

## Press Releases

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### LightInTheBox Reports Third Quarter 2018 Financial Results

BEIJING, Dec. 14, 2018 /PRNewswire/ -- LightInTheBox Holding Co., Ltd. (NYSE: LITB) ("LightInTheBox" or the "Company"), a global online retail company that delivers products directly to consumers around the world, today announced its unaudited financial results for the third quarter of 2018.

#### Third Quarter 2018 Financial Results

**Net revenues** decreased 42.3% year-over-year to \$44.5 million from \$77.1 million in the same quarter of 2017. Net revenues from product sales were \$42.9 million, compared with \$72.4 million in the same quarter of 2017. Net revenues from service and others were \$1.6 million, compared with \$4.7 million in the same quarter of 2017. As a percentage of net revenues, service and others accounted for 3.6% during the third quarter of 2018.

Total orders of product sales were 0.8 million during the third quarter of 2018, compared with 1.7 million in the same quarter of 2017. Total number of customers for product sales was 0.7 million for the third quarter of 2018, compared with 1.3 million in the same quarter of 2017.

Product sales in the apparel category were \$14.4 million for the third quarter of 2018, compared with \$25.7 million in the same quarter of 2017. As a percentage of product sales, apparel revenues accounted for 33.6% for the third quarter of 2018, compared with 35.5% in the same quarter of 2017. Product sales from other general merchandise were \$28.5 million for the third quarter of 2018.

Product sales in Europe were \$21.2 million for the third quarter of 2018, compared with \$38.4 million in the same quarter of 2017, representing 49.4% of total product sales for the third quarter of 2018. Product sales in North America were \$10.9 million, compared with \$17.7 million in the same quarter of 2017, representing 25.4% of total product sales for the third quarter of 2018. Product sales in Gulf Cooperation Council ("GCC") countries were \$2.6 million for the third quarter of 2018, compared with \$0.3 million in the same quarter of 2017, representing 6.1% of total product sales for the third quarter of 2018, while product sales in other countries were \$8.2 million, representing 19.1% of total product sales for the same quarter.

Total cost of revenues was \$37.8 million in the third quarter of 2018, compared with \$50.5 million in the same period of 2017. Cost for product sales was \$36.4 million in the third quarter of 2018, compared with \$46.0 million in the same period of 2017. Cost for service and others was \$1.4 million in the third quarter of 2018, compared with \$4.5 million in the same period of 2017.

**Gross profit** for the third quarter of 2018 was \$6.7 million, compared with \$26.6 million in the same period of 2017. Gross margin was 15.1% in the third quarter of 2018, compared with 34.5% in the same quarter of 2017.

**Total operating expenses** in the third quarter of 2018 were \$24.8 million, compared with \$28.6 million in the same quarter of 2017.

- **Fulfillment expenses** in the third quarter of 2018 were \$3.4 million, compared with \$4.2 million in the same quarter of 2017. As a percentage of total net revenues, fulfillment expenses were 7.6% for the third quarter of 2018, compared to 5.4% in the same quarter of 2017 and 6.7% in the second quarter of 2018.
- **Selling and marketing expenses** in the third quarter of 2018 were \$11.3 million, compared with \$17.8 million in the same quarter of 2017. As a percentage of total net revenues, selling and marketing expenses were 25.4% for the third quarter of 2018, compared to 23.1% in the same quarter of 2017 and 20.4% in the second quarter of 2018.
- **General and administrative (G&A) expenses** in the third quarter of 2018 were \$10.1 million, compared with \$6.6 million in the same quarter of 2017. As a percentage of total net revenues, G&A expenses were 22.7% for the third quarter of 2018, compared with 8.6% in the same quarter of 2017 and 15.7% in the second quarter of 2018. G&A expenses in the third quarter of 2018 included \$2.5 million in technology investments, compared with \$2.5 million in the same quarter of 2017.

**Loss from operations** was \$18.1 million in the third quarter of 2018, compared with a loss from operations of \$2.0 million in the same quarter of 2017.

**Net loss** was \$17.8 million in the third quarter of 2018, compared with a net loss of \$1.8 million in the same quarter of 2017.

**Net loss per American Depositary Share ("ADS")** was \$0.27 in the third quarter of 2018, compared with net loss per ADS of \$0.03 in the same quarter of 2017. Each ADS represents two ordinary shares.

For the third quarter of 2018, the Company's weighted average number of ADSs used in computing the loss per ADS was 66,639,467. As of September 30, 2018, the Company had **cash and cash equivalents and restricted cash** of \$38.3 million, compared with \$41.7 million as of June 30, 2018.

#### About LightInTheBox Holding Co., Ltd.

LightInTheBox is a global online retail company that delivers products directly to consumers around the world. The Company offers customers a convenient way to shop for a wide selection of products at attractive prices through its [www.lightinthebox.com](http://www.lightinthebox.com), [www.miniinthebox.com](http://www.miniinthebox.com) and other websites and mobile applications, which are available in 23 major languages and cover more than 80% of global Internet users.

For more information, please visit [www.lightinthebox.com](http://www.lightinthebox.com).

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#### Forward-Looking Statements

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "potential," "continue," "ongoing," "targets" and similar statements. Among other things, statements that are not historical facts, including statements about LightInTheBox's beliefs and expectations, the business outlook and quotations from management in this announcement, as well as LightInTheBox's strategic and operational plans, are or contain forward-looking statements. LightInTheBox may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: LightInTheBox's goals and strategies; LightInTheBox's future business development, results of operations and financial condition; the expected growth of the global online retail market; LightInTheBox's ability to attract customers and further enhance customer experience and product offerings; LightInTheBox's ability to strengthen its supply chain efficiency and optimize its logistics network; LightInTheBox's expectations regarding demand for and market acceptance of its products; competition; fluctuations in general economic and business conditions and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in LightInTheBox's filings with the SEC. All information provided in this press release and in the attachments is as of the date of this press release, and LightInTheBox does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

#### LightInTheBox Holding Co., Ltd.

#### Unaudited Condensed Consolidated Balance Sheets

(U.S. dollar in thousands)

	As of December 31, As of September 30,	
	2017	2018
ASSETS		
Current Assets		
Cash and cash equivalents	68,441	37,506
Restricted cash	1,573	825
Accounts receivable	3,433	1,557
Inventories, net	11,841	5,267
Prepaid expenses and other current assets	15,696	9,843
Total current assets	100,984	54,998
Property and equipment, net	920	780
Acquired intangible assets, net	210	210
Goodwill	690	690

Long-term rental deposit	671	662
Long-term investment	5,262	5,171
<b>TOTAL ASSETS</b>	<b>108,737</b>	<b>62,511</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	22,430	14,907
Advance from customers	10,110	10,186
Accrued expenses and other current liabilities	20,727	19,299
<b>Total current liabilities</b>	<b>53,267</b>	<b>44,392</b>
<b>TOTAL LIABILITIES</b>	<b>53,267</b>	<b>44,392</b>
<b>EQUITY</b>		
Ordinary shares	11	11
Treasury shares, at cost	(23,907)	(27,261)
Additional paid-in capital	238,851	240,415
Accumulated deficit	(159,286)	(194,491)
Accumulated other comprehensive loss	(199)	(555)
<b>TOTAL EQUITY</b>	<b>55,470</b>	<b>18,119</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>108,737</b>	<b>62,511</b>

**LightInTheBox Holding Co., Ltd.**

**Unaudited Condensed Consolidated Statements of Operations**

**(U.S. dollar in thousands, except share data and per share data)**

	<b>Three-month Period Ended</b>	
	<b>September 30, September 30,</b>	
	<b>2017</b>	<b>2018</b>
Net revenues		
Product sales	72,383	42,910
Services and others	4,694	1,593
<b>Total net revenues</b>	<b>77,077</b>	<b>44,503</b>
Cost of revenues		
Product sales	(45,946)	(36,336)
Services and others	(4,513)	(1,442)
<b>Total cost of revenues</b>	<b>(50,459)</b>	<b>(37,778)</b>
<b>Gross profit</b>	<b>26,618</b>	<b>6,725</b>
Operating expenses		
Fulfillment	(4,168)	(3,400)
Selling and marketing	(17,839)	(11,316)
General and administrative	(6,613)	(10,087)
<b>Total operating expenses</b>	<b>(28,620)</b>	<b>(24,803)</b>
<b>Loss from operations</b>	<b>(2,002)</b>	<b>(18,078)</b>
Exchange (loss) gain on offshore bank accounts	(9)	20
Interest income	176	205
<b>Loss before income taxes</b>	<b>(1,835)</b>	<b>(17,853)</b>
Income taxes expenses	(9)	(3)
Gain from equity method investments	35	46
<b>Net loss</b>	<b>(1,809)</b>	<b>(17,810)</b>

Weighted average numbers of shares used in calculating loss per ordinary share

--Basic	137,634,221	133,278,934
--Diluted	137,634,221	133,278,934
Net loss per ordinary share		
--Basic	(0.01)	(0.13)
--Diluted	(0.01)	(0.13)
Net loss per ADS (2 ordinary shares equal to 1 ADS)		
--Basic	(0.03)	(0.27)
--Diluted	(0.03)	(0.27)

**LightInTheBox Holding Co., Ltd.**

**Unaudited Condensed Consolidated Statements of Cash Flows**

(U.S. dollar in thousands)

	<b>Three-month Period Ended</b>	
	<b>September 30, September 30,</b>	
	<b>2017</b>	<b>2018</b>
Net loss	(1,809)	(17,810)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	174	133
Share-based compensation	441	532
Bad debt expense	-	533
Inventory write-down	701	666
Exchange loss (gain) on offshore bank accounts	9	(20)
Gain from equity method investments	(35)	(46)
Changes in operating assets and liabilities		
Accounts receivable	(187)	718
Inventories	(2,314)	5,940
Prepaid expenses and other current assets	(2,247)	4,123
Accounts payable	(2,284)	2,402
Advance from customers	(83)	173
Accrued expense and other current liabilities	(785)	(480)
Long-term rental deposit	(15)	(3)
Net cash used in operating activities	(8,434)	(3,139)
Cash flows from investing activities		
Purchase of property and equipment	(67)	(16)
Net cash used in investing activities <sup>[1]</sup>	(67)	(16)
Cash flows from financing activities		
Repurchase of ordinary shares	(451)	-
Net cash used in financing activities	(451)	-
Effect of exchange rate changes on cash and cash equivalents	102	(177)
Cash, cash equivalents and restricted cash beginning of period	79,917	41,663
Cash, cash equivalents and restricted cash end of period	71,067	38,331


**Supplemental Cash Flow Data**

Reconciliation of cash and cash equivalents to consolidated statements of cash flows:

Cash and cash equivalents as presented in consolidated balance sheets	69,630	37,506
Restricted cash and restricted cash equivalents as presented in consolidated balance sheets	1,437	825
<b>Cash, cash equivalents and restricted cash as presented in consolidated</b>	<b>71,067</b>	<b>38,331</b>

**statements of cash flows**

[1] Note: As a result of new accounting standard adopted on January 1, 2018, the consolidated statements of cash flows were retrospectively adjusted to include restricted cash in cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The impact of the retrospective reclassification on cash flows of investing activities for the three-months ended Sep 30, 2017 was a decrease of \$41 thousand. The impact of cash flows of investing activities for the three-months ended Sep 30, 2018 was a decrease of \$51 thousand.

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SOURCE LightInTheBox Holding Co., Ltd.

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