

1 February 2023

Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Resignation of Chief Executive Officer, Preliminary 1H23 Results and Trading Update

The Reject Shop Limited (ASX:TRS) (**"The Reject Shop"** or the **"Company"**) today announced that Phil Bishop, Chief Executive Officer (CEO), has resigned for personal reasons, effective immediately.

The Chairman of The Reject Shop, Steven Fisher, said: "On behalf of the Board and The Reject Shop team, we thank Phil for his work over the past six months and wish him well. A search for a new CEO will commence immediately."

The Company and Phil have agreed for Phil to receive payments from the Company equivalent to his six months' notice period plus any statutory entitlements. Any performance rights held by Phil have been lapsed.

Appointment of Acting CEO

In the interim, Clinton Cahn, Chief Financial Officer (CFO), has been appointed as Acting CEO and will also continue to fulfill his CFO responsibilities during this time. Clinton has held the role of CFO since 1 May 2020 and performed the Acting CEO role between April 2022 and July 2022.

Clinton will partner closely with Amy Eshuys, Chief Operating Officer, to ensure the Company's positive momentum continues, particularly as it relates to its improving merchandise offering.

Preliminary Unaudited 1H23 Results

The Company today provides the following preliminary unaudited half year results for FY23:

- First half sales are expected to be \$439.7 million, up 3.5% on the prior corresponding period (pcp). Comparable store sales¹ were up 2.4% on the pcp;
- EBIT (pre AASB-16) for the first half is expected to be in the range of \$22.5 million and \$23.5 million². This compares to \$20.5 million in the pcp; and
- The Company's balance sheet remains strong with a cash position at 1 January 2023 of approximately \$84 million and no drawn debt.

The Company will provide detailed commentary on its financial performance when it releases its half year results on Thursday, 23 February 2023. All financial information included in this announcement is unaudited and remains subject to further review and finalisation.

Trading Update

The Company has generated positive comparable store sales growth during the first four weeks of the second half, noting that sales in the pcp were adversely impacted by the Omicron variant of COVID-19.

Mr Fisher commented: "The solid preliminary half year result was underpinned by a strong Christmas trading period and we are pleased with the ongoing positive momentum achieved during January. I am confident that the combination of our improving merchandise offering, experienced senior leadership team and strong balance sheet positions the Company well to create value for shareholders by growing comparable store sales and continuing to expand the store network."

¹ Compares 1H23 comparable store sales (week 1 to week 26) with the like-for-like weeks in the pcp (week 2 to week 27) given the FY22 statutory results were based on a 53-week period.

² Includes approximately \$0.85 million in income from insurance claims relating to stores that were flood damaged during FY22. Further insurance income is expected to be received during the second half of FY23, which will be captured in the full year results for FY23.



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For the purposes of ASX Listing Rule 15.5, the Company confirms that this document has been authorised for release to the market by the Board.

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