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ASX Announcement

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Trading Update

Mosaic Brands (“**Mosaic**” or the “**Group**”) today provides a trading update for the 2024 Financial Year.

Following a strong first half, with the Group achieving a \$13.1 million EBIT*, the second half of FY24 has been more challenging for Mosaic and across the discretionary consumer sector more broadly. Further, Mosaic was negatively impacted during the half by disruptions as it migrated to a fully integrated logistical supply chain and distribution system with a newly appointed global partner.

The implementation disruptions experienced by Mosaic were greater than anticipated, delaying the delivery of inventory leading into the key Mother’s Day trading period. This, combined with softness in consumer spending, severely impacted revenue and earnings in the fourth quarter. As a result, the Group now expects the full year result for FY25 to a marginal loss at the Operating EBITDA* level.

Notwithstanding the disappointing result for the second half of FY24, the Group anticipates a recovery in the first half of FY25.

The issues experienced moving to the new logistics model have now been largely resolved and inventory is normalising across the Group, with comparable sales improving throughout June. Further, the first half of FY25 will benefit from a 20% increase in inventory intake at a 10% lower cost price when compared with H1 FY24. FY25 will also benefit from the material annual cost savings associated with the new logistics partnership.

Mosaic continues to closely manage its working capital position during this period and is continuing to progress the terms of a refinancing or extension of its outstanding convertible notes.

All financial figures in this release are preliminary in nature and are subject to finalisation and review by the company’s auditors. The Group will provide a full update when it posts its full year FY24 audited financial results in August.

Ends

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Notes:

* EBIT refers to Earnings before Interest and Tax.

* EBITDA is a non-AASB financial measure, defined for the purposes of this document as earnings before interest, tax, depreciation, amortisation, non-recurring income/expenditure and certain non-cash items such as share based payments and unrealised foreign exchange gains/losses and excludes restructure and acquisition costs and has been adjusted to normalise the impact of AASB16 accounting treatment.

* All numbers shared are interim in nature and is subject to finalisation of tax and audit reviews.



Living our purpose with shared values and behaviours.