

## Joint Venture with Reliance Brands Holding UK Limited

Mothercare plc (the "Mothercare" or the "Company"), the specialist global brand for parents and young children, is pleased to announce a new joint venture with Reliance Brands Holding UK Limited (the "RBL UK") (a wholly-owned subsidiary of Reliance Brands Limited) (the "Reliance Brands"). The new joint venture entity owns the Mothercare brand and related intellectual property assets relating to regions of India, Nepal, Sri Lanka, Bhutan and Bangladesh, and will be the franchisor of the Mothercare brand in the aforesaid regions. RBL UK will hold a 51% stake in the joint venture company and Mothercare Global Brand Limited (a subsidiary of Mothercare) will hold the remaining 49% stake.

The Board of Mothercare believes that the new joint venture:

- underlines the inherent value of the Mothercare brand; and
- creates a new and invigorated partnership in the South Asian region with Reliance Brands, one of the world's largest, leading and respected business groups which will bring symbiotic and synergistic benefits.

Clive Whiley, Chairman of Mothercare, commented:

"Today's agreement strengthens our operations in South Asia through an even closer working relationship with Reliance, our existing valued franchise partner, and underline the intrinsic value of the Mothercare brand strength, coterminously supporting a material reduction in our bank facilities and leverage."

We have renewed confidence in the opportunity that this reinvigorated joint-venture now presents. We look forward to working even more closely with Reliance Brands as our joint venture partner and not just franchisee in the region, moving forward together.

Taking today's development together with the inherent strength of the business's brand, we believe Mothercare can approach 2025 and beyond with a renewed and growing sense of confidence at the opportunities ahead.

## New South Asian Joint Venture Arrangement

Mothercare and Reliance Brands Holding UK Limited (a wholly-owned subsidiary of Reliance Brands Limited) (RBLUK) have today entered into definitive agreements to create a new joint venture in the United Kingdom, which shall own Mothercare's intellectual property assets in India, Nepal, Sri Lanka, Bhutan and Bangladesh. This joint venture arrangement replaces the previous franchise arrangement between Mothercare and Reliance Brands Limited, covering India alone, which was a 30 year agreement entered into 6 years ago.

Reliance Brands Limited is a subsidiary of Reliance Industries Ltd, a Fortune 500 company and the largest private sector corporation in India.

Under the terms of these arrangements, RBLUK has acquired for cash consideration of £16m a 51% interest in a new joint venture company, JVCO 2024 Ltd (the "JVCo"), and Mothercare retains the residual 49% shareholding in JVCo. The JVCo owns the Mothercare brand and related intellectual property in the territories of India, Nepal, Sri Lanka, Bhutan and Bangladesh.

Under the new joint venture arrangement's terms, Mothercare expects the reinvigorated business to grow strongly and surpass previous revenue levels over the next few years. In FY24 under the previous franchise arrangements, the Mothercare revenue from India contributed approximately £0.9m to adjusted EBITDA. Going forward Mothercare will have materially reduced financial indebtedness and will benefit from both sourcing fees (supplying products to the joint venture / its franchisees), together with the value creation accruing to its residual 49% equity stake in JVCo.

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