

SOSANDAR



FY2022 Results and Trading Update

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Agenda

- Highlights FY2022 & Current Trading
- Sosandar's Winning Formula
- Financial and KPI Review
- Market Backdrop and Strategy
 - Market Backdrop
 - Product Expansion
 - Customer Acquisition & Retention
 - Sales Channel
 - Supply Chain
- Future Outlook

AWARD WINNERS



2021 Team of the Year Highly Commended **DRAPERS AWARDS**
 2020 Emerging Retailer **RETAIL WEEK**
 2020 Best Digital Retailer Finalist **DRAPERS DIGITAL**
 2020 Digital Team of the Year Finalist **DRAPERS DIGITAL**
 2019 Best New Online Business **DRAPERS DIGITAL**
 2019 Digital Team of the Year **DRAPERS DIGITAL**
 2019 Best Fashion Brand **DC AWARDS**



Highlights FY 2022 and Q1 2023



FY 2022 – A Milestone Year

- Revenue £29.5m up 142% yoy
- Profitable in every month of H2
- Strong growth both on own site and through third parties
- Increased diversity of product mix
- Strong performance across all KPI's

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Success Continued Into FY2023

- Q1 Revenue £10.4m up 81% yoy
- Profitable in every month
- High demand across all product categories
- Particularly strong sales of workwear, occasion wear and holiday clothes
- Successful launch with The Very Group and Next Platform Plus

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Sosandar's Purpose & Winning Formula





Our Purpose

To dress women across the globe to feel
sexy and chic

Our Opportunity

To be one of the biggest womenswear brands
in the world

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Growth Drivers

Societal Shift to
an Ageless
Generation

Huge
addressable
market

Distinctive
product range

Unique creative
process and
imagery

High spending
affluent
customer base

Special company
culture

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Societal Shift to an Ageless Generation Created the Opportunity for Sosandar

“Everywhere we look, highly visible older women are rewriting all the rules – they are at their peak of power and creativity”

The Telegraph

“The term middle aged is fast becoming obsolete”

Sarah Harper
Professor Gerontology

Society is increasingly reducing aged based limitations, at work, in patterns of consumer spending and in culture at large

Future Agenda.org

As a result, all rules about ‘dressing for your age’
have gone out of the window



Jennifer Lopez 52

Kate Middleton pink sequin Vampire's Wife dress



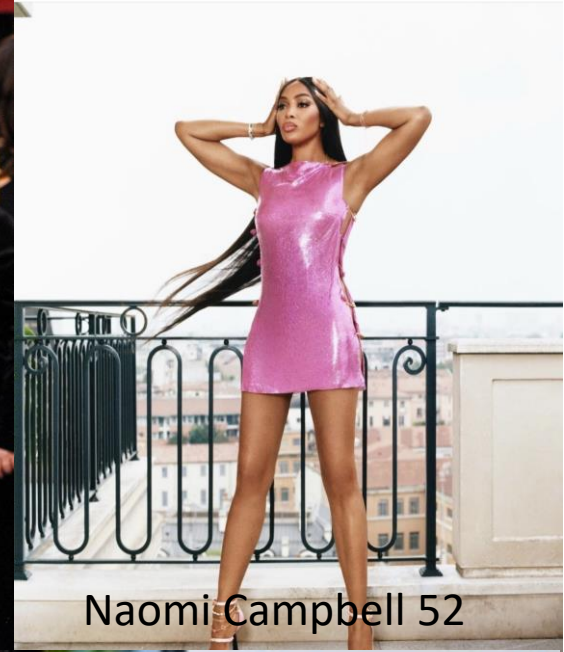
Kate Middleton 40



Kylie Minogue 54



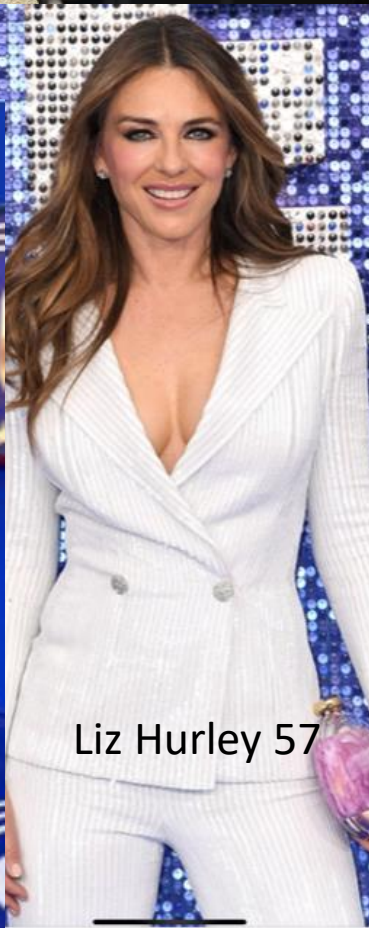
Kate Winslet 46
Helen Mirren 76



Naomi Campbell 52



Holly Willoughby 41



Liz Hurley 57

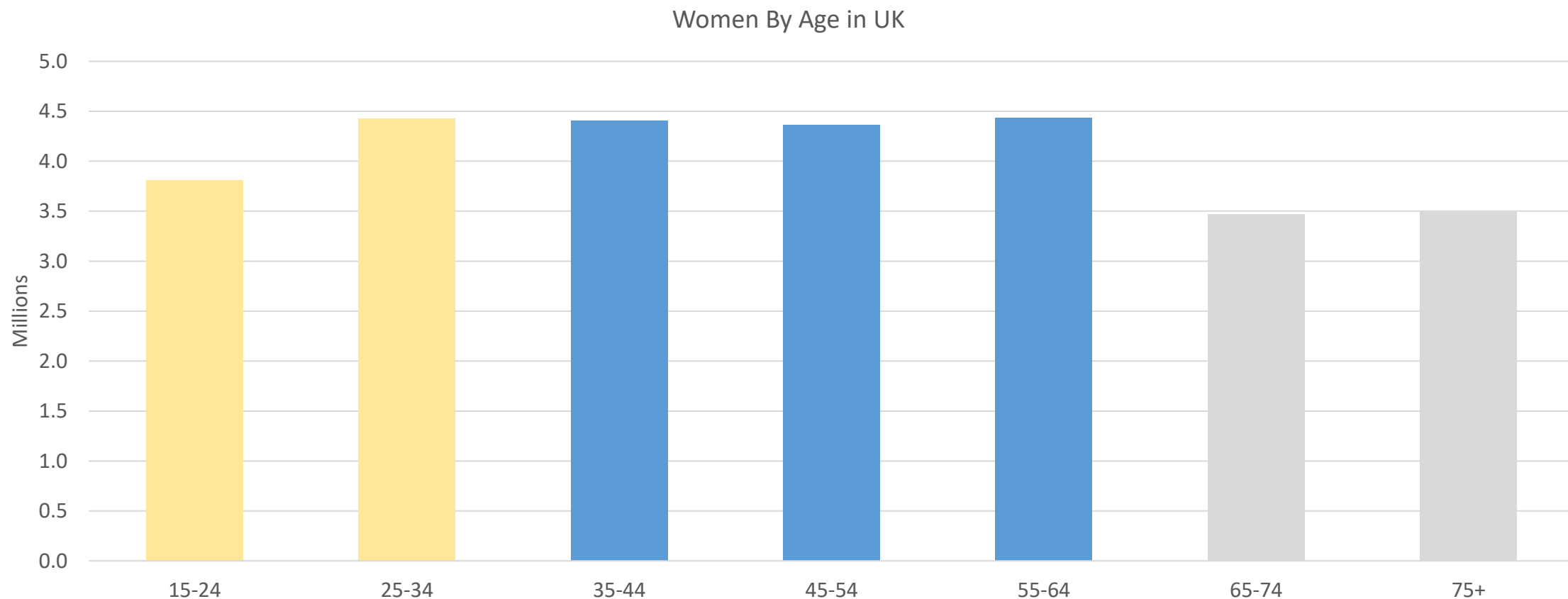


Alex Scott 37



Sharon Stone 64


A Huge Addressable Market in UK alone



20 million women in the UK are aged over 35

13 million in our core demographic

This opportunity is replicated across all continents worldwide

A woman with long brown hair, wearing dark sunglasses, a black sleeveless top, and a blue skirt with a black leopard print, stands on a sandy beach. She is looking towards the camera. In the background, there is a calm sea with several sailboats and a large, rounded hill under a clear sky.

**These women are united by a desire for
on-trend, affordable, long lasting,
lifestyle appropriate clothes**

**Sosandar's magic is the successful
execution of distinctive product and
powerful communication.**

Our Distinctive Product that Makes Women Feel Amazing

14

Figure flattering

Practical/bra friendly

All occasions

Unique prints

Bright colours

Head to toe outfits

Long Lasting

Purse friendly



Youthful

Sexy and Chic

Feel Good

Confidence Boosting

Our unique creative process brought from the media has turned the industry norm on its head ¹⁵



- The only fashion brand to produce lifestyle imagery and video for every product
 - From shoot to on site and on air in a matter of days
- Shows how to wear the product, increases conversion and drives higher basket value by selling entire outfits
 - Big attraction for third party partners because imagery is unique

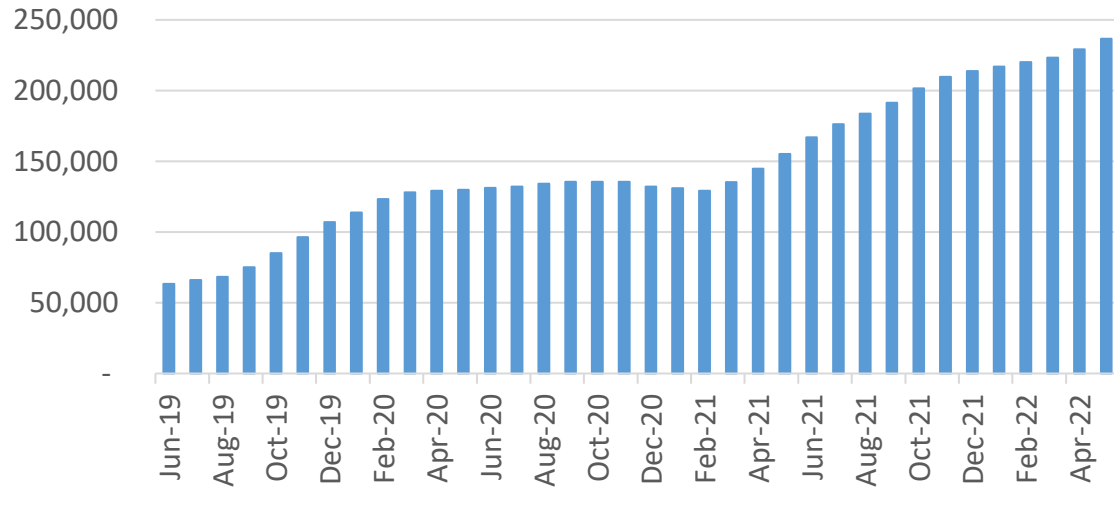
Affluent Customer Base with Large Disposable Incomes

Mosaic Group *	Index	Description
Prestige Positions	181.3	Affluent married couples whose successful careers have afforded them financial security and a spacious home
Domestic Success	152.1	High-earning families who live affluent lifestyles in upmarket homes. Their busy lives revolve around their children and successful careers

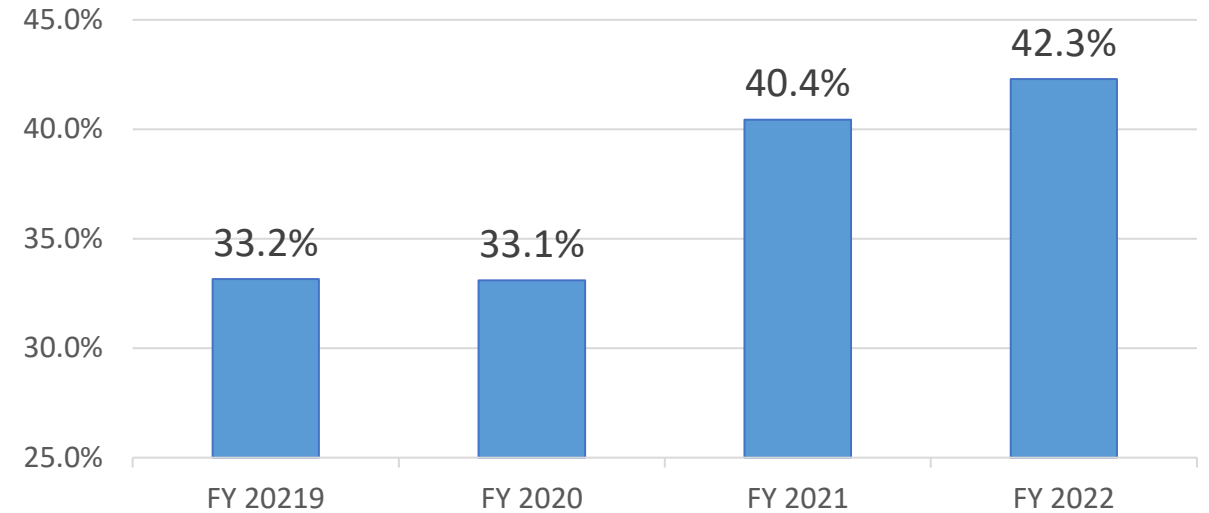
- Very high index against UK's most affluent socio demographic groups
- Patterns of customer behaviour further demonstrate affluence
 - Minimal take up of Klarna as little requirement for it
 - 'Payday' has no demonstrable impact on sales pattern
 - High price points such as leather >£200 are year round best sellers

Ever-Growing Retention & Frequency Of Purchase

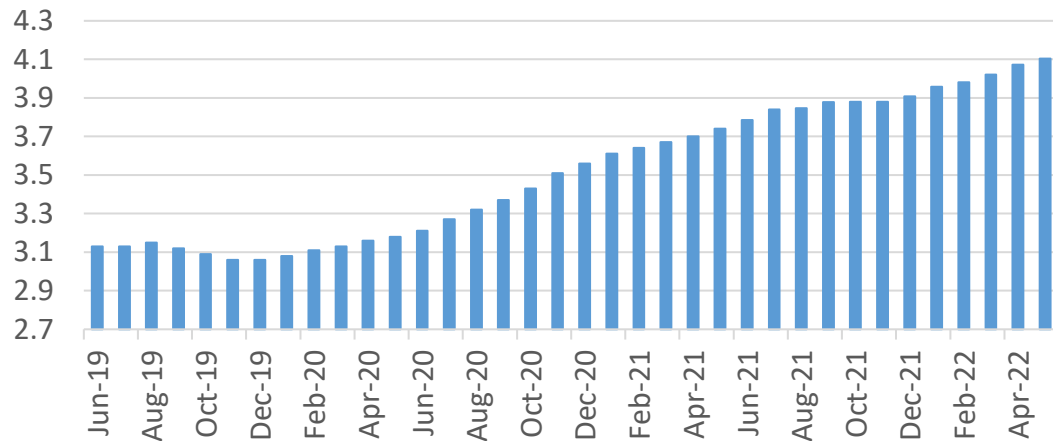
Active Customers



Repeat Purchase %

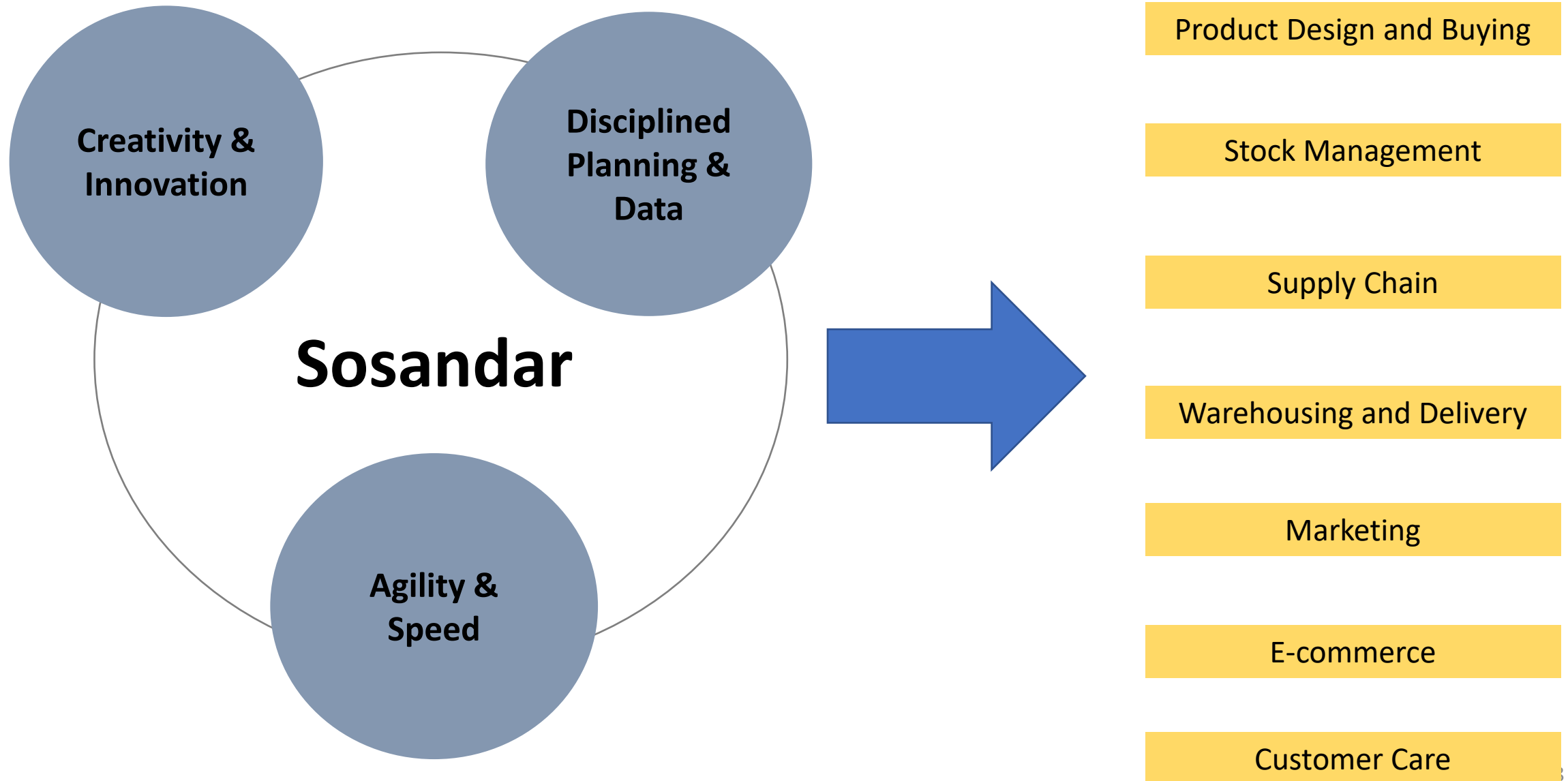


Repeat Order Frequency



- Active customers quadrupled
- Shopping more and more frequently

Unique Company Culture





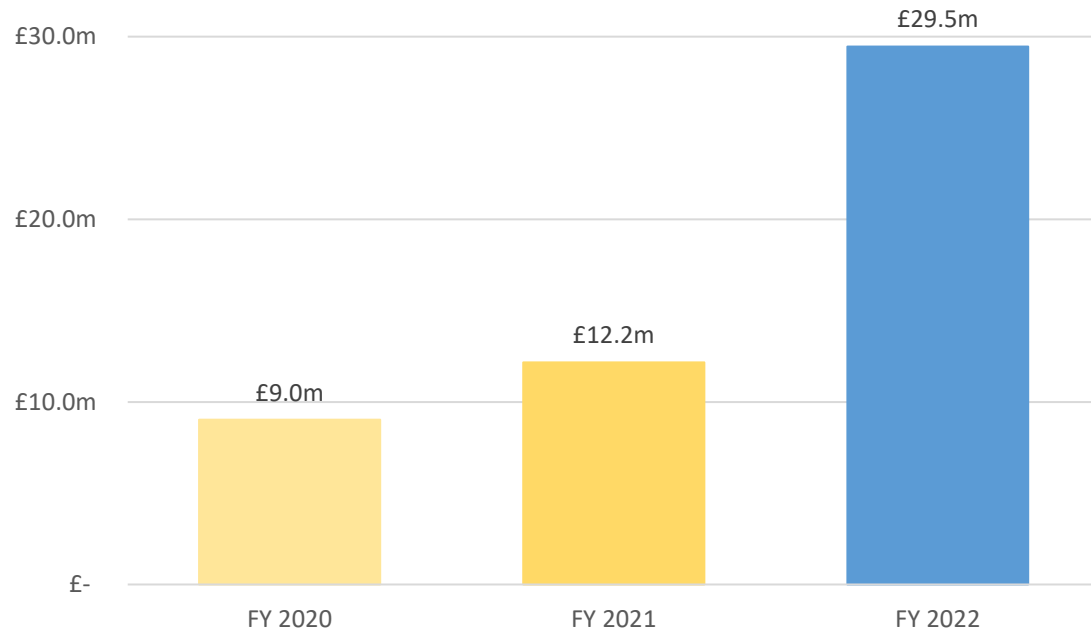
Financial And KPI Review



Financial Highlights – P&L

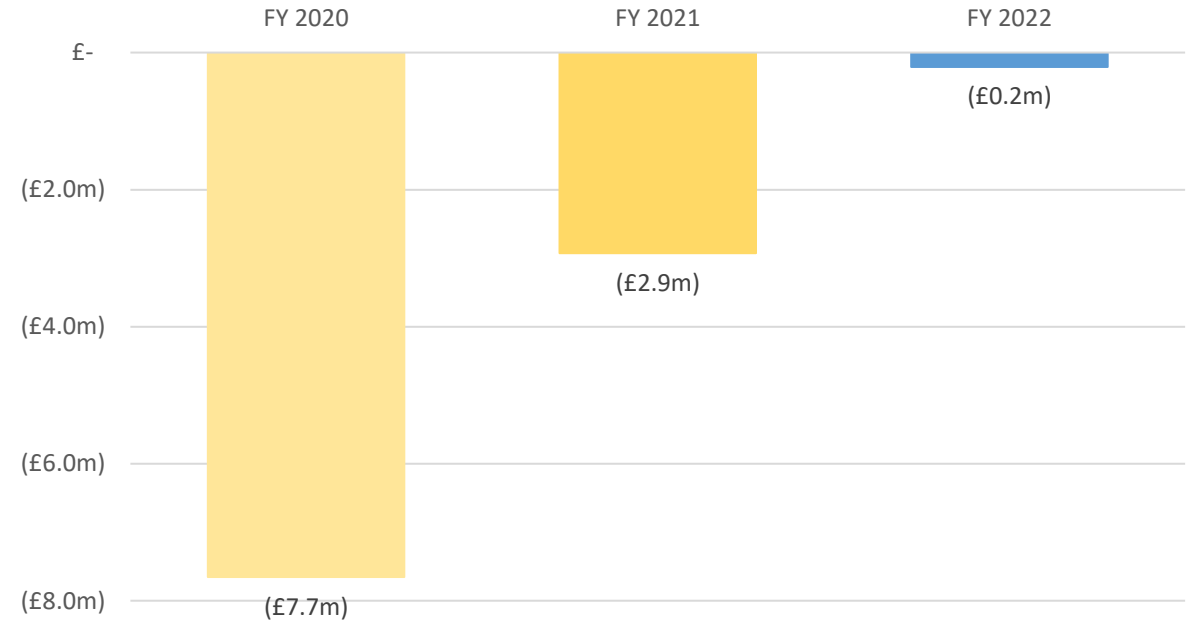
Net Revenue

FY2022 + 142% vs. FY2021



EBITDA

FY2022 + £2.7m vs. FY2021

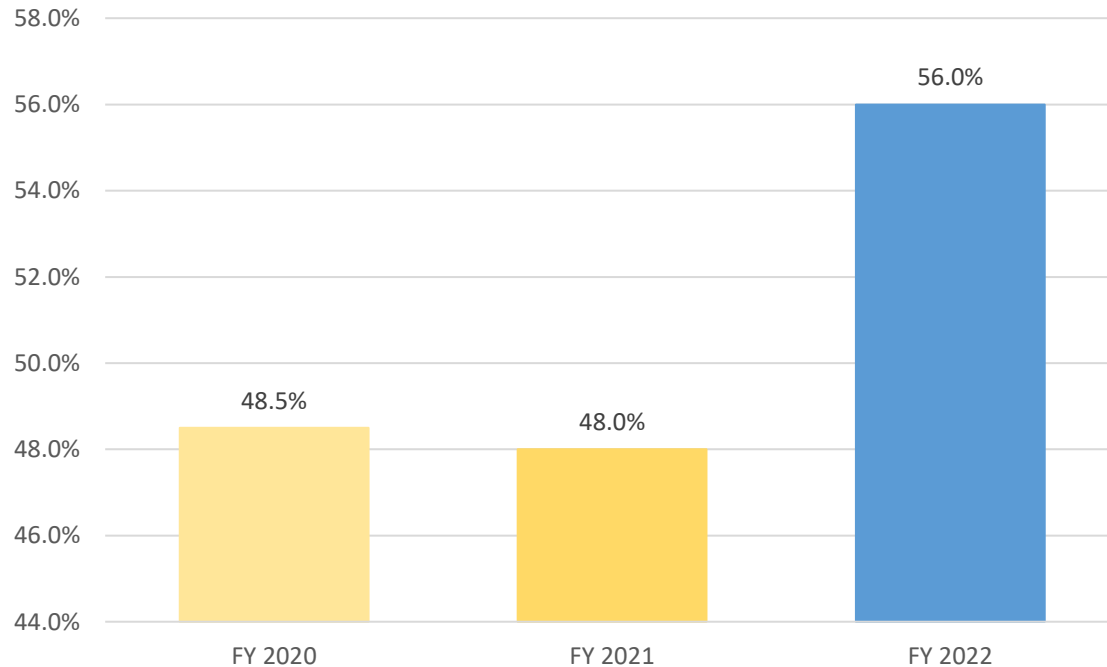


- Milestone in H2, with every month both EBITDA & PBT positive
- Clear trajectory to becoming profitable full year

Financial Highlights – P&L

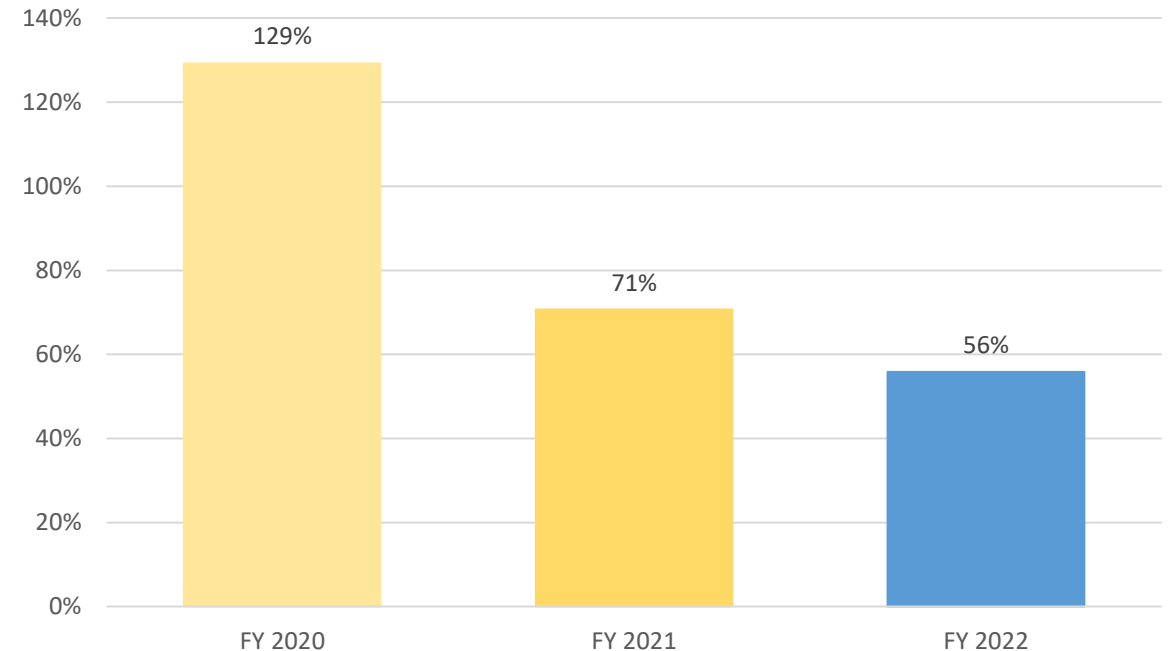
Gross Profit

FY2022 + 800 bps vs. FY2021



Overhead % of Revenue

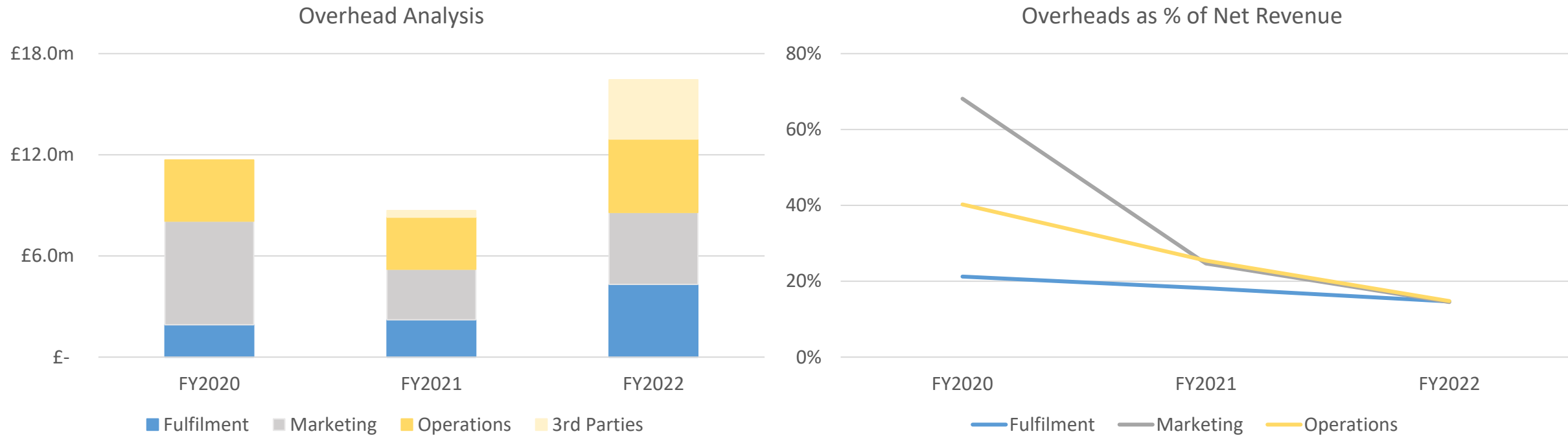
FY2022 – 1,500 bps vs. FY2021



- Significant GP improvement reflecting scale benefits and higher proportion of full price sales
- GP % normalised post COVID related impacts
- Cost effective investment across overheads to drive top line growth

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Cost Efficiencies Whilst Delivering Top Line Growth

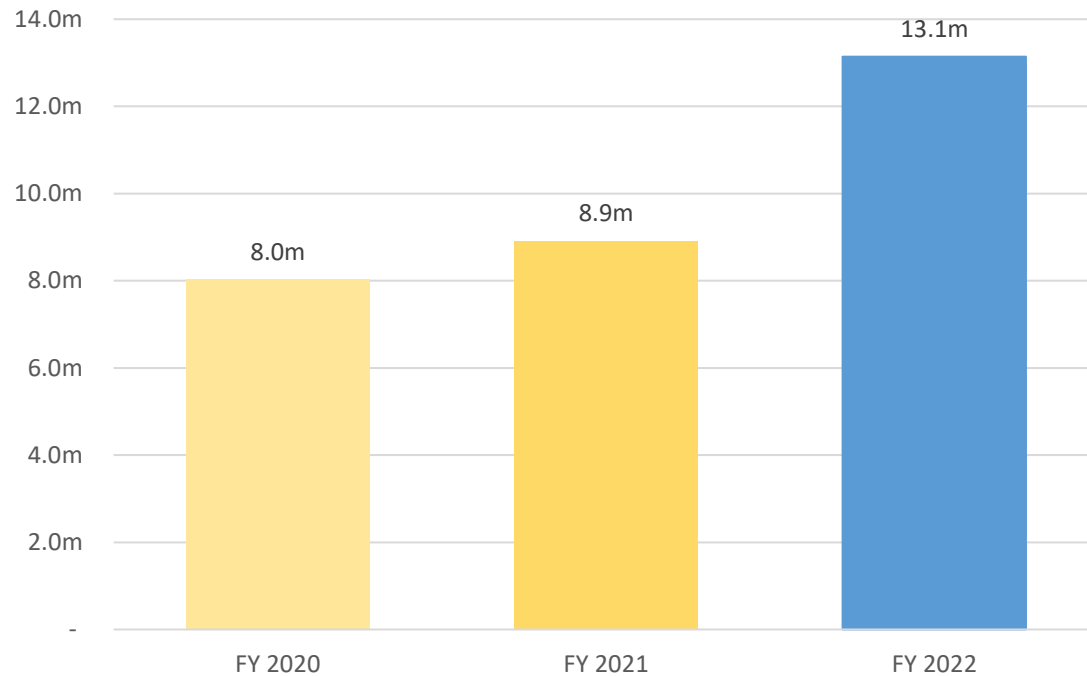


- Investment in marketing and operations to drive growth
- Scale and efficiencies drive reduction in overhead as % of revenue to 56% (from 71% FY2021)

Ever-Increasing KPI's

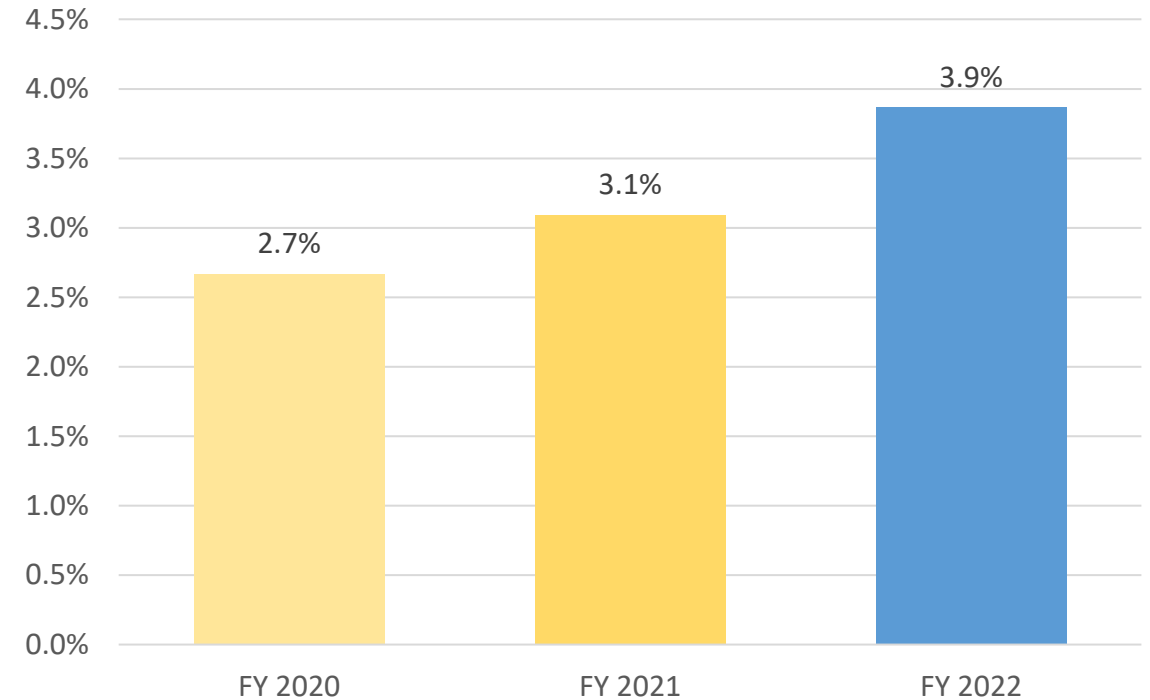
Website Visits

FY2022 +47% vs. FY2021



Conversion Rate

FY2022 +78 bps vs. FY2021

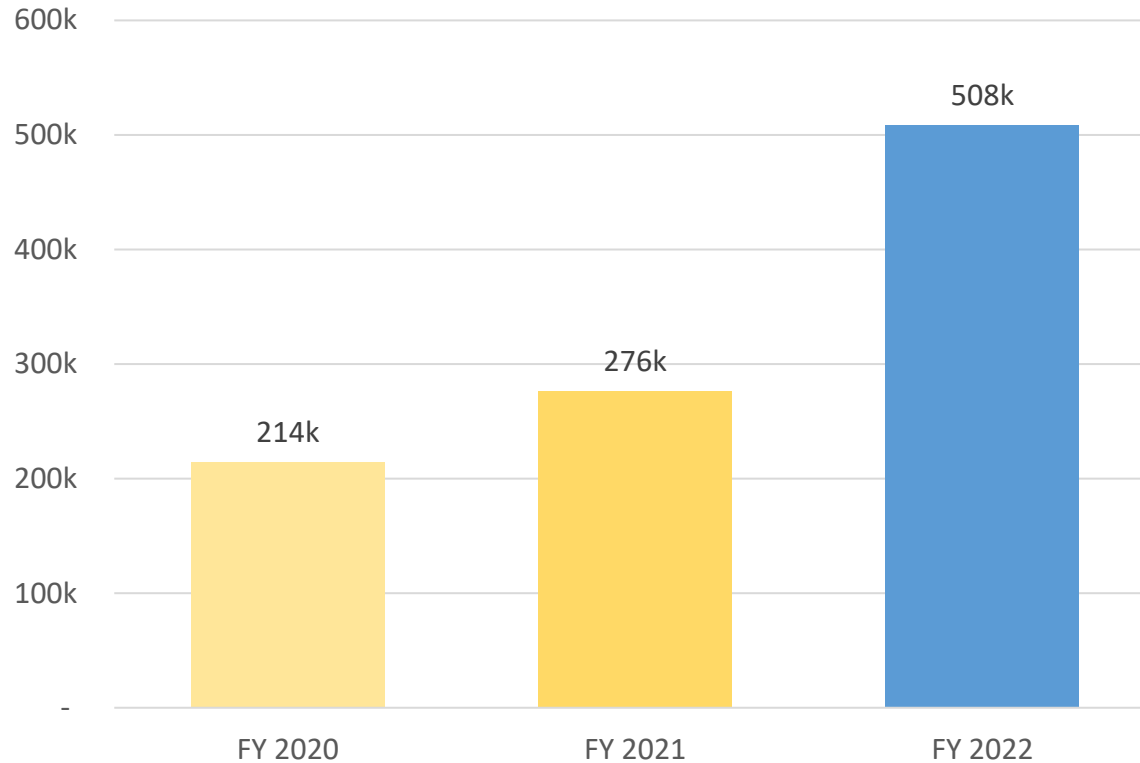


- New record website visits in 6 months of FY22
- Significant increase in conversion reflects product choice and execution of marketing plans

Ever-Increasing KPI's

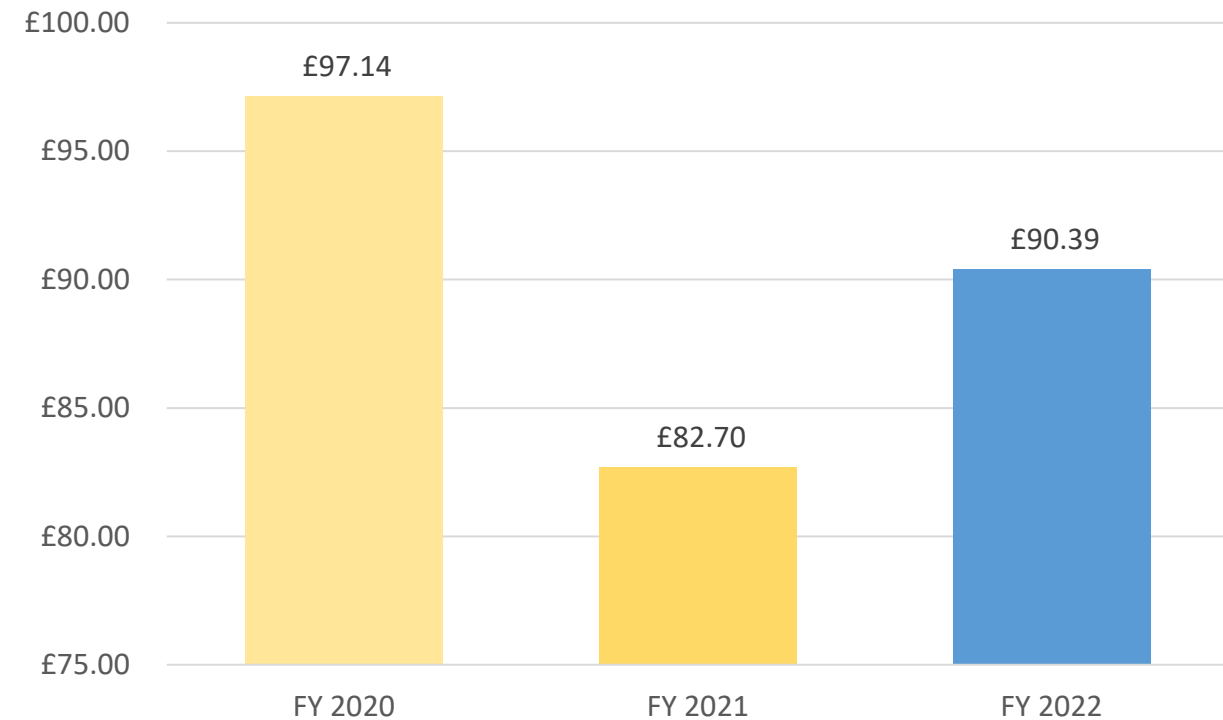
Total Orders

FY2022 +84% vs. FY2021



Average Order Value

FY2022 +9% vs. FY2021



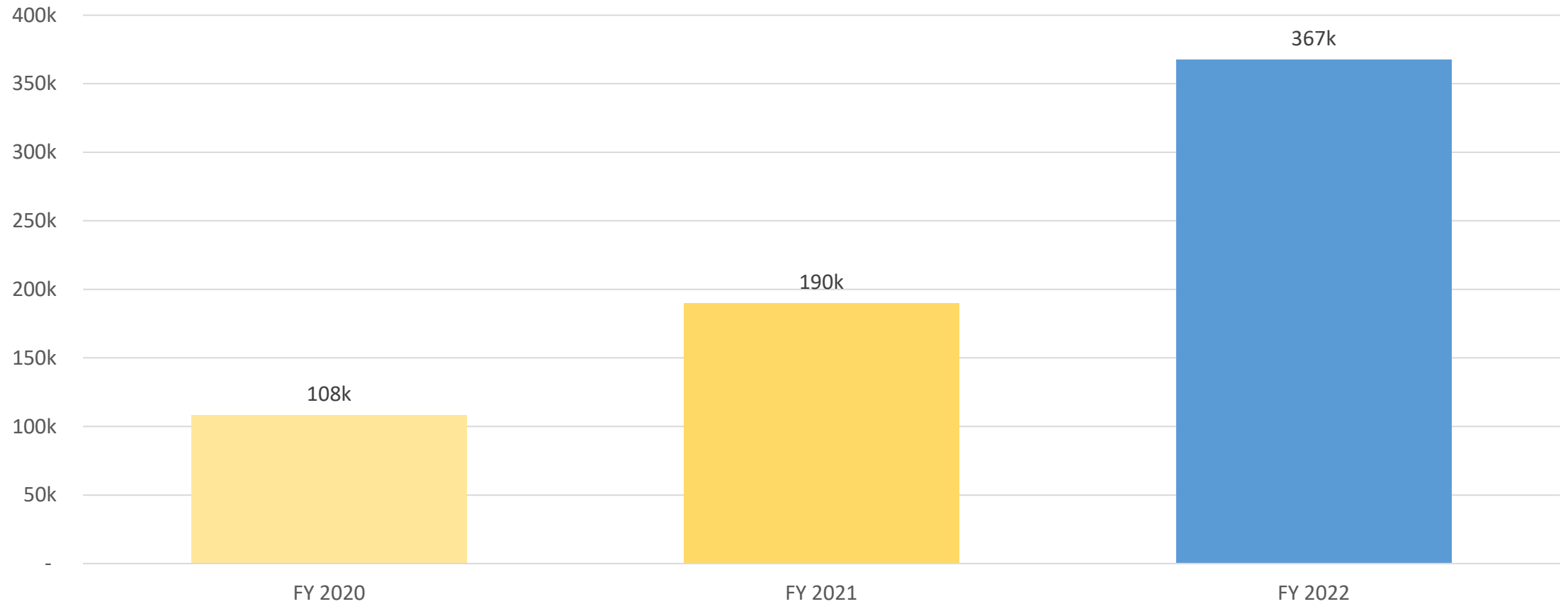
- Record order months in Oct / Nov 21 with > 50k in a single month
- AOV improvement across diverse product mix, following Covid impacts in FY21

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Ever-Increasing KPI's

Repeat Orders

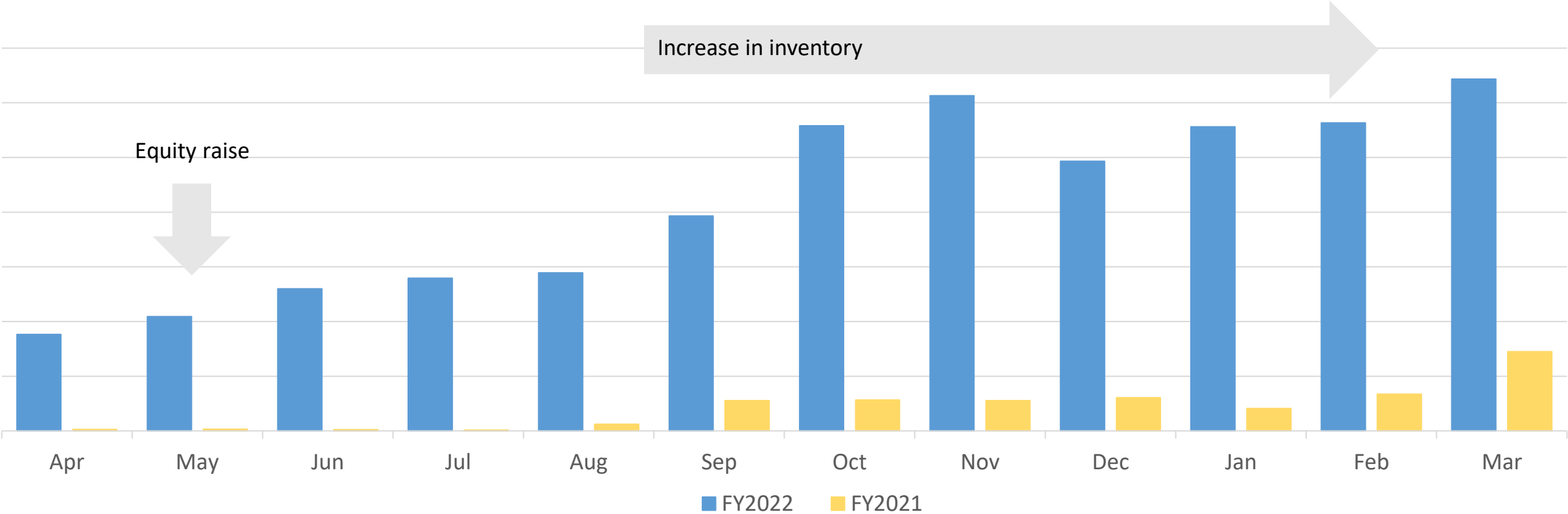
FY2022 +93% vs. FY2021



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Third Party Revenue

M&S



Financial Highlights – Income Statement

Income Statement	FY2022	FY2021	FY2020	FY2022 vs FY2021
	£m	£m	£m	
Revenue	29.5	12.2	9.0	142%
Cost of Goods	(13.0)	(6.3)	(4.6)	105%
Gross Profit	16.5	5.8	4.4	182%
Gross Profit %	56.0%	48.0%	48.5%	800bps
Admin expenses	(16.5)	(8.6)	(11.7)	92%
Share base payments	(0.3)	(0.2)	(0.4)	46%
EBITDA	(0.2)	(2.9)	(7.7)	92%
Depreciation & Amortisation	(0.3)	(0.2)	(0.2)	88%
Profit / (loss) before tax	(0.6)	(3.1)	(7.8)	82%
Deferred tax	0.4	-	-	
Profit / (loss) for the year	(0.1)	(3.1)	(7.8)	95%

- PBT includes (£0.2m) accelerated depreciation of intangible assets
- Deferred tax recognised for first time

Financial Highlights - Balance Sheet

Balance Sheet	Mar-22	Mar-21	Mar-20
	£m	£m	£m
Intangible assets	-	0.2	0.2
Property, plant and equipment	0.4	0.2	0.3
Total non-current assets	0.4	0.4	0.5
Inventories	7.3	2.9	3.8
Trade and other receivables	2.5	0.7	1.0
Cash and cash equivalents	7.0	3.9	5.3
Deferred income tax asset	0.4	-	-
Current assets	17.3	7.5	10.1
Trade and other payables	6.8	2.9	2.6
Lease liability	0.0	0.0	0.1
Current liabilities	6.8	2.9	2.7
Net current assets	10.5	4.6	7.4
Non current liabilities	0.3	-	-
Net assets	10.6	5.0	7.9

- Mar-22 net assets doubled vs Mar-21
- Cash balance at March 2022 of £7.0m
- Fund raise May-21 facilitated greater investment in inventory from A/W 21 to meet consumer demand
- Office lease renewed Feb-22 with more space added Apr-22
- June 2022 Net Cash of £6.1m includes further investment in inventory



Market Backdrop & Strategy For Scale





Consumer Spending & Confidence

30



Clothing market – resilient sector of retailing currently, women still buy clothes in difficult economic times, just buy less overall



Sosandar Customer – affluent, more cushioned from rising cost of living



Product – broader range, wider categories than in pandemic, wider pricing, broader lifestyle needs



Consumer Messaging – overcoming guilt, take more share of spend, increase loyalty

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Four Pillar Strategy For Scale



1. Product



2. Marketing



**3. Sales
Channels**



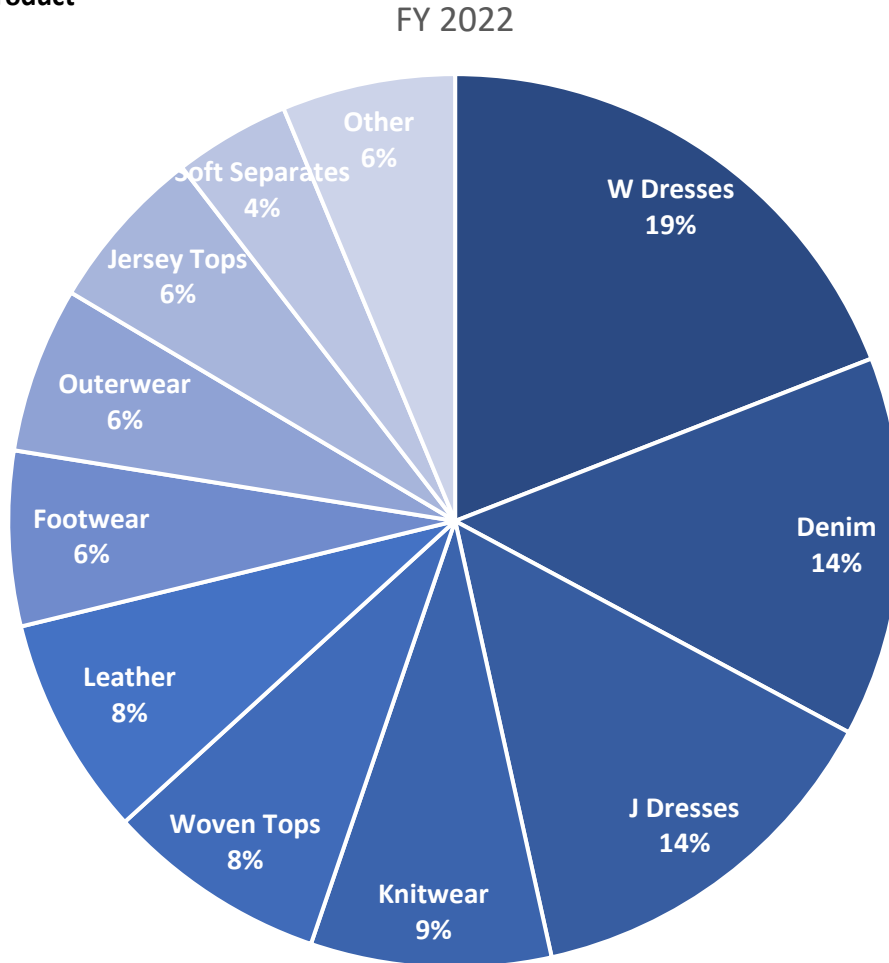
**4. Supply
Chain**





1. Product

Product Expansion



- Expansion of number of styles in all categories
- Fast track development of newer categories-
 - Occasionwear, swim and beach, blazers and suits
- Development of new shapes to give even wider choice
- Expansion of length varieties to suit all heights
- Increase garments using sustainable fabrics
- Affordable mid-price point
- Daily newness whilst maximising best sellers

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* Other categories: Lounge & Leisure, Jumpsuits, Beach & Swim, Accessories, Home



2. Marketing

Unique Customer Acquisition Strategy

33

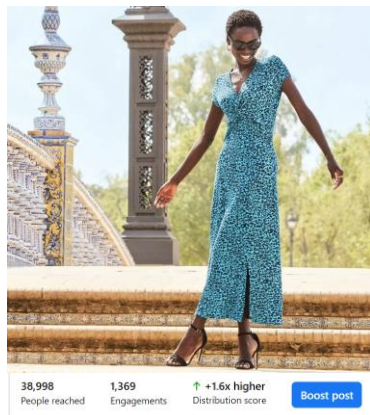
TV



Glossy Brochures



Social Media



Digital



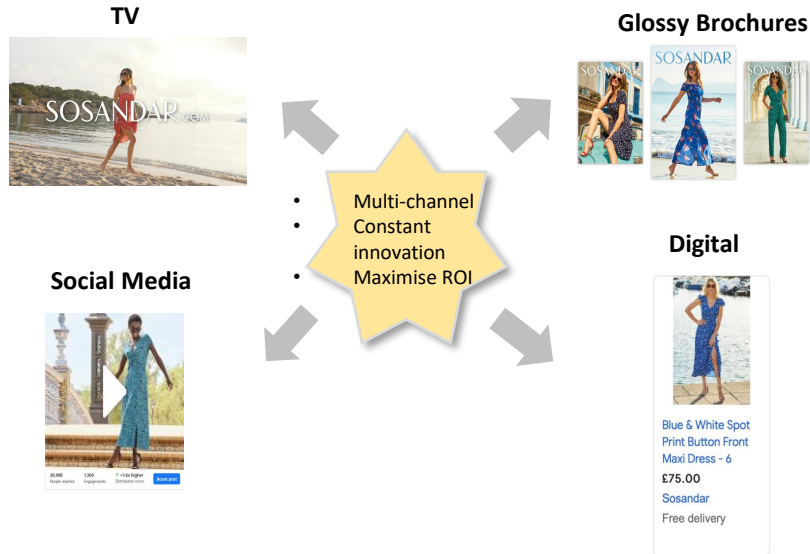
- Multi-channel
- Constant innovation
- Maximise ROI



2. Marketing

Powerful Retention Strategy

Acquisition channels also drive retention



E Mail Marketing



- Grow active customers
- Increased retention

- Industry leading open rates
- Over 50% of revenue generated directly from email clickthrough
- No cost

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2. Marketing

Zero-Cost Brand Endorsement

Celebrities



TV product placement



Third Party Partners



FASHION | GIFTS | ELECTRICALS

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Sales Channel Strategy

- Own Site growth is the anchor to success
- We work with strategically chosen 3rd parties
- Working with large retailers where we can grow rapidly
- Strategy is to scale existing channels – own site and third parties
- Future overseas expansion



Supply Chain Strategy



Suppliers - Further expansion & country diversification, margin growth, ethical compliance, sustainability



Shipping - Balancing risk, margin, environmental impact, speed and efficiency




Warehousing and delivery - Efficiency, speed, scalable, reliable

An Exciting Future Ahead

- Strong start to new financial year
- Increasingly ageless society presents ever-growing opportunity
- Navigated very challenging trading conditions in pandemic and grown revenue massively and moved into profit
- Achievements have been down to capitalising on the opportunity, strategy and execution
- Clear strategy in place to deliver next stage of growth



A smiling woman with short dark hair, wearing large gold-rimmed sunglasses and a white textured knit top, stands in front of a fruit stand. The stand is filled with various fruits like oranges, lemons, and pineapples. A blue metal railing is visible behind her. The background shows a rustic outdoor setting with wooden structures and plants.

I want to say, your designs are utterly gorgeous, chic and sophisticated, as if tailor made. I am becoming addicted to your site!

YVONNE, Sosandar customer

*A new era for style
I discovered Sosandar through a friend when I admired her dress at a Christmas do Dec 2021. I have not looked back! Bye bye Boring fashion and Hello Sexy Sosandar. I feel confident, and sexy when I wear Sosandar.*

CLARE, Sosandar customer

Thank You !