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Brand Architekts Group PLC

("Brand Architekts" or the "Company" or the "Group")

Trading Update

Brand Architekts Group plc, a challenger British Beauty brand business, announces an update on trading for the 52 weeks to 30 June 2022.

Group sales for FY22 are expected to be c.£14.2 million (FY 2021: £15.9m), a decrease of 11% as the Group navigated the challenging external environment and the impact of reduced consumer confidence on demand. Excluding the contribution from Innovaderma, which was successfully acquired on 31 May 2022 and which delivered £0.8m of sales in June, organic sales decreased 16% on the prior year. Given the challenging trading environment the Group generated an operating loss in the second half in line with that reported in the first half but was also impacted by lower revenue in the period. The Group retains a net cash position of c£11.3m at the year end (after the payment of the cash consideration to acquire Innovaderma and the majority of the associated transaction costs).

During the period the Company successfully relaunched seven brands in September & October 2021 (Dr Salts; Root Perfect; Argan +; SenSpa; Kind Natured; Happy Naturals; Beautopia) and was pleased with a resilient performance from its three largest brands, Skinny Tan, Super Facialist and Dirty Works.

Following the acquisition of Innovaderma, the combined Group is of greater scale with strong financial foundations and a number of complementary competencies.

Notwithstanding difficult market conditions and inflation headwinds the management team are now focused upon realising both the strategic and financial benefits of the newly transformed Group. The immediate priorities that lie ahead are implementing an effective integration plan, increasing international expansion and delivering both companies' strategies through the experiences and success of its online presence as well as the Group's retailer customer base.

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