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ASX release

EziBuy – Strategic Review and outcome.

Mosaic Brands (“Mosaic” or “the Group”) today provides an update on EziBuy.

In recent market updates the Group has noted that the performance of EziBuy has been at odds with the strong and continued digital growth across Mosaic’s omnichannel brands.

Online sales for the Group (excluding EziBuy) now account for 23% percent of revenue and are up 68% against pre-pandemic levels.

Acquired shortly before the pandemic as part of Mosaic’s online strategy, EziBuy, which has no stores in Australia, was profitable in FY21 and FY22.

However, in-line with other predominately online brands, the return to instore shopping post the pandemic lockdowns impacted EziBuy, with total sales in the first half of FY23 down 51% compared to the prior corresponding period.

The extent of EziBuy’s sales decline, particularly in the context of the Group’s wider positive portfolio of online performance, prompted the Board to conduct a Strategic Review of its operating and cost structure.

Having considered the results of that review, the Board determined that it was in the Group’s best interests as a whole that the EziBuy business be restructured. As a result, Ezibuy has appointed Katherine Elizabeth Barnet and Damien Mark Hodgkinson as Administrators.

Mosaic intends to propose a restructure to the administrator that would see EziBuy emerge as a simplified, profitable, cash-generative online-only operation, and one that is more strongly aligned with the Group’s successful digital strategies across its other brands.

The Board believes this process to restructure EziBuy is in the best interests of the Group’s shareholders as it will improve the Group’s overall net asset position and operating cashflow.

Today’s announcement has no impact on any other of the nine retails brands within the Group’s portfolio. The brands continue to benefit from the strong return to instore shopping post covid and have delivered +18% comparable in-store sales growth for the January to March period against the prior year.

Given the aforementioned strategic review the Group does not consider it prudent to provide any short term guidance to the market.

Ends

For further information, please contact:

Chris Fogarty

FMC

+61 420 928 824

Chris@fmcchange.com

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