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ASX Market Announcements Office
ASX Limited

LOVISA HOLDINGS LIMITED (LOV) TRADING UPDATE

We would like to provide an update on the status of the company's supply chain and current trading conditions surrounding the COVID-19 outbreak.

We are pleased to update that production capacity at both our suppliers and our distribution hub in China have begun to return to normal levels, however we continue to experience delays in freight movements out of China and uncertainty in timing of supplier deliveries.

In the past week we have seen an escalation of the impact of COVID-19 across the world as the number of cases increase and governments globally take well documented actions to slow its spread, which has led to the following impacts:

- All of our stores in France and Spain have been closed since Sunday 14th March, with stores in Spain expected to remain closed until at least the end of the month, and France currently expected to remain closed until the middle of April, both as a result of a government imposed shut-down;
- All of our stores in Malaysia have been closed since Wednesday 18th March and are expected to remain closed until at least the end of the month as a result of a government imposed shut-down; and
- As at today we currently have 25 stores closed or closing across the USA as a result of local government directives for shopping malls to close which are expected to remain closed until at least early April.

All other markets are currently still open and trading, however have seen a declining sales trend with large decreases in store traffic in recent days. This, when combined with the above impacts, has resulted in a significant deterioration in sales.

The Lovisa business remains keenly focused on cost of doing business management and will be taking all actions available to manage both costs and cash flow during this period of uncertainty. We are supported by a strong balance sheet position having bought net cash of \$12.6m as at December 2019 into the second half.

We are not in a position to reliably estimate the financial impact of these events in the coming months.

As at today we are currently operating from 449 stores globally (including those that are temporarily closed), an increase of 60 stores on FY19, and whilst we may open further stores during the remainder of



the financial year where we are already on site or hold committed leases, we are actively deferring store openings as a result of the conditions noted above.

For further enquiries please contact:

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This announcement has been approved for release by the Board of Directors.