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Takko Fashion reports record sales and strong adj. EBITDA growth for financial year 2022/2023

Solid top and bottom-line growth in Q4 versus previous year and pre-COVID

- Adjusted net revenue growth of 17% YoY to EUR 1,223 million with a strong finish to the year with 21% growth in Q4
- Highest yearly revenue in the history of Takko Fashion
- Adjusted EBITDA at EUR 156 million and a margin of 13% representing a 26% growth YoY
- Solid available liquidity position at EUR 82 million in line with pre-COVID seasonal pattern
- New right-sized capital structure successfully secured with consensual lock up agreement between banks, bondholder and shareholder reducing debt, improving leverage and extension of maturity until 2026

Telgte, 01 June 2023. Takko Fashion, one of the leading European quality fashion discounters, today reports its key financial figures for the 2022/2023 financial year. In the last business year, Takko Fashion achieved record sales, despite persistent inflation, significantly higher operating costs, continued consumer uncertainty and a challenging macroeconomic climate, and once again has proven the resilience of its quality discount model.

For the financial year ending 31 January 2023, Takko Fashion generated an adjusted net revenue of EUR 1,223 million, up 17% compared to the previous year (FY 2021/2022: EUR 1,046 million). This amounts to the highest yearly revenue in the history of Takko Fashion. Key projects during the year drove this historic achievement and included the launch of the Takko Fashion digital loyalty programme "Takko Friends" introduced in early 2022, promotions around Takko Fashion's 40th anniversary and the relaunch of the online shop.

Takko Fashion reported solid profitability for the 2022/2023 financial year with an adjusted EBITDA of EUR 156 million and an adjusted EBITDA margin of 13%, up 26% compared to the previous year (FY 2021/2022: EUR 124 million). The

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adjusted EBITDA includes adjustments relating to COVID-19 subsidies (Ü3) received in Q4, however, even without considering the special effects of the subsidies the adjusted annual result (EUR 132 m) exceeds the figures YoY. The adjusted EBITDA increases were achieved despite an increase in operating costs by 17% caused by industry-wide inflation, including minimum wage increases in Germany and internationally higher utility and transport costs towards the end of the financial year.

In April 2023 Takko Fashion announced a new capital structure, consensually secured through a lock up agreement between shareholder, banks and bondholders that sets out a transaction to materially reduce leverage by more than EUR 250 million and extend debt maturities for further three years until 2026. Upon implementation of the transaction, Takko Fashion is ideally positioned to continue to successfully execute on its three-pillar-strategy focused on driving the expansion in core European markets, enhancing existing store's sales and margins and leveraging the connection of online sales and in-store shopping.

Tjeerd Jegen, CEO of Takko Fashion: "We are proud of the results we have achieved in a challenging year. This was only possible thanks to our customers and our teams all across Europe. We are confident that we can accelerate Takko Fashion's growth through the ongoing implementation of our strategic priorities and investments in our store network, the digital transformation and the growth of our e-commerce business."

Kurt Rosen, CFO of Takko Fashion, adds: "With the new improved capital structure, we are confident that we can strengthen Takko Fashion's growth momentum in the coming years. Our strong sales momentum and solid profitability will help us to stay fully on track with our growth strategy despite the continued challenging market environment. We will continue to manage our cost base and are well positioned to react flexibly to market challenges."

Takko Fashion continues to show solid available liquidity of EUR 82 million as per 31 January 2023, which is in line with pre-COVID seasonality.

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About Takko Fashion

Takko Fashion owns and operates almost 2,000 quality discount stores in 17 countries across Europe. In online as well as offline sales, the company offers quality fashion collections at an attractive price. As a member of the Fair War Foundation, the Partnership for Sustainable Textiles, and as a partner of the Better Cotton Initiative, Takko Fashion is committed to sustainable and responsible production conditions as well as improve cotton farming globally.

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