

Date: 13 January 2025
On behalf of: Sosandar plc ('Sosandar' or 'the Company')
Embargoed until: 0700hrs

Sosandar plc

Trading Update & New Store Agreements

Continued uplift in margin in key trading period

Sosandar plc (AIM: SOS), the women's fashion brand, creating quality, trend-led products for women of all ages, is pleased to provide the following trading update covering the three-month Period ended 31 December 2024 (Q3 FY25).

Highlights:

- Revenue of £12.2m (Q3 FY24: £14.3m) with the Group continuing its transition away from price promotional activity
 - Also represents an increase of approximately 50% against each of the prior quarters (Q1 & Q2 FY25), a significant step up in comparison to the prior year when Q3 FY24 revenues increased against each of Q1 & Q2 FY24 by 25% and 31% respectively
- Gross margin of 64.7% increased significantly from 58.3% in the prior year reflecting margin enhancement prioritisation
- Continued positive swing in PBT trajectory as a result of continued prioritisation of margin enhancement and profitability ahead of revenue growth, in line with our strategic focus
- Net cash of £8.2m as at 31 December 2024 (£7.0m as at 22 November 2024), allowing the Group to self-fund the planned store roll out, amongst other items

Further to the announcement on 26 November 2024, trading in Q3 further validated our growing omni-channel presence, with further margin growth delivered and improved customer metrics and engagement KPIs. Pleasingly, the Group saw further quarter-on-quarter revenue growth with a substantial improvement in the period. In the lead up to Christmas the Company saw strong sales of partywear as well as particularly strong sales in its core categories of knitwear and denim. Trading with the Company's well-established third-party partners continued to be strong, with the success of the Sosandar product resulting in Sosandar being one of the top selling brands across all third-party partners including NEXT and M&S.

The material improvement in gross margin year on year and versus H1 FY25 (62.2%) once again reflects the planned reduction in price promotional activity and focus on driving margin and profitability, as the Company continued its transition to becoming a true multi-channel retailer. The uplift in margin is now being delivered on a sustained basis and provides the foundation from which to drive sustainable and profitable cash-generative growth over the long-term towards our strategic objective of £10m PBT.

The Company's four active stores all performed well over the period, and we continue to see sales tracking in line with our expectations, with strong footfall and conversion and a demonstrable uplift in traffic to Sosandar.com in the geographical areas where the stores have opened.

Progress on the Company's licensing agreement with NEXT for a Sosandar homeware range remains on track and is expected to launch in Autumn 2025.

Overall trading remains in line with market expectations* for the current financial year, with January starting well and pleasing levels of full price sales, despite the well-publicised challenging macro-environment.

New store agreements

The Company is also pleased to announce that it has signed two new lease agreements for its own stores, in Bath and Harrogate. Both locations meet Sosandar's strict criteria of top tier, thriving locations, where Sosandar customers over-index.

Harrogate is one of the largest commercial centres in North Yorkshire and home to 76,800 people. The store is in a prime

trading position on James Street, surrounded by other established retailers such as Oliver Bonas, White Company and Mint Velvet.

In Bath, the store is located in SouthGate, the main shopping area in the heart of the city. It is close to the thoroughfare of Bath Spa train station with convenient underground parking. The store is in a prime position, adjacent to retailers such as Reiss and Oliver Bonas.

** Sosandar believes that market expectations for the year ending 31 March 2025 are currently revenues of £40.5 million and PBT of £1.0 million.*

Enquiries

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About Sosandar plc

Sosandar is a women's fashion brand in the UK targeting style conscious women who have graduated from lower quality, price-led alternatives. The Company offers this underserved audience fashion-forward, affordable, quality clothing to make them feel sexy, feminine, and chic. The business sells predominantly own-label exclusive product designed and tested in-house.

Sosandar's product range is diverse, providing its customers with an array of choice for all occasions across all women's fashion categories. The company sells through Sosandar.com and its own stores, and has a number of high value brand partnerships including with NEXT and Marks & Spencer.

Sosandar's success has been built on an exceptional product range, seamless customer experience and impactful, lifestyle marketing, all of which is underpinned by combining innovation with data analysis. Our growth strategy is focused on continuing to grow brand awareness and expand our addressable market and routes to market, reaching customers wherever they wish to shop. This is achieved both through direct to consumer channels and through chosen third-party partners.

Sosandar was founded in 2016 and listed on AIM in 2017. More information is available at www.sosandar-ir.com



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