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FOR IMMEDIATE RELEASE

20th June 2025

Mulberry Group plc
Proposed £20 million fundraising
and
Trading update

Mulberry Group plc (**AIM: MUL**) ("**Mulberry**" or the "**Company**" and, together with its subsidiary undertakings, the "**Group**"), the British luxury lifestyle brand, today announces that it is intending to raise £20 million of additional capital to help fund its growth strategy and to meet the Group's medium term revenue, profitability and cash generation targets (the "**Fundraising**").

The Company also announces an update on trading including the outturn for the 52 weeks ended 29 March 2025 ("**FY25**").

THE FUNDRAISING

Strategy update and reasons for the Fundraising

The Company, led by Chief Executive Andrea Baldo and a new management team, is currently progressing a transformation plan in order to capitalise on the Group's strengths and return it to profitability. Stated medium term goals for the Company are annual revenues of £200 million and an earnings before interest and tax margin of 15 per cent.

Key elements of this strategy - "Back to the Mulberry spirit" - were set out in the Company's announcement of 30 January 2025 and its initial focus included simplifying and streamlining the Company's operations to reduce the cost base, refreshing the Company's brand platform, and leveraging creativity and customer insights to deepen connections and drive demand.

The board of directors of the Company (the "**Board**") confirm that the Company is making good progress on delivering to this plan and has already effected the following:

- Management team refresh: changes in key personnel at senior management level;
- UK distribution: new wholesale agreements with premium department stores;
- International: expansion in Nordstrom (US) and David Jones (Australia);
- Product development: the launch of a "4 Seasons" approach;
- Store estate: a review and exit of some of the non-profitable stores; and
- Financial delivery: achieving a lower run rate cost base in the current financial year

Following a post FY25 year-end review by the executive management, and in light of an even more challenging trading environment seen at a macro level, the Board has concluded that the Company will require additional capital to fund its growth strategy and achieve its desired financial targets.

The Company has requested HSBC UK Bank plc ("**HSBC**"), and HSBC has agreed, to relax the minimum liquidity covenant contained within the facilities agreement with the Company for an agreed period through to the completion of the Fundraising, currently expected to be in July 2025. The relaxation of this covenant will release approximately £6.5 million in short-term liquidity to the Company. Separately, an affiliate of Challice Limited ("**Challice**"), the majority shareholder of the Company, has entered into a cash backed guarantee of £6.5 million (the "**Guarantee**") directly with HSBC matching the increased covenant headroom. For the avoidance of doubt, no fee or other reimbursement is payable to Challice or any of its affiliates by the Company for the purposes of the Guarantee. Challice has agreed with HSBC that the Guarantee will terminate upon completion of any fundraising by the Company.

Use of the Fundraising proceeds

The Board believes that targeted investment is key to unlocking future growth. Following completion of the Fundraising, investment priorities of the Board will include:

- rebuilding core stocks, including the Company's 'iconic families' silhouettes to drive sell through and momentum;
- investing in new, margin accretive revenue streams, such as outlets and the wholesale channel;
- selective marketing spend, particularly in the Company's core markets of the UK and the US which will be aligned with profitable growth; and

- US which will be aligned with profitable growth; and
- upgrades to existing customer engagement and eCommerce tools.

The Board believes that the proceeds of the Fundraising will provide sufficient capital to enable the Company to become cash flow positive.

Details of the Fundraising

The Board notes that Challice has confirmed that it would be willing to underwrite the Fundraising in full if required.

However, believing that the Company's prospects are stronger if both its major shareholders are supportive of the Fundraising and noting that any issue of new equity requires the approval of both parties, the Board has been engaging with Challice and Frasers Group plc ("**Frasers**"), in order to reach agreement on the final structure and terms of the Fundraising. Whilst these discussions are ongoing, the Board notes that it may not be possible for all parties to agree fully on the structure of the Fundraising, in which case the Board, or an independent committee thereof, will conclude on the most appropriate structure for the Company.

It is anticipated that completion of the Fundraising will occur contemporaneously with the publication of the Company's FY25 report and accounts, which is currently expected to be in July 2025.

As both Challice and Frasers are "substantial shareholders" as defined by the AIM Rules for Companies published by the London Stock Exchange (the "**AIM Rules**"), any participations by Challice and / or Frasers in the Fundraising are expected to constitute related party transactions in accordance with the AIM Rules.

TRADING UPDATE

The Company also announces that for FY25, it expects to report revenues in the region of £120 million (2024: £152.8 million) and an underlying loss before tax in the region of £23 million (2024: £22.6 million). These results remain subject to audit. The FY25 audit process is underway and, as stated above, the Company currently expects to publish its audited FY25 results in July 2025.

Trading in the 11 weeks since the FY25 year end has been in line with the Board's expectations. The Board does not expect material overall revenue growth in the current financial year.

In line with the Company's strategy, the Board has taken action to reduce the Company's cost base and identified and implemented approximately £5.9 million of annualised gross cost savings, establishing a lower and more sustainable cost structure for the future. In addition, the Company will continue optimising its store estate and enhancing operational efficiencies.

ANDREA BALDO, CHIEF EXECUTIVE OFFICER COMMENTED:

"When I outlined our strategy in January, I set out a clear two-phased approach. In the near term, we are firmly in turnaround mode - focused on rebuilding profitability and gross margin, while strategically investing in brand building initiatives.

Since then, we've taken decisive steps to improve performance and lay the groundwork for sustainable growth. These include securing UK distribution deals with Flannels and John Lewis, expanding international reach through new doors in Nordstrom (US) and David Jones (AU), and enhancing our product offer by growing our icon families in full price stores and optimising our inventory levels for outlet stores.

We've refreshed the executive team, aligned talent to our revised strategy, and launched a new brand campaign to drive customer engagement. Operationally, we've enhanced customer service through a new incentive model linked to in-store conversion, improved relationships with our supply chain partners and built a robust wholesale pipeline for FY26. Alongside this, we've taken action to reduce costs - restructuring head office and exiting unprofitable stores - delivering a lower run-rate cost base into FY26.

Following our year-end review, the Board and I are confident that, with additional funding, we can accelerate momentum and deliver against our targets at pace."

FOR FURTHER DETAILS PLEASE CONTACT:

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This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

The person responsible for arranging the release of this Announcement on behalf of the Company is Billie O'Connor, a director of the Company.

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This Announcement may include statements that are, or may be deemed to be, "forward-looking statements". These

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