-up agreement with the underwriters pursuant to which both its pre-offering Class A ordinary shares and Class A ordinary shares purchased in the concurrent private placement will be locked up for a period of 180 days, subject to certain exceptions.



or our Articles. TGF Participations Limited, the holder of our outstanding Class B ordinary shares, for which Mr. Neves is the only named beneficiary, will hold 78.0% of the voting power of our outstanding shares following this offering (77.6% if the underwriters exercise their option to purchase additional Class A ordinary shares in full) and will have the ability to control the outcome of matters submitted to our shareholders for approval, including the appointment of our members of our board of directors (the “Board”) and the approval of any change of control transaction. See “Principal and Selling Shareholders” and “Description of Share Capital and Articles of Association” for additional information.

Dividend policy	We do not anticipate paying any dividends on our Class A ordinary shares in the foreseeable future. However, if we do pay a cash dividend on our Class A ordinary shares in the future, we will pay such dividend out of our profits or share premium (subject to solvency requirements) as permitted under the Companies Law. See “Dividend Policy.”
Risk factors	See “Risk Factors” and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our Class A ordinary shares.
Listing	We have been approved to list our Class A ordinary shares on The New York Stock Exchange (the “NYSE”) under the symbol “FTCH.”

The number of our Class A ordinary shares and Class B ordinary shares to be outstanding after this offering and the concurrent private placement on an as adjusted pro forma basis is 242,422,500 Class A ordinary shares and 42,858,080 Class B ordinary shares based on outstanding shares as of June 30, 2018 and excludes:

- 34,558,320 Class A ordinary shares issuable upon the exercise of share options outstanding as of August 1, 2018 at a weighted average exercise price of \$5.74 per share;
- 26,666,475 Class A ordinary shares reserved for future issuance under our employee share option programs as described in “Management—Long-Term Incentive Plans;”
- 189,995 Class A ordinary shares issuable upon the exercise of 37,999 warrants outstanding at a weighted exercise price of \$30.41, which will remain outstanding following the consummation of this offering; and
- 548,270 Class A ordinary shares issuable upon the exercise of share options and 192,803 Class A ordinary shares issuable upon the exercise of restricted stock units granted in connection with this offering as described in “Management—Long-Term Incentive Plans—New Equity Awards.”



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Unless otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- the consummation of the Reorganization Transactions;
- the exercise of certain warrants and options in connection with the Reorganization Transactions and offering resulting in the issuance of 1,163,278 ordinary shares;
- the conversion on a one-to-one basis of our ordinary shares and preference shares into ordinary shares;
- the conversion of our restricted linked ordinary shares into 1,050,602 ordinary shares based on an assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, as described in “Management—Long-Term Incentive Plans—Farfetch.com Limited 2015 Long-Term Incentive Plan”;
- the conversion of our ordinary shares, based upon a conversion ratio of one-to-five, into 242,422,500 Class A ordinary shares and 42,858,080 Class B ordinary shares;
- the issuance of 1,193,505 Class A ordinary shares to Kadi Group upon the closing of the concurrent private placement immediately following the consummation of this offering;
- no exercise by the underwriters of their option to purchase an additional 5,625,525 Class A ordinary shares from us in this offering; and
- an initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The number of ordinary shares to be issued upon the conversion of our outstanding restricted linked ordinary shares depends in part on the initial public offering price in this offering. The terms of our restricted linked ordinary shares provide the ratio at which each share of such series automatically converts into ordinary shares in connection with this offering. Based upon the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, our outstanding restricted linked ordinary shares would convert into an aggregate of 1,050,602 ordinary shares, which will ultimately be converted into 5,253,010 Class A ordinary shares, immediately prior to the consummation of this offering. For illustrative purposes only, the table below shows the resulting total number of outstanding Class A ordinary shares expected to be outstanding after this offering:

<u>Assumed public offering price</u>	<u>Total Class A ordinary shares outstanding after this offering</u>
\$14.00	241,781,376
\$15.00	242,322,567
\$16.00	242,422,500
\$17.00	242,510,741
\$18.00	242,589,231



The financial data set forth below should be read in conjunction with, and are qualified by reference to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

	Six months ended June 30,		Year ended December 31,		
	2017	2018	2015	2016	2017
	(in thousands except share and per share data)				
Consolidated Statement of Operations Data:					
Revenue	\$172,571	\$267,508	\$142,305	\$242,116	\$385,966
Cost of revenue	(78,223)	(130,643)	(69,702)	(125,238)	(181,200)
Gross profit	94,348	136,865	72,603	116,878	204,766
Selling, general and administrative	(125,762)	(208,801)	(130,073)	(205,558)	(299,260)
Share of profits of associates ..	15	24	—	18	31
Operating loss	(31,399)	(71,912)	(57,470)	(88,662)	(94,463)
Net finance income/(costs)	1,690	4,218	(4,265)	7,402	(17,642)
Loss before tax	(29,709)	(67,694)	(61,735)	(81,260)	(112,105)
Income tax credit/(expense) ...	429	(714)	628	(199)	(170)
Loss after tax	\$(29,280)	\$(68,408)	\$(61,107)	\$(81,459)	\$(112,275)
Loss per share attributable to owners of the parent:					
Basic and diluted	\$(0.75)	\$(1.42)	\$(1.80)	\$(2.21)	\$(2.62)
Weighted average shares outstanding:					
Basic and diluted		48,316,103			42,867,409
Pro forma net loss per ordinary share attributable to ordinary shareholders of Farfetch Limited (unaudited)(1)					
Basic and diluted	\$(0.15)	\$(0.28)	\$(0.35)	\$(0.43)	\$(0.51)
Pro forma weighted average shares outstanding of Farfetch Limited (unaudited)(1)					
Basic and diluted	201,480,685	246,833,525	173,304,405	189,577,970	219,590,055

(1) Pro forma basic and diluted net loss per ordinary share attributable to ordinary shareholders of Farfetch Limited and Pro forma basic and diluted weighted average shares of Farfetch Limited give effect to (a) the conversion of our restricted linked ordinary shares into 1,050,602 ordinary shares and (b) the conversion and subsequent one-to-five exchange of our ordinary shares with Class A and Class B ordinary shares, as applicable, both as though the conversions and exchange had occurred as at January 1, 2015. These amounts exclude the impact of any warrants or options exercised in connection with the Reorganization Transactions and the offering and do not reflect the issuance of shares, options or restricted stock units in connection with this offering.



	Six months ended June 30,		Year ended December 31,				
	2017	2018	2015	2016	2017		
(in thousands, except as otherwise noted)							
Consolidated Statement of Cash Flow Data:							
Net cash outflow from operating activities	\$(25,967)	\$(105,962)	\$(37,258)	\$(47,079)	\$(59,320)		
Net cash outflow from investing activities	(12,840)	(27,393)	(27,571)	(16,961)	(28,863)		
Net cash inflow from financing activities	299,639	82,269	77,414	161,173	300,142		
Selected Other Data(1):							
Consolidated Group:							
GMV	\$394,506	\$631,235	\$381,809	\$585,842	\$909,826		
Revenue	172,571	267,508	142,305	242,116	385,966		
Adjusted Revenue(2)	138,811	216,957	113,688	193,605	311,784		
Adjusted EBITDA(2)	(13,972)	(49,075)	(47,375)	(53,380)	(58,079)		
Adjusted EBITDA Margin(3)	(10.1%)	(22.6%)	(41.7%)	(27.6%)	(18.6%)		
Platform:							
Platform GMV	\$387,175	\$624,044	\$374,915	\$573,174	\$894,392		
Adjusted Platform Revenue(2)	131,480	209,766	106,794	180,937	296,350		
Platform Gross Profit(4)	90,494	133,587	69,355	111,762	196,581		
Platform Order Contribution Margin(4)	46.7%	44.0%	33.0%	35.0%	43.0%		
Third-Party Take Rate	33.7%	31.7%	30.0%	31.3%	32.9%		
Farfetch Marketplace:							
Active Consumers	796.3	1,118.0	415.7	651.7	935.8		
Number of Orders	853.2	1,305.3	800.5	1,259.7	1,881.0		
Average Order Value (<i>actual</i>)	\$591.7	\$622.1	\$586.8	\$583.6	\$620.0		
As of June 30, 2018							
<table border="0" style="margin-left: auto;"> <tr> <td style="border-bottom: 1px solid black; padding: 0 5px;">Actual</td> <td style="border-bottom: 1px solid black; padding: 0 5px;">Pro forma As Adjusted(5)</td> </tr> </table>						Actual	Pro forma As Adjusted(5)
Actual	Pro forma As Adjusted(5)						
(in thousands)							
Consolidated Statement of Financial Position Data:							
Non-current assets			\$127,958	\$127,958			
Current assets			472,547	941,004			
Total assets			600,505	1,068,962			
Current liabilities			155,999	155,999			
Non-current liabilities			11,968	11,968			
Total liabilities			167,967	167,967			
Share capital and premium			789,551	1,258,008			
Total equity			432,538	900,995			
<p>(1) See the definitions of key operating and financial metrics in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics.”</p> <p>(2) Adjusted EBITDA, Adjusted Revenue and Adjusted Platform Revenue are supplemental measures of our performance that are not required by, or presented in accordance with, IFRS. Adjusted EBITDA, Adjusted Revenue and Adjusted Platform Revenue are not measurements of our financial performance under IFRS and should not be considered as an alternative to loss after tax, revenue or any other performance measure derived in accordance with IFRS.</p> <p>We define Adjusted EBITDA as loss after tax before net finance costs/(income), income tax expense/(credit) and depreciation and amortization, further adjusted for share based compensation expense, other items and share of results of associates. We define Adjusted Revenue as revenue less Platform Fulfilment Revenue. We define Adjusted Platform Revenue as</p>							



We also may not achieve the anticipated benefits from any acquired business due to a number of factors, including:

- unanticipated costs or liabilities associated with the acquisition, including costs or liabilities arising from the acquired companies' failure to comply with intellectual property laws and licensing obligations to which they are subject;
- incurrence of acquisition-related costs;
- diversion of management's attention from other business concerns;
- regulatory uncertainties;
- harm to our existing business relationships with retailers and boutiques as a result of the acquisition;
- harm to our brand and reputation;
- the potential loss of key employees;
- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process. Acquisitions also could result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, this may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are involved in and may pursue strategic relationships. We may have limited control over such relationships, and these relationships may not provide the anticipated benefits.

We are involved in various strategic relationships, including with JD.com and the Chalhoub Group, which we expect will benefit our business and help us to achieve growth in China and the Middle East, respectively. We also may pursue and enter into strategic relationships in the future. Such relationships involve risks, including but not limited to: maintaining good working relationships with the other party; any economic or business interests of the other party that are inconsistent with ours; the other party's failure to fund its share of capital for operations or to fulfill its other commitments, including providing accurate and timely accounting and financial information us, which could negatively impact our operating results; loss of key personnel; actions taken by our strategic partners that may not be compliant with applicable rules, regulations and laws; reputational concerns regarding our partners or our leadership that may be imputed to us; bankruptcy, requiring us to assume all risks and capital requirements related to the relationship, and the related bankruptcy proceedings could have an adverse impact on the relationship; and any actions arising out of the relationship that may result in reputational harm or legal exposure to us. Further, these relationships may not deliver the benefits that were originally anticipated. Any of these factors may have a material adverse effect on our business, results of operations, financial condition and prospects.

On August 31, 2018, Richard Liu, one of our non-executive directors and the founder, Chairman and Chief Executive Officer of JD.com, was arrested by the Hennepin County Sheriff in Minnesota on suspicion of criminal sexual misconduct. Although the matters relating to Mr. Liu have generated significant publicity, Mr. Liu was not charged with any offense while in custody and was subsequently released on September 1, 2018. As of September 5, 2018, no charges have been brought against Mr. Liu in connection with the foregoing matter, but we cannot assure you that no such charges will be brought against Mr. Liu at a future date. Any charges brought against Mr. Liu and related matters could result in negative media coverage, which may adversely impact our brand. See "Related Party Transactions—Relationship with Kadi Group Holding Limited" for additional information regarding JD.com's board rights.



A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, financial performance, results of operations or business growth.

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing laws, rules and regulations or the promulgation of new laws, rules and regulations applicable to us and our businesses, including those relating to the internet and ecommerce, including geo-blocking and other geographically based restrictions, internet advertising and price display, consumer protection, anti-corruption, antitrust and competition, economic and trade sanctions, tax, banking, data security, network and information systems security, data protection and privacy. As a result, regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with applicable regulatory or licensing requirements or any binding interpretation of such requirements. Unfavorable changes or interpretations could decrease demand for our services, limit marketing methods and capabilities, affect our margins, increase costs or subject us to additional liabilities.

For example, there are, and will likely continue to be, an increasing number of laws and regulations pertaining to the internet and ecommerce that may relate to liability for information retrieved from or transmitted over the internet, display of certain taxes and fees, online editorial and consumer-generated content, user privacy, data security, network and information systems security, behavioral targeting and online advertising, taxation, liability for third-party activities and the quality of services. Furthermore, the growth and development of ecommerce may prompt calls for more stringent consumer protection laws and more aggressive enforcement efforts, which may impose additional burdens on online businesses generally.

Likewise, the SEC, the U.S. Department of Justice, the U.S. Treasury Department's Office of Foreign Assets Controls ("OFAC"), the U.S. Department of State, as well as other foreign regulatory authorities continue to enforce economic and trade regulations and anti-corruption laws, across industries. U.S. trade sanctions relate to transactions with designated foreign countries and territories, including Cuba, Iran, North Korea, Syria and the Crimea region of Ukraine ("Crimea") as well as specifically targeted individuals and entities that are identified on U.S. and other blacklists, and those owned by them or those acting on their behalf. Anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (the "FCPA") and the U.K. Bribery Act (the "Bribery Act"), generally prohibit direct or indirect corrupt payments to government officials and, under certain laws, private persons to obtain or retain business or an improper business advantage. Some of our international operations are conducted in parts of the world where it is common to engage in business practices that are prohibited by these laws.

Although we have policies and procedures in place designed to promote compliance with laws and regulations, which we review and update as we expand our operations in existing and new jurisdictions in order to proportionately address risks of non-compliance with applicable laws and regulations, our employees, partners, or agents could take actions in contravention of our policies and procedures, or violate applicable laws or regulations. As regulations continue to develop and regulatory oversight continues to focus on these areas, we cannot guarantee that our policies and procedures will ensure compliance at all times with all applicable laws or regulations. In the event our controls should fail or we are found to be not in compliance for other reasons, we could be subject to monetary damages, civil and criminal monetary penalties, withdrawal of business licenses or permits, litigation and damage to our reputation and the value of our brand.

As we expand our operations in existing and new jurisdictions internationally, we will need to increase the scope of our compliance programs to address the risks relating to the potential for violations of the FCPA and the Bribery Act and other anti-bribery and anti-corruption laws. Further, the promulgation of new laws, rules and regulations, or the new interpretation of existing laws, rules and



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regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we or our retailers and brands conduct business could require us to change certain aspects of our business, operations and commercial relationships to ensure compliance, which could decrease demand for services, reduce revenue, increase costs or subject us to additional liabilities.

We are subject to trade and economic sanctions and export laws that may govern or restrict our business, and we may be subject to fines or other penalties for non-compliance with those laws.

We are subject to U.S. laws and regulations that may govern or restrict our business and activities in certain countries and with certain persons, including trade and economic sanctions regulations administered by OFAC and the Export Administration Regulations administered by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"). In March 2018, we determined that certain products purchased on our Marketplace were shipped from retailers or brands in the United States to addresses associated with Crimea. In December 2014, the United States announced a near complete embargo on exports of items from the United States to Crimea. Based on our review to date, we have determined that on up to 20 occasions since December 2014, products purchased on our Marketplace from retailers or brands in the United States were shipped to parties whose addresses are associated with Crimea. On one occasion identified to date since December 2014, a retailer on our Marketplace outside the United States shipped what appears to be a U.S.-origin product to an address associated with Crimea. We have since put in place measures designed to prevent the fulfillment of orders associated with addresses in Crimea. On April 27, 2018, we submitted an initial voluntary self-disclosure regarding these matters to OFAC and BIS. We expect that we will complete our internal review and submit a final disclosure report to OFAC and BIS within 180 days from the date of the initial voluntary self-disclosure. Once we submit the final disclosure report, we cannot predict how long it will take OFAC and the U.S. Commerce Department to complete their review and reach of determination on these shipments to Crimea. If we are found to be in violation of U.S. sanctions or export control laws, it could result in fines and penalties for us, which could be substantial. Moreover, notwithstanding the safeguards we have put in place to ensure compliance with U.S. sanctions or export control laws, we cannot be certain that these safeguards will be effective in all cases. In addition, in the future, compliance with U.S. trade and economic sanctions regulations could result in restrictions in our ability to generate revenue in other countries, such as Russia, due to geopolitics or otherwise, which could adversely affect our business.

We are subject to customs and international trade laws that could require us to modify our current business practices and incur increased costs or could result in a delay in getting products through customs and port operations, which may limit our growth and cause us to suffer reputational damage.

Our business is conducted worldwide, with goods imported from and exported to a substantial number of countries. The vast majority of products sold on our Marketplace are shipped internationally. We are subject to numerous regulations, including customs and international trade laws, that govern the importation and sale of luxury goods. Our consumers in certain countries, such as China and Russia, are also subject to limitations and regulations governing the import of luxury goods. In addition, we face risks associated with trade protection laws, policies and measures and other regulatory requirements affecting trade and investment, including loss or modification of exemptions for taxes and tariffs, imposition of new tariffs and duties and import and export licensing requirements in the countries in which we operate, in particular, in China, where trade relations between the United States and China are uncertain. Our failure to comply with import or export rules and restrictions or to properly classify items under tariff regulations and pay the appropriate duties could expose us to fines and penalties. If these laws or regulations were to change or were violated by our management, employees, retailers or brands, we could experience delays in shipments of our goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for our services and negatively impact our results of operations.



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Legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effects on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

Our business depends on our ability to source and distribute products in a timely manner. As a result, we rely on the free flow of goods through open and operational ports worldwide. Labor disputes or other disruptions at ports create significant risks for our business, particularly if work slowdowns, lockouts, strikes or other disruptions occur. Any of these factors could result in reduced sales or canceled orders, which may limit our growth and damage our reputation and may have a material adverse effect on our business, results of operations, financial condition and prospects.

Governmental control of currency conversion may limit our ability to utilize our cash balances effectively and affect our ability to pay dividends in the future.

We are subject to governmental regulation of currency conversion and transfers, which may particularly affect our subsidiaries in certain jurisdictions. For example, the Chinese government imposes controls on the convertibility of the Renminbi (“RMB”) into foreign currencies and, in certain cases, the remittance of currency out of China. Our revenue is partially derived from sales to consumers in China and earnings from our Chinese operations, and substantially all of our revenue from such sales is denominated in RMB. Shortages in the availability of foreign currency may restrict the ability of our Chinese operations to remit sufficient foreign currency to pay dividends or to make other payments to us, or otherwise to satisfy their foreign currency-denominated obligations. Under existing Chinese foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from China’s State Administration of Foreign Exchange (“SAFE”) by complying with certain procedural requirements. However, for any Chinese company, dividends can be declared and paid only out of the retained earnings of that company under Chinese law. Under Chinese laws, rules and regulations, each of our subsidiaries incorporated in China is required to set aside at least 10% of its net income each year to fund certain statutory reserves until the cumulative amount of such reserves reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. As a result of these laws, rules and regulations, our subsidiaries incorporated in China are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends, loans or advances.

Furthermore, approval from SAFE or its local branch is required where RMB are to be converted into foreign currencies and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. Without a prior approval from SAFE, cash generated from our operations in China may not be used to pay off debt in a currency other than the RMB owed by entities within China to entities outside China, or make other capital expenditures outside China in a currency other than the RMB.

The Chinese government may also at its discretion restrict access in the future to foreign currencies for current account transactions. In response to the persistent capital outflow in China and RMB’s depreciation against U.S. dollar in the fourth quarter of 2016, the People’s Bank of China (“PBOC”) and SAFE have implemented a series of capital control measures over recent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, on January 26, 2017, SAFE issued the Notice of State Administration of Foreign Exchange on Improving the Review of Authenticity and Compliance to Further Promote Foreign Exchange Control (“SAFE Circular 3”), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (1) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (2) domestic entities shall hold income to account for previous years’



Class A ordinary shares will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which our Class A ordinary shares will trade after this offering or to any other established criteria of the value of our business. It is possible that, in future quarters, our operating results may be below the expectations of securities analysts and investors. As a result of these and other factors, the price of our Class A ordinary shares may decline.

Our chief executive officer, José Neves, has considerable influence over important corporate matters due to his ownership of us. Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares may view as beneficial.

Our chief executive officer, Mr. Neves, has considerable influence over important corporate matters due to his ownership of us. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share in respect of matters requiring the votes of shareholders, while holders of Class B ordinary shares are entitled to 20 votes per share, subject to certain exceptions. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or other entity, other than an affiliate of Mr. Neves, such Class B ordinary shares will be automatically and immediately converted into the equal number of Class A ordinary shares. Due to the disparate voting powers associated with our two classes of ordinary shares, Mr. Neves will hold approximately 78.0% of the aggregate voting power of our company following the completion of this offering and the concurrent private placement (or 77.6% if the underwriters exercise their option to purchase additional Class A ordinary shares from us in full). As a result, Mr. Neves has considerable influence over matters such as electing or removing directors, approving any amendments to our Articles and approving material mergers, acquisitions or other business combination transactions. In addition, under our Articles, our Board will not be able to form a quorum without Mr. Neves for so long as Mr. Neves remains a director. This concentrated control will limit your ability to influence corporate matters and could also discourage others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our Class A ordinary shares of the opportunity to sell their shares at a premium over the prevailing market price.

We are eligible to be treated as an emerging growth company, as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A ordinary shares less attractive to investors because we may rely on these exemptions.

We are eligible to be treated as an emerging growth company, as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including presenting only limited selected financial data in the registration statement on Form F-1 of which this prospectus is a part and not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As a result, our shareholders may not have access to certain information that they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if our total annual gross revenue exceeds \$1.07 billion, if we issue more than \$1.00 billion in non-convertible debt securities during any three-year period, or if we are a large accelerated filer and the market value of our Class A ordinary shares held by non-affiliates exceeds \$700 million as of the end of any second quarter before that time. We cannot predict if investors will find our Class A ordinary shares less attractive because we may rely on these exemptions. If some investors find our Class A ordinary shares less attractive as a result, there may be a less active trading market for our Class A ordinary shares and our share price may be more volatile.



are not following and describe the home country practices we are following. We intend to rely on this “foreign private issuer exemption” with respect to the NYSE requirements to have the audit committee appoint our external auditors, the NYSE rules for shareholder meeting quorums and record dates and the NYSE rules requiring shareholders to approve equity compensation plans and material revisions thereto. We may in the future elect to follow home country practices with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and the concurrent private placement and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our Class A ordinary shares. We intend to use the net proceeds from this offering and the concurrent private placement for general corporate purposes. However, our use of these proceeds may differ substantially from our current plans. The failure by our management to apply these funds effectively could result in financial losses that could adversely affect our business and cause the price of our Class A ordinary shares to decline. Pending their use, we may invest the net proceeds from this offering and the concurrent private placement in a manner that does not produce income or that loses value.

Participation in this offering by Artemis could reduce the public float for our Class A ordinary shares.

Artemis has indicated an interest in purchasing an aggregate of up to \$50.0 million in Class A ordinary shares in this offering at the initial public offering price. Because this indication of interest is not a binding agreement or commitment to purchase, Artemis could determine to purchase more, less or no Class A ordinary shares in this offering or the underwriters could determine to sell more, less or no shares to Artemis. The underwriters will receive the same discount on any of our Class A ordinary shares purchased by Artemis as they will from any other shares sold to the public in this offering.

If Artemis is allocated all or a portion of the shares in which it has indicated an interest in this offering or more, and purchase any such shares, such purchase could reduce the available public float for our shares if Artemis holds these shares long term. Artemis has agreed not to sell or transfer any of our Class A ordinary shares that it purchases during the one-year period commencing from the consummation of this offering, subject to limited exceptions.

If you purchase Class A ordinary shares in this offering, you will suffer immediate and substantial dilution of your investment.

The initial public offering price of our Class A ordinary shares is substantially higher than the net tangible book deficit per share. Therefore, if you purchase our Class A ordinary shares in this offering, you will pay a price per share that substantially exceeds our pro forma net tangible book deficit per share after this offering. Based on the initial public offering price of \$16.00 per Class A ordinary share, you will experience immediate dilution of \$13.14 per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and the concurrent private placement at the initial public offering price. We also have a number of outstanding options to purchase Class A ordinary shares with exercise prices that are below the initial public offering price of our Class A ordinary shares. To the extent that these options are exercised, you will experience further dilution. See “Dilution” for more detail.



A significant portion of our total issued and outstanding Class A ordinary shares are eligible to be sold into the market in the near future, which could cause the market price of our Class A ordinary shares to drop significantly, even if our business is doing well.

Sales of a substantial number of our Class A ordinary shares in the public market, or the perception in the market that the holders of a large number of Class A ordinary shares intend to sell, could reduce the market price of our Class A ordinary shares. After giving effect to the Reorganization Transactions, the sale of Class A ordinary shares in this offering and the concurrent private placement, we will have 242,422,500 Class A ordinary shares outstanding (or 248,048,025 if the underwriters exercise their option to purchase additional Class A ordinary shares in full). The Class A ordinary shares sold in this offering and the concurrent private placement or issuable pursuant to the equity awards we grant will be freely tradable without restriction under the Securities Act, except as described in the next paragraph with respect to the lock-up arrangements and for any of our Class A ordinary shares that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We, our executive officers, directors and existing holders of substantially all of our existing Class A ordinary shares, including the selling shareholders, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our Class A ordinary shares or securities convertible into or exchangeable for shares of Class A ordinary shares during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC. Kadi Group has agreed not to sell or transfer any of our Class A ordinary shares it held immediately prior to this offering during the two-year period commencing from consummation of this offering, subject to limited exceptions. In addition, the Kadi Group has agreed to a 180-day lock-up agreement with the underwriters pursuant to which both of its pre-offering Class A ordinary shares and Class A ordinary shares purchased in the concurrent private placement will be locked up for a period of 180 days, subject to certain exceptions. See “Prospectus Summary—Concurrent Private Placement” for additional information. Artemis has also agreed not to sell or transfer any of our Class A ordinary shares that it may purchase in this offering during the one-year period commencing from the consummation of this offering, subject to limited exceptions. Such Class A ordinary shares will, however, be able to be resold after the expiration of the lock-up periods, as well as pursuant to customary exceptions thereto or upon the waiver of the lock-up arrangements. See “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling our Class A ordinary shares after this offering.

In the future, we may also issue additional securities if we need to raise capital or make acquisitions, which could constitute a material portion of our then-issued and outstanding Class A ordinary shares.

We may not pay dividends on our Class A ordinary shares in the future and, consequently, your ability to achieve a return on your investment will depend on the appreciation in the price of our Class A ordinary shares.

We may not pay any cash dividends on our Class A ordinary shares in the future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur. Therefore, any return on investment in our Class A ordinary shares is solely dependent upon the appreciation of the price of our Class A ordinary shares on the open market, which may not occur. See “Dividend Policy.”



CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of June 30, 2018:

- on an actual basis;
- on a pro forma basis to reflect the Reorganization Transactions; and
- on a pro forma as adjusted basis to give effect to: (1) the Reorganization Transactions, (2) the issuance and sale of 30,056,495 Class A ordinary shares in this offering at the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and (3) the issuance and sale of 1,193,505 Class A ordinary shares in the concurrent private placement at the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Investors should read this table in conjunction with our audited financial statements and notes thereto included in this prospectus as well as “Use of Proceeds,” “Selected Consolidated Financial and Operating Data,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of June 30, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted ⁽¹⁾
	(in thousands, except share and per share data)		
Cash and cash equivalents	\$336,982	\$339,888	\$ 805,439
Total debt, including current portion	\$ —	\$ —	\$ —
Shareholders’ equity:			
Share capital	7,374	—	—
Issued capital:			
Class A ordinary shares	—	8,447	9,697
Class B ordinary shares	—	1,714	1,714
Share premium	782,177	782,297	1,246,597
Foreign exchange and other reserves	40,572	39,523	39,523
Accumulated losses	(397,585)	(396,536)	(396,536)
Total shareholders’ equity	432,538	435,445	900,995
Total capitalization	\$432,538	\$ 435,445	\$ 900,995

(1) A \$1.00 increase or decrease in the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, issued share capital and share premium, total shareholders’ equity and total capitalization by approximately \$28.4 million, assuming the number of Class A ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. An increase or decrease of 1,000,000 shares in the number of Class A ordinary shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, issued share capital and share premium, total shareholders’ equity and total capitalization by approximately \$15.1 million, assuming no change in the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions.

The number of our shares shown as outstanding in the table above excludes:

- 34,558,320 Class A ordinary shares issuable upon the exercise of share options outstanding as of June 30, 2018 at a weighted average exercise price of \$5.74 per share;
- 26,666,475 Class A ordinary shares reserved for future issuance under our employee share option programs as described in “Management—Long-Term Incentive Plans;”
- 189,995 Class A ordinary shares issuable upon the exercise of 37,999 warrants outstanding at a weighted exercise price of \$30.41, which will remain outstanding following the consummation of this offering; and
- 548,270 Class A ordinary shares issuable upon the exercise of share options and 192,803 Class A ordinary shares issuable upon the exercise of restricted stock units granted in connection with this offering as described in “Management—Long-Term Incentive Plans—New Equity Awards.”



DILUTION

If you invest in our Class A ordinary shares, your interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share immediately following the consummation of this offering and the concurrent private placement.

At June 30, 2018, we had a pro forma net tangible book value of \$351.5 million, corresponding to a pro forma net tangible book value of \$1.38 per share. Pro forma net tangible book value per share represents the amount of our total assets less our total liabilities, excluding goodwill and other intangible assets, divided by the total number of our ordinary shares outstanding, after giving effect to the Reorganization Transactions.

After giving effect to the sale by us of 30,056,495 Class A ordinary shares in this offering at the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and of 1,193,505 Class A ordinary shares in the concurrent private placement at the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, our pro forma as adjusted net tangible book value at June 30, 2018 would have been approximately \$817.1 million, representing \$2.86 per share. This represents an immediate increase in pro forma net tangible book value of \$1.48 per share to existing shareholders and an immediate dilution in pro forma net tangible book value of \$13.14 per share to new investors purchasing Class A ordinary shares in this offering at the assumed initial public offering price. Dilution in pro forma net tangible book value per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed initial public offering price per share paid by new investors.

The following table illustrates this dilution to new investors purchasing Class A ordinary shares in the offering.

Assumed initial public offering price	\$16.00
Pro forma net tangible book value per share	\$1.38
Increase in pro forma net tangible book value per share attributable to this offering and the concurrent private placement	<u>1.48</u>
Pro forma as adjusted net tangible book value per share	<u>2.86</u>
Dilution in pro forma net tangible book value per share to new investors	<u>\$13.14</u>

If the underwriters exercise their option to purchase additional Class A ordinary shares from us in full, our pro forma as adjusted net tangible book value per share after this offering would be \$3.10 per share, representing an immediate increase in pro forma net tangible book value per share of \$1.72 per share to existing shareholders and immediate dilution of \$12.90 per share in pro forma as adjusted net tangible book value per share to new investors purchasing Class A ordinary shares in this offering, based on an assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus. Kadi Group will not purchase any further Class A ordinary shares in the event that the underwriters exercise their option to purchase additional shares.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, respectively, would increase (decrease) the pro forma as adjusted net tangible book value after this offering by \$0.10 per share and the dilution per share to new investors in the offering by \$0.90 per share, assuming that the number of Class A ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same.



The following table summarizes, on an as adjusted pro forma basis, as of June 30, 2018, the total number of Class A and Class B ordinary shares purchased from us and the concurrent private placement, the total consideration paid to us and the average price per share paid by the existing shareholders and by new investors purchasing Class A ordinary shares in this offering.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Number	Percent	
Existing shareholders	254,030,580	89%	\$ 792,457,223	61%	\$ 3.12
Concurrent private placement	1,193,505	—	19,096,080	2	16.00
New investors	30,056,495	11	480,903,920	37	16.00
Total	285,280,580	100%	\$1,292,457,223	100%	\$ 4.53

The total number of shares reflected in the discussion and tables above is based on 285,280,580 Class A and Class B ordinary shares outstanding as of June 30, 2018 on an as adjusted pro forma basis, and does not reflect the shares purchased by new investors from the selling shareholders.

Sales by the selling shareholders in this offering will reduce the number of ordinary shares held by existing shareholders to 246,583,574, or approximately 86% of the total number of ordinary shares outstanding after the offering.

If the underwriters exercise their option to purchase additional ordinary shares in full, the following will occur:

- the percentage of our ordinary shares held by existing shareholders will decrease to approximately 87% of the total number of our ordinary shares outstanding after this offering and the concurrent private placement; and
- the percentage of our ordinary shares held by new investors will increase to approximately 12% of the total number of our ordinary shares outstanding after this offering and the concurrent private placement.



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Share Ownership

The following table provides information regarding share ownership by our officers and directors as of August 1, 2018, after giving effect to the Reorganization Transactions:

Name of Beneficial Owner	Number of Class A owned	Number of Class B owned	Approximate % of Class A outstanding	Approximate % of Class B outstanding	Number of underlying options	Option exercise price (\$)	Option expiration date
José Neves	—	42,858,080	*	100%	1,781,555	1.00	July 27, 2027
					6,000,000	8.50	July 12, 2028
Elliot Jordan	679,862	—	*	—	250,000	8.58	May 16, 2028
Andrew Robb	1,752,836	—	*	—	500,000	8.58	May 16, 2028
Frederic Court	—	—	*	—	—	—	—
Dana Evan	—	—	*	—	676,875	3.56	May 16, 2026
Jon Kamaluddin	299,367	—	*	—	44,540	6.96	December 11, 2027
Richard Liu	—	—	*	—	—	—	—
Natalie Massenet	299,010	—	*	—	847,340	6.71	November 6, 2026
Jonathan Newhouse	—	—	*	—	—	—	—
Danny Rimer	—	—	*	—	—	—	—
Mike Risman	—	—	*	—	—	—	—
David Rosenblatt	51,650	—	*	—	710,985	8.50	June 19, 2028

* Represents beneficial ownership of less than 1%.

Long-Term Incentive Plans

Farfetch.com Limited Enterprise Management Incentive Scheme

The Farfetch.com Limited Enterprise Management Incentive Scheme (the “EMI Plan”) allows for the grant of options to purchase Farfetch.com ordinary shares to eligible directors or employees of Farfetch.com or its subsidiaries. The EMI Plan is administered by our Board whose decisions on all disputes and matters concerning the interpretation of the rules are final. Options granted under the EMI Plan are governed by the rules of the EMI Plan, an option agreement entered into with each participant, and Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003. Each of the options granted under the EMI Plan is fully vested and we expect the grants to be exercised prior to completion of this offering. The EMI Plan is closed to any new grants.

Farfetch.com Limited Share Option Scheme

The Farfetch.com Limited Share Option Scheme (the “Share Option Plan”) allows for the grant of options to purchase Farfetch.com ordinary shares to eligible directors or employees of Farfetch.com or our subsidiaries. The Share Option Plan is administered by our Board whose decisions on all disputes and matters concerning the interpretation of the rules are final. Options granted under the Share Option Plan are governed by the rules of the Share Option Plan and an option agreement entered into with each participant. The options generally vest over four years from the date of grant of the option, subject to the participant’s continued employment by us. The Share Option Plan is closed to any new grants.

Farfetch.com Limited 2015 Long-Term Incentive Plan

The Farfetch.com Limited 2015 Long-Term Incentive Plan (the “LTIP”) allows for the grant of options to purchase Farfetch.com ordinary shares, restricted shares and linked awards to eligible directors or employees of us or our subsidiaries. The LTIP is administered by our Board whose decisions on all disputes and matters concerning the interpretation of the rules are final. No restricted shares have been granted under the LTIP. Options granted pursuant to the LTIP vest over four years subject to the participant’s continued employment by us.



Indemnification

Our executive officers and Board members have the benefit of indemnification provisions in our Articles. These provisions give our executive officers and Board members the right, to the fullest extent permitted by law, to recover from us amounts, including but not limited to litigation expenses, and any damages they are ordered to pay, in relation to acts or omissions in the performance of their duties.

Insofar as indemnification of liabilities arising under the Securities Act may be permitted to executive officers and Board members or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

New Equity Awards

In connection with this offering, we intend to grant (i) options to purchase an aggregate of 548,270 Class A ordinary shares to certain of our recently hired employees, with an exercise price per Class A ordinary share equal to the initial public offering price per Class A ordinary share, and (ii) restricted stock units (A) to be settled in 175,000 and 17,803 Class A ordinary shares to José Neves and David Rosenblatt, respectively, and (B) with a grant date value equal to \$200,000 to each of Dana Evan and Jon Kamaluddin, in each case under the 2018 Plan. The offering grants are expected to vest in installments over time, subject to continued employment or service.



Name of beneficial owner	Class A ordinary shares beneficially owned before the offering and the concurrent private placement		Class B ordinary shares beneficially owned before the offering and the concurrent private placement		Class A ordinary shares beneficially owned after the offering and the concurrent private placement		Class B ordinary shares beneficially owned after the offering and the concurrent private placement		% of total voting power after the offering and the concurrent private placement
	Number	Percent	Number	Percent	No exercise of over-allocation option	Percent	Number	Percent	
Kadi Group Holding Limited ⁽¹⁾	41,005,030	19.4%	—	—	42,198,535	17.4%	—	—	3.8%
Index Ventures V (Jersey), L.P. ⁽²⁾ ...	28,359,930	13.4%	—	—	28,359,930	11.7%	—	—	2.6%
Advent Private Equity Fund ⁽³⁾	27,288,125	12.9%	—	—	24,559,310	10.1%	—	—	2.2%
Fairfold (Luxembourg) ⁽⁴⁾ ..	24,496,935	11.6%	—	—	24,496,935	10.1%	—	—	2.2%
Advance Publications ⁽⁵⁾	14,838,410	7.0%	—	—	14,838,410	6.1%	—	—	1.3%
DST Global IV, L.P. ⁽⁶⁾	14,743,160	7.0%	—	—	13,268,844	5.5%	—	—	1.2%
Jose Neves ⁽⁷⁾	—	—	42,858,080	100.0%	—	—	42,858,080	100.0%	78.0%
Elliot Jordan ⁽⁸⁾	679,862	*	—	—	679,862	*	—	—	*
Andrew Robb ⁽⁹⁾	1,752,836	*	—	—	1,752,836	*	—	—	*
Frederic Court ⁽¹⁰⁾	—	—	—	—	—	—	—	—	*
Dana Evan	—	—	—	—	—	—	—	—	*
Jon Kamaluddin ⁽¹¹⁾ ..	299,367	*	—	—	299,367	*	—	—	*
Richard Liu ⁽¹²⁾	—	—	—	—	—	—	—	—	*
Natalie Massenet ⁽¹³⁾	299,010	*	—	—	299,010	*	—	—	*
Jonathan Newhouse ⁽¹⁴⁾	—	—	—	—	—	—	—	—	*
Danny Rimer ⁽¹⁵⁾	—	—	—	—	—	—	—	—	*
Mike Rismant ⁽¹⁶⁾	—	—	—	—	—	—	—	—	*
David Rosenblatt ...	51,650	*	—	—	51,650	*	—	—	*
All executive officers and Board members as a group	3,082,725	*	42,858,080	100.0%	3,082,725	*	3,082,725	*	78.2%
Other Selling Shareholders									
Browns Holdings (UK) Limited ⁽¹⁷⁾ ...	4,415,955	2.1%	—	—	2,055,955	*	—	—	*
eVenture Fonds 2 GmbH & Co KG ⁽¹⁸⁾	3,277,620	1.6%	—	—	2,549,995	1.1%	—	—	1.0%
Novel TMT Ventures Limited ⁽¹⁹⁾	839,490	*	—	—	714,490	*	—	—	*
Novel TMT CIP I, LP ⁽²⁰⁾	209,875	*	—	—	178,625	*	—	—	*

* Indicates beneficial ownership of less than 1% of the total outstanding Class A ordinary shares.



- (1) Represents 41,005,030 Class A ordinary shares held by Kadi Group Holding Limited, a company organized under the laws of the British Virgin Islands with company number 1942039. The business address of Kadi Group Holding Limited is Geneva Place, Waterfront Drive, P.O. Box 3469, Road Town, Tortola, British Virgin Islands. Kadi Group Holding Limited is a wholly owned subsidiary of JD.com, Inc., which exercises voting and investment power over the Class A ordinary shares held by Kadi Group Holding Limited and may be deemed to have beneficial ownership of all of these Class A ordinary shares.
- (2) Represents 27,780,375 Class A ordinary shares held by Index Ventures V (Jersey), L.P., 354,500 Class A ordinary shares held by Yucca (Jersey) SLP and 225,055 Class A ordinary shares held by Index Ventures V Parallel Entrepreneur Fund (Jersey) L.P. Index Venture Associates V Limited ("IVA V") is the managing general partner of Index Ventures V (Jersey) L.P. and Index Ventures V Parallel Entrepreneur Fund (Jersey) L.P. (together, the "Index Funds"). Yucca (Jersey) SLP is the nominee shareholder for participants in the Index co-investment scheme that is contractually required to mirror the Index Funds' investment. Bernard Dallé, David Hall, Phil Balderson, Alex Di Santo and Sinéad Meehan are the members of the board of directors of IVA V and may be deemed to have shared voting and dispositive power with respect to the shares held by the Index Funds. The principal address of the Index Funds and Yucca (Jersey) SLP is 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.
- (3) Represents 26,018,540 Class A ordinary shares held by Advent Private Equity Fund IV, 1,009,460 Class A ordinary shares held by Advent Industry LP and 260,125 Class A ordinary shares held by Advent Management IV Limited Partnership prior to this offering and 2,601,855 Class A ordinary shares being sold in this offering by Advent Private Equity Fund IV, 100,945 Class A ordinary shares being sold in this offering by Advent Industry LP and 26,015 Class A ordinary shares being sold in this offering by Advent Management IV Limited Partnership. Advent Venture Partners LLP is the beneficial owner of each of Advent Private Equity Fund IV, Advent Industry LP and Advent Management IV Limited Partnership. Advent Venture Partners LLP is an English limited partnership, and its business address is 27 Beak Street, London W1F 9RU, United Kingdom. Advent Venture Partners LLP exercises voting and investment power over the Class A ordinary shares held by Advent Private Equity Fund IV, Advent Industry LP and Advent Management IV Limited Partnership and may be deemed to have beneficial ownership of all of these Class A ordinary shares. Voting and disposition decisions at Advent Venture Partners LLP with respect to these shares are made by an Investment Committee, which consists of Leslie Gabb, Frederic Court, Rajesh Parekh, Michael Chalfen, Shahzad Malik, Peter Baines, with each individual having equal voting rights.
- (4) Represents 24,496,935 Class A ordinary shares held by Farhold (Luxembourg) S.a r.l., a company organized under the laws of Luxembourg. The business address of Farhold (Luxembourg) S.a r.l. is 1, rue Hildegard von Bingen, L-1282, Luxembourg. Farhold (Luxembourg) S.a r.l. is indirectly wholly owned (legally and beneficially) by certain limited partnerships, which together comprise the Vitruvian Investment Partnership II ("VIP II"). VIP II is managed by Vitruvian Partners LLP as VIP II's general partner and investment manager. Vitruvian Partners LLP is authorized and regulated as an Alternative Investment Fund Manager by the UK Financial Conduct Authority (reference number 454063).
- (5) Represents 13,545,660 Class A ordinary shares held by Condé Nast International Ltd, 647,090 Class A ordinary shares held by Advance Magazine Publishers Inc. and 645,660 Class A ordinary shares held by CN Commerce Ltd. Advance Publications, Inc. is the beneficial owner of each of Condé Nast International Ltd, Advance Magazine Publishers Inc. and CN Commerce Ltd. Advance Publications, Inc. is organized under the laws of State of New York, United States, and its business address is 1 World Trade Center, New York, New York 10007 USA. Advance Publications, Inc. exercises voting and investment power over the Class A ordinary shares held by Condé Nast International Ltd, Advance Magazine Publishers Inc. and CN Commerce Ltd and may be deemed to have beneficial ownership of all of these Class A ordinary shares. Advance Publications, Inc. is controlled by members of the Newhouse family.
- (6) Represents 14,743,160 Class A ordinary shares held by DST Global IV, L.P., a Cayman Islands limited partnership. The business address of DST Global IV, L.P. is c/o Tulloch & Co, 4 Hill St, London W1J 5NE, United Kingdom. DST Managers Limited, DST Global IV's General Partner exercises voting and investment power over the Class A ordinary shares held by DST Global IV, L.P. and may be deemed to have beneficial ownership of all of these Class A ordinary shares. Voting control with respect to these shares rests with Despoina Zinonos, the director of DST Managers Limited, under advisement from the general partner's advisory companies and investment advisor.
- (7) Includes 42,858,080 Class B ordinary shares held by TGF Participations Limited. TGF Participations Limited is incorporated under the laws of the Isle of Man with registered number 007463V, and José Neves is the only named beneficiary. The business address of TGF Participations Limited is Grosvenor House, 66-67 Athol Street, Douglas, Isle of Man IM1 1JE. José Neves exercises voting and investment power over the Class B ordinary shares held by TGF Participations Limited and may be deemed to have beneficial ownership of all of these Class B ordinary shares.
- (8) Mr. Jordan holds 679,862 Class A ordinary shares underlying options and restricted linked ordinary shares that are currently exercisable within 60 days of August 1, 2018.
- (9) Mr. Robb holds 1,509,690 Class A ordinary shares directly and 243,146 Class A ordinary shares underlying options and restricted linked ordinary shares that are currently exercisable within 60 days of August 1, 2018.
- (10) Mr. Court holds no shares directly. Mr. Court is the founder and managing partner of Felix Capital, which manages funds that collectively own 580,180 Class A ordinary shares. Mr. Court is a General Partner at Advent Ventures, which manages funds that collectively own 27,288,125 Class A ordinary shares. See note 3 above.
- (11) Mr. Kamaluddin holds 299,367 Class A ordinary shares underlying options and restricted linked ordinary shares that are currently exercisable within 60 days of August 1, 2018.
- (12) Mr. Liu holds no shares directly. Mr. Liu is the founder, Chairman and Chief Executive Officer of JD.com, Inc. Kadi Group Holding Limited is a wholly owned subsidiary of JD.com, Inc., which exercises voting and investment power over the 41,005,030 Class A ordinary shares held by Kadi Group Holding Limited. See note 1 above.
- (13) Includes (a) 150,000 Class A ordinary shares held directly and (b) 149,010 Class A ordinary shares held by Imaginary Venture Capital Partners I, LP, over which Ms. Massenet has shared voting power.
- (14) Mr. Newhouse holds no shares directly. Mr. Newhouse is Chairman of Condé Nast International, which manages funds that collectively own 14,838,410 Class A ordinary shares. See note 6 above.
- (15) Mr. Rimer holds no shares directly. Mr. Rimer is a partner within the Index Ventures group. Advisors within the Index Ventures group provide advice to the Index Funds. Mr. Rimer is involved in making recommendations to the Index Funds but does not hold voting or dispositive power over the 28,359,930 Class A ordinary shares held by the Index Funds. See note 2 above.
- (16) Mr. Risman holds no shares directly. Mr. Risman is the Managing Partner and founding member of Vitruvian Partners LLP, which manages funds that collectively own 24,496,935 Class A ordinary shares. See note 4 above.



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SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our Class A ordinary shares. Future sales of substantial amounts of our Class A ordinary shares in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of Class A ordinary shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our Class A ordinary shares in the public market after such restrictions lapse. This may adversely affect the prevailing market price of our Class A ordinary shares and our ability to raise equity capital in the future.

Upon consummation of this offering and the concurrent private placement, we will have 242,422,500 Class A ordinary shares outstanding, or 248,048,025 Class A ordinary shares outstanding if the underwriters exercise their option to purchase additional Class A ordinary shares in full, and 42,858,080 Class B ordinary shares outstanding. Our Class A ordinary shares will be available for sale in the public market after the expiration or waiver of the lock-up agreements described below, subject to limitations imposed by U.S. securities laws on resale by our “affiliates” as that term is defined in Rule 144 under the Securities Act.

We expect that all of our Class A ordinary shares will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by one of our existing affiliates. Shares purchased by our affiliates may not be resold except pursuant to an effective registration statement or an exemption from registration, including the safe harbor under Rule 144 of the Securities Act described below. In addition, following this offering and the expiration or waiver of the lock-up agreements described below, Class A ordinary shares issuable pursuant to awards granted under certain of our equity plans will eventually be freely tradable in the public market.

The remaining Class A ordinary shares are “restricted shares” as defined in Rule 144. We expect that substantially all of these restricted shares will be subject to the lock-up agreements described below. These Class A ordinary shares and Class A ordinary shares issuable upon conversion of Class B ordinary shares may be sold in the public market only if the sale is registered or pursuant to an exemption from registration, such as the safe harbor provided by Rule 144.

Rule 144

In general, a person who has beneficially owned our Class A ordinary shares that are restricted shares for at least six months would be entitled to sell such securities, provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (2) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned our Class A ordinary shares that are restricted shares for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of our Class A ordinary shares then outstanding; or
- the average weekly trading volume of our Class A ordinary shares on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144 to the extent applicable.



UNDERWRITING

We, the selling shareholders, and the underwriters named below have entered into an underwriting agreement with respect to the Class A ordinary shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of Class A ordinary shares indicated in the following table. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of shares</u>
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Allen & Company LLC	
UBS Securities LLC	
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc	
Wells Fargo Securities, LLC	
Cowen and Company, LLC	
BNP Paribas Securities Corp.	
Total	37,503,501

The underwriters are committed to take and pay for all of the Class A ordinary shares being offered by us and the selling shareholders, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional 5,625,525 Class A ordinary shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling shareholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 5,625,525 additional Class A ordinary shares from us.

We have agreed to reimburse the underwriters for certain of their expenses, in an amount of up to \$30,000, as set forth in the underwriting agreement.

	<u>No exercise</u>	<u>Full exercise</u>
Per Share	\$	\$
Underwriting discounts and commissions to be paid by:		
Us		
Selling Shareholders		
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ _____ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.



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EXPENSES OF THE OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

<u>Expenses</u>	<u>Amount</u>
U.S. Securities and Exchange Commission registration fee	\$ 91,283
FINRA filing fee	94,979
NYSE listing fee	180,000
Transfer agent's fee	10,000
Printing and engraving expenses	315,000
Legal fees and expenses	3,813,000
Accounting fees and expenses	1,485,000
Miscellaneous costs	2,100,000
Total	<u>\$8,089,262</u>

All amounts in the table are estimates except the U.S. Securities and Exchange Commission registration fee, NYSE listing fee and FINRA filing fee. We will pay all of the expenses of this offering.