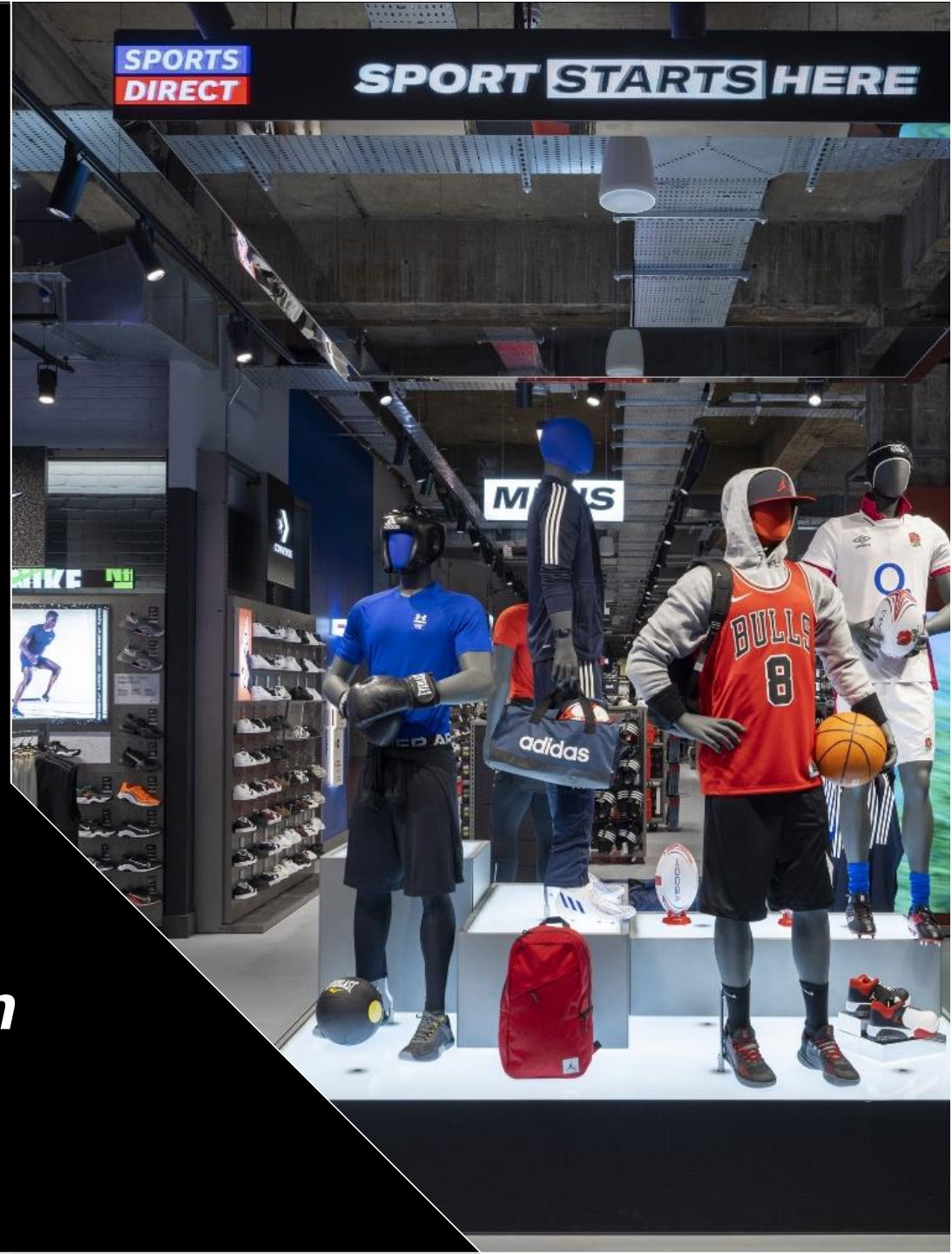


**Accent**  
Group x FRASERS  
GROUP

**SPORTS**  
**DIRECT**

## *Strategic Transaction with Fraser's Group*

15 April 2025



# Overview of strategic transaction with Frasers Group

## Key highlights

### Sports Direct Roll-out

- Accent has been granted the right to launch and operate the Sports Direct business (including online) in Australia and New Zealand for an initial 25-year term. Accent plans for an initial roll-out of at least 50 Sports Direct stores plus online over the next 6 years, and ultimately sees an opportunity for 100 plus Sports Direct stores. The initial investment in capex and opex to roll-out the Sports Direct stores will be substantial

### Brand Access

- Accent will have access to Frasers' owned brand portfolio to sell both within Sports Direct and other Accent stores including Everlast, Lonsdale, Slazenger, Karrimor, USA Pro and Hot Tuna

### Strategic Relationship

- The opportunity for Accent to operate Sports Direct in the ANZ market represents a strategically important alliance as it will allow Accent to have access to an enhanced product portfolio for consumers and provides a material new growth opportunity for Accent

### Share issue

- Frasers has agreed to subscribe for 35,186,695 new Accent shares at a price of \$1.718 per new share (representing a further 5% shareholding in Accent), with the ~\$60.4 million in proceeds to be used to fund the initial roll-out of the Sports Direct business in ANZ. The subscription price represents a 3.5% discount to Accent's closing share price on the ASX on Friday, 11 April 2025

### Timing

- Completion of each of the arrangements with Frasers is required to occur simultaneously and is expected to occur on 12 May 2025

### Further information

- Refer to slide 11 of this presentation and the ASX announcement released by Accent today for further information about the arrangements with Frasers (including the Appendix to that ASX announcement for a further summary of material terms)



# Strategic rationale

**Sports Direct is expected to expand Accent's existing ecosystem of sports and lifestyle brands in Australia and New Zealand, offering significant potential for growth.**

<b>1</b> Strategic alliance with Frasers	<ul style="list-style-type: none"> <li>• Frasers has:             <ul style="list-style-type: none"> <li>➢ International retail experience and ability to leverage key market insights</li> <li>➢ Long-term significant trading relationships with the best global sports brands, with a large portfolio of owned brands which are direct factory sourced leveraging Frasers global designs and scale</li> <li>➢ Alignment in strategy with collaborative approach to digital and retail innovation</li> </ul> </li> </ul>
<b>2</b> Operation of market leading global brand	<ul style="list-style-type: none"> <li>• Sports Direct is a leading international retailer of sports and fitness footwear, clothing and equipment</li> <li>• Sports Direct is one of the leading sporting goods retailing businesses globally</li> <li>• Trusted successful retail brand offering wide range of premium brands</li> <li>• Proven business model, performance and expansion in international markets</li> </ul>
<b>3</b> Strong strategic alignment with Accent Group	<ul style="list-style-type: none"> <li>• Strong strategic fit with expansion of existing sports and lifestyle offering</li> <li>• Complementary brand relationships and portfolios</li> <li>• Ability to integrate and expand vertical owned brands</li> <li>• Well-invested existing platform to support expansion and network growth</li> </ul>
<b>4</b> Expansion into complementary and attractive market	<ul style="list-style-type: none"> <li>• Large and growing c.A\$5bn+<sup>1</sup> addressable sports and fitness retailing market in Australia</li> <li>• Positive consumer trends, particularly rise in casual sports attire and growing awareness of the importance of regular exercise to drive ongoing industry growth</li> </ul>
<b>5</b> Creates significant opportunity for growth	<ul style="list-style-type: none"> <li>• Accent plans for an initial roll-out of at least 50 Sports Direct stores over the next 6 years, leveraging the brands proven operating model in the UK, Europe and South-East Asia, with an opportunity for 100 plus Sports Direct stores in ANZ over time</li> </ul>

1. Source: Company estimates





# 1 Frasers Group – Strategic partnership

Founded in 1982, Frasers Group today operates a diversified portfolio of sports, fitness, premium lifestyle and luxury stores.

## Business model

“To provide consumers with access to the world’s best sports, premium and luxury brands by building the planet’s most admired and compelling brand ecosystem”

Brands	Digital	Physical
<ul style="list-style-type: none"> <li>Focus on building excellent relationships with brand partners, unlocking the best products and experiences</li> <li>Powerful brand offering with the aim to offer unrivalled choice and value, and drive growth through meaningful partnerships and brand collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Building a sector-leading digital ecosystem where consumer value is created through seamless and innovative experiences of the world’s best brands</li> <li>Unique multi-channel experiences and enhanced digital design to elevate the consumer shopping experience</li> </ul>	<ul style="list-style-type: none"> <li>Elevation and expansion of the physical store portfolio is a fundamental part of Fraser Group’s strategy and legacy</li> </ul>

**Proven track record  
and highly successful  
business model**

**Strong relationships  
and strategic partner of  
choice to global brands**

**Continued  
strengthening of brand  
partnerships through  
onboarding of new  
premium brands**

**Demonstrated  
international expansion  
strategy and unique  
insights across Europe  
and Asia**



USA PRO



**SPORTS  
DIRECT**

**FLANNELS**

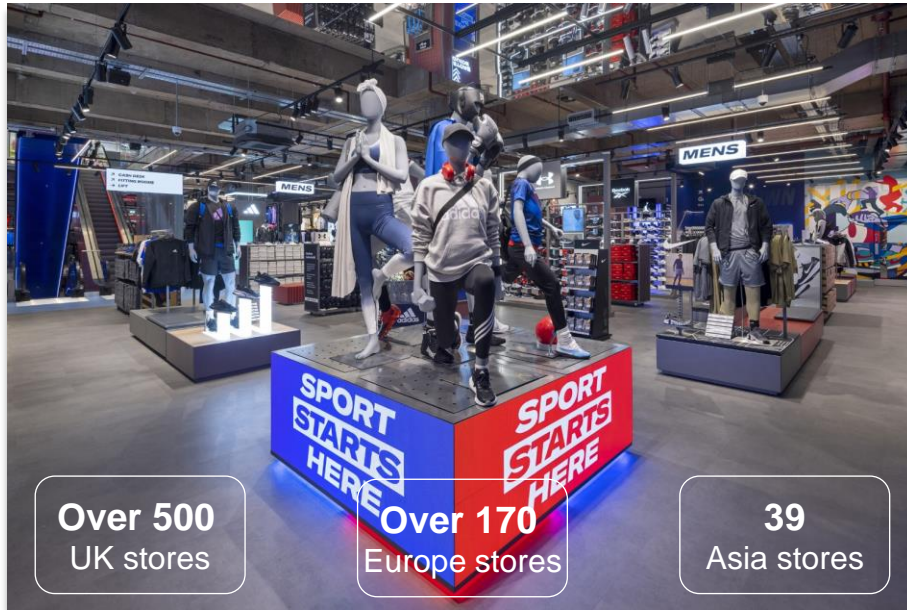
HOUSE OF  
FRASER  
SINCE 1849



**EVERLAST**  
GYMS



## 2 Sports Direct – A market leading global sports retailer



### Wide range of complementary premium brands



### Sports Direct – Highlights

Global strategic partner for the world's leading sports brands

Wider variety of sports, athleisure and sports fashion products at affordable prices compared to competitors

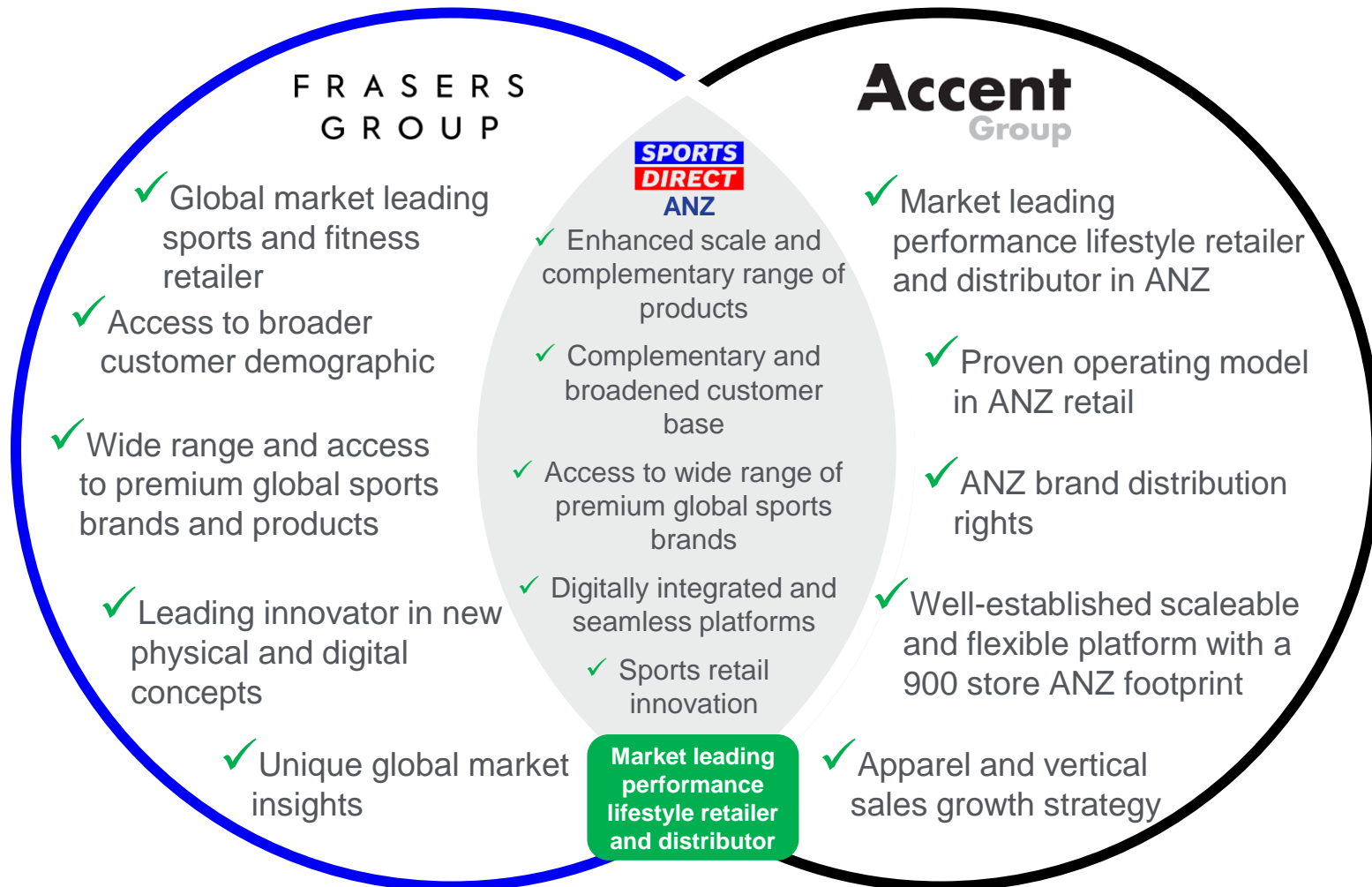
Existing strong global brand recognition which builds trust and value perception

Innovative store designs providing an engaging customer shopping experience blending physical and digital experiences

Ability to attract a broader customer base and maintain customer loyalty

### 3 Strategic alignment with Accent Group

The Sports Direct expansion will be complementary to Accent, expanding its market position in the performance lifestyle market across Australia and New Zealand.



### 3 Sports Direct brand portfolio

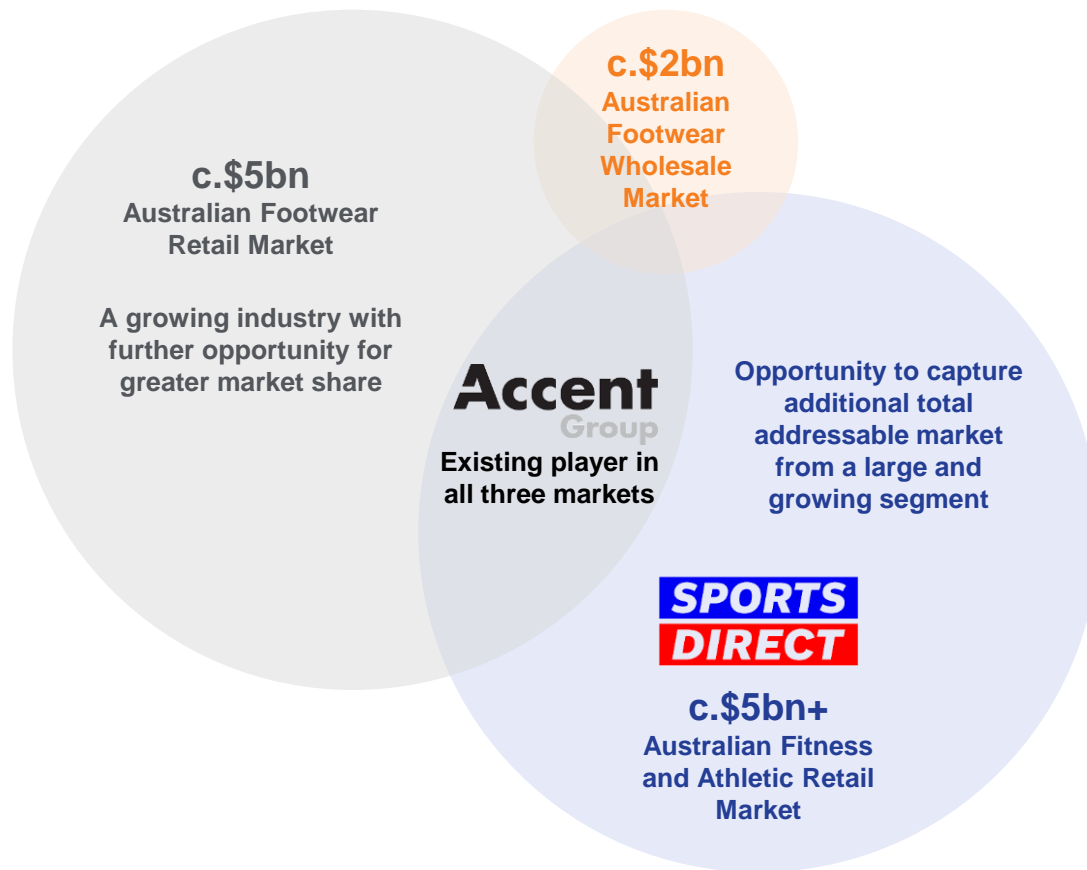
The alliance will see Sports Direct ANZ having access to a market leading portfolio of brands leveraging the strength of Frasers and Accent's brand relationships globally and in Australia.



Notes: (1) Select brands shown.

## 4 Expansion into complementary and attractive market

Accent Group is an existing player in the fitness and athletic market. The expansion of Sports Direct will further increase its market share and opportunities for growth.



### Positive consumer trends

Rising health consciousness and growing awareness about the importance of regular exercise driving demand for sports apparel

Rising demand for premium, high-quality sportswear that is both functional and fashionable

Innovation and new performance features driving new product development

Technology fostering a strong sense of community and connectivity fostering integration and fitness engagement

Contemporary shift in consumer preferences driving interest in wearing activewear as streetwear or casual wear

Source: Company estimates.

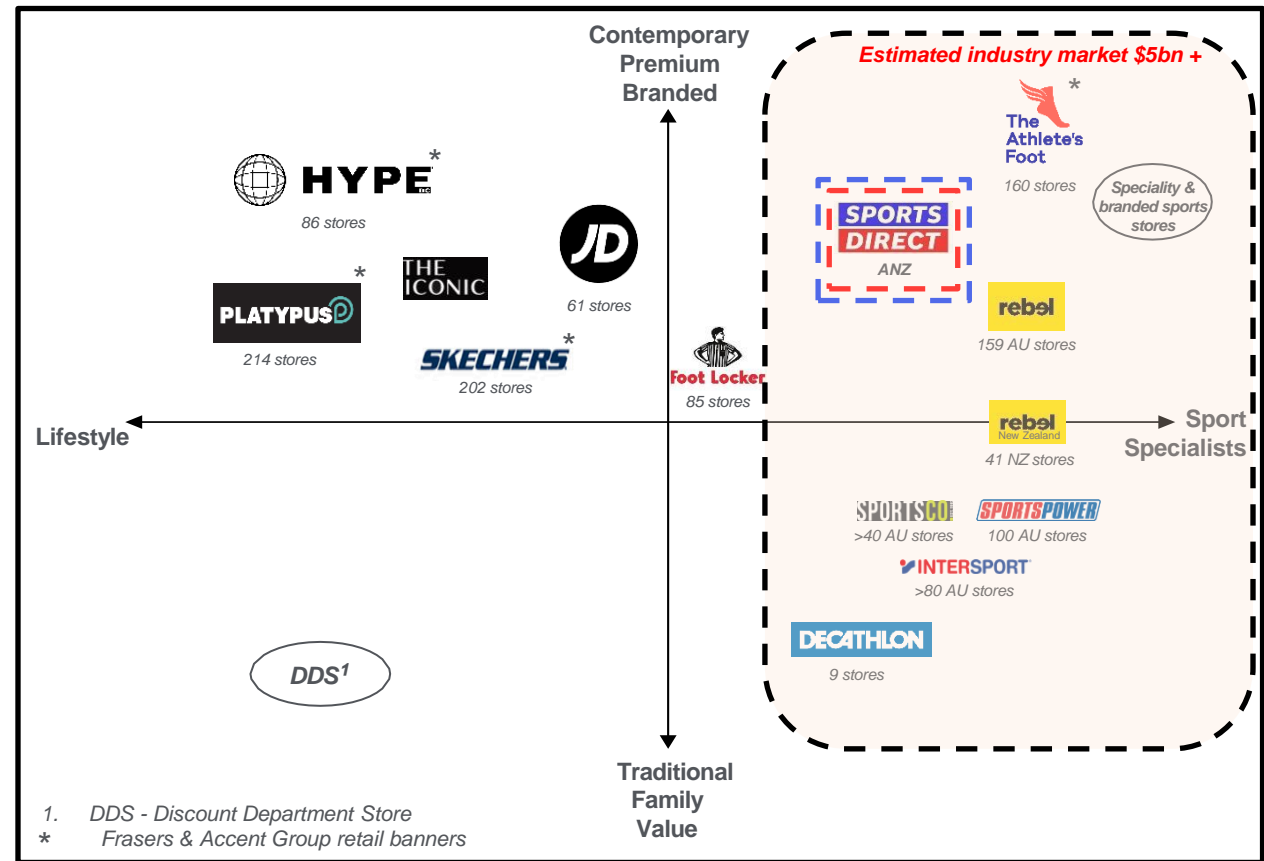




# 4 Australia and New Zealand market

## Commentary

- Accent Group is already a major market participant in the Sports & Lifestyle segment
- Sports Direct aims to secure a substantial share of the \$5 billion+ ANZ fitness and athletic retail market
- This strategic alliance will further strengthen Accent's presence in the sports footwear, apparel, equipment, and accessories market



Source: Company filings and websites.

## 5 Significant growth opportunity

### Sports Direct store roll-out\*

- Accent's intention is to build a significant Sports Direct business in the ANZ market
- Store roll-out of at least 50 Sports Direct retail stores (and online) in the next 6 years
- Market opportunity for 100 plus stores over time
- Stores to include market leading global sport brands, Frasers owned brands and Accent distributed brands
- Attractive expected near-term return metrics
- Accent anticipates that there will be substantial capital and operating investments required to launch the Sports Direct business. The subscription proceeds from the new share issue to Frasers of approximately \$60.4 million will be used to fund the initial roll-out the Sports Direct business in ANZ

\* Refer to the ASX announcement released by Accent today for further information about the store roll-out requirements and associated termination rights and consequences



# Key transaction details

<b>Retail Licence Agreement to launch Sports Direct in ANZ</b>	<ul style="list-style-type: none"> <li>• Accent and Frasers have entered into a long-term strategic agreement whereby Accent will launch and operate the Sports Direct retail and online business in Australia and New Zealand (<b>ANZ</b>) for an initial term of 25 years</li> <li>• Accent will have access to Frasers owned-brand portfolio to sell both within Sports Direct and other owned Accent banners</li> </ul>
<b>Subscription Agreement funds to be used to roll out Sports Direct in ANZ and key terms</b>	<ul style="list-style-type: none"> <li>• Accent has entered into a Subscription Agreement whereby Frasers will subscribe for 35,186,695 new shares (representing a further 5% shareholding in Accent) at a price of \$1.718 per share (representing a 3.5% discount to Accent's closing share price on the ASX on Friday, 11 April 2025)</li> <li>• This will result in Frasers having an aggregate relevant interest of 19.57% of the issued shares in Accent</li> <li>• The share issuance will generate approximately \$60.4 million of cash which will be used to fund the initial roll-out of the Sports Direct business in ANZ</li> <li>• The Subscription Agreement also includes a standstill arrangement whereby Frasers relevant interest in Accent's shares cannot exceed 26% for the 3 years after completion of the new share issuance, subject to certain prescribed exceptions</li> <li>• Frasers has also agreed during the same 3-year period, to not requisition a general meeting of Accent or propose a resolution to appoint or remove a director to or from the Accent Board, unless agreed by Accent and recommended by majority of the Accent directors, subject to certain prescribed exceptions</li> <li>• After completion of the new share issue, Frasers will have the right to appoint a nominee director to the Accent Board, provided Frasers maintains a relevant interest in at least 15% of Accent's shares (excluding certain relevant interests). This right will be satisfied by Dave Forsey's existing appointment</li> </ul>
<b>Royalties and Minimum Royalty Guarantee (MRG) payments</b>	<ul style="list-style-type: none"> <li>• Accent will be required to pay certain prescribed royalties to Frasers based on sales volumes</li> <li>• After 31 December 2028, Accent has agreed to pay Frasers an annual MRG which is based on a percentage of forecast sales and a prescribed minimum Frasers branded products mix percentage. Consistent with the size of the opportunity, the MRG payments are material and subject to various conditions which may amount to a minimum of approximately \$100 million over the initial 25-year term. If certain events occur prior to 31 December 2028 (including a change of control of Accent to a competitor of Frasers), the MRG instead commences from the occurrence of the relevant event</li> </ul>
<b>MySale</b>	<ul style="list-style-type: none"> <li>• The arrangements with Frasers also involve Accent acquiring Frasers' discount online fashion marketplace (and related websites), MySale, to consolidate Frasers' Australian operations into Accent and extend Accent's online presence</li> <li>• This is intended to be used as an outlet channel for Sports Direct and other Accent brands</li> </ul>
<b>Timing and further information</b>	<ul style="list-style-type: none"> <li>• Completion of each of the arrangements with Frasers is required to occur simultaneously and is expected to occur on 12 May 2025</li> <li>• Refer to the ASX announcement released by Accent today for further information about the arrangements with Frasers (including the Appendix to that announcement for a summary of material terms)</li> </ul>

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