

Mosaic Brands Limited (ASX:MOZ) - ASX Announcement

8th June 2022

Market Update

Mosaic Brands Limited (**Mosaic** or the **Group**) today provides a trading update.

The May trading month, which included the key Mother's Day period, continued to see overall trading conditions improve gradually, however at a rate that was below expectations, as our core customers remained highly cautious of the ongoing risks associated with Omicron.

Online sales have continued to grow strongly and, with the removal of most health orders across Australia, in-store trading and sales momentum has improved week on week throughout late May and into June.

However, given the continued disruptions to trade during the period, Mosaic expects to report a loss for the second half, which will result in a full year loss for FY22. This is despite the Group delivering a profit in the first half of FY22, notwithstanding four months of lockdowns.

While inflationary and other wider economic pressures are expected to continue into FY23, the recent strengthening the Group is seeing in trade gives the Board confidence that conditions ahead are more favourable and navigable than the previous two years of managing the impact of COVID and lockdowns. As a result, Mosaic expects to return to profitability in FY23. Management is focussed on closing FY22 and entering FY23 in a strong and clean position to maximise the year ahead.

Mosaic will provide a further market update in late July.

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