

Date: 16 April 2025
On behalf of: Sosandar plc ('Sosandar' or 'the Company')
Embargoed until: 0700hrs

Sosandar plc

Full Year Trading Update

A year of strong strategic progress with a positive year on year swing in margin and PBT. At inflection point back to topline growth

Sosandar plc (AIM: SOS), the women's fashion brand, creating quality, trend-led products for women of all ages, provides the following trading update for its financial year ended 31 March 2025 ('FY25').

This has been a year of strong strategic progress as we delivered what we set out to achieve: growth in margin and profit before tax, a reduction in price promotional activity and opening our first own stores. Throughout FY25 we remained steadfast in our approach in building the foundations for sustainable, profitable and cash-generative growth. We are now beginning to see the results of our disciplined approach coming through in our performance. March sales were in line with the prior year and this momentum has continued into April to date, with both own site sales and sales as a whole ahead of the prior year.

PBT for the full year was softer than we had hoped, although a substantial positive swing compared with FY24. This was driven by slower February sales, but we continued to stick to our strategy and did not chase volume through implementing price promotions.

The strategy is now proving successful, with the business reaching an inflection point back to topline revenue growth.

Highlights*:

- PBT expected to be not less than £0.5m (FY24: loss of £0.3m), also a substantial positive swing from £0.7m pre-tax loss in H1 FY25
- Revenue of £37.2m (FY24: £46.3m) reflecting the continued transition away from price promotional activity
- Improved gross margin of 62.5%, up from 57.6% in the prior year, reflecting the continued focus on margin enhancement
- Strong net cash of £7.1m (£8.3m as at 31 December 2024) after £1.2m of capital expenditure for roll-out of own stores
- Opened first six stores in FY25 as the Company transitioned to becoming a full-price multi-channel retailer
- Post-year end, April trading has been strong, ahead of the prior year, building on the momentum seen in March and providing further confidence in the continued execution of the Company's strategy

** Prior to this update, Sosandar believes that market expectations for the year ended 31 March 2025 were revenues of £38.5 million and PBT of £1.0 million.*

Margin enhancement and profitability were prioritised as we continued our transition to becoming a full-price multi-channel retailer. The material improvement in gross margin against historical levels 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.

Further to the announcement on 13 January 2025, trading in Q4 was robust in what is a seasonally quieter period, and against the continued challenging macro-environment. In January we saw full price sales in line with our expectations. February was very much the outlier with trading softer than we anticipated. However, in March, we returned to pleasing levels of full price sales, which were in line with the prior year. The momentum seen in March has continued into the new financial year with performance in April to date ahead of April 2024.

In FY25 we opened our first six stores, including Bath and Harrogate which opened in February. These locations were carefully selected for being affluent, thriving locations where Sosandar customers over-index. We are incredibly proud of

seeing the Sosandar brand on thriving high streets and are delighted with the reception we have received so far. We are pleased with the progress of our store portfolio to date, with sales tracking in line with our expectations, we have seen circa 60% of purchases in store being made by brand new customers to the brand and have seen a demonstrable uplift in traffic and conversion on our own site in the areas where our stores are located.

We continue to benefit from our strong brand and understanding of our customers, compounded by the opening of our first six stores. This is also evident from the success we are seeing through our third-party partners and our ability to leverage Sosandar's brand equity, leading to our first licensing agreement signed with NEXT for a Sosandar homeware range, which remains on track for launch in Autumn 2025.

Having delivered on our strategic objectives for the year, we are confident that we are now at an inflection point. We expect a return to sales growth in FY26 and the Board reiterates its confidence in the Company delivering market expectations for the new financial year. The foundations are also in place for sustainable, profitable and cash-generative growth over the medium to long-term.

Conference call

Sosandar is hosting a Q&A call for analysts and investors today at 8:15am to discuss the Trading Update. If you would like to register for the call, please follow this link: <https://zoom.us/j/9678373557>

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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