

Samarkand Group Ltd

("Samarkand", the "Company" or together with its subsidiaries the "Group")

Trading Update

(1) Trading Update

Samarkand Group (JPJ: SMK), the consumer brand owner, provides a trading update for the year ended 31 March 2025 ("FY25").

Group top line revenues are expected to have decreased in the range of 30% to 35% vs prior year as the Group reconfigured its operations around its profitable owned brands and withdrew from unprofitable and non-strategic activities. Adjusted EBITDA losses are expected to be in line with prior year, despite lower revenues as a result of extensive restructuring actions which took place in the year.

The Group undertook significant restructuring and reconfiguration in the course of FY25 as it shifted focus to concentrate on its owned brands which are sold primarily in the UK and withdrew from Chinese cross border eCommerce distribution activities for third party brands. Underlying growth in our portfolio of owned brands in the UK was in the range of 30% to 35% vs prior year.

The Group is now clearly positioned as a brand owner and is fully focused on growing its portfolio of differentiated, high growth, owned brands, **Napiers the Herbalists**, **Zita West** and **Natures Greatest Secret**. Our portfolio of owned consumer brands has maintained strong momentum with sales growth in the region of 30% across the portfolio vs prior year and contribution margins improved materially as a result of gross margin improvements and operating leverage across the portfolio.

Napiers the Herbalists, our natural herbal health and healing apothecary brand grew revenues in the UK, in the range of 40% to 50% vs prior year, boosted by natural herbal skin care innovation and the establishment of a strong omni-channel presence spanning our original Apothecary store in Edinburgh, Napiers DTC eCommerce site, social commerce channels and eCommerce marketplaces such as Amazon.

Zita West our specialist supplement product line for fertility and reproductive health, grew revenues in the UK in the range of 20% to 25% vs prior year as a result of high levels of customer retention and higher growth in new customers engaging with the Zita West DTC proposition as well as the incremental contribution from new products targeted at specific fertility needs introduced in the period.

Natures Greatest Secret, our specialist colloidal silver-based brand which was acquired in May 2024 performed strongly in the year with growth in the range of 80% to 90% as we made improvements to the DTC site and Amazon marketplace operations.

The Group cash position has remained stable in recent months as a result of strong growth in our owned brands, withdrawal from unprofitable operations, and other actions taken to improve working capital across the business.

(2) Future Outlook

With a clear focus on our profitable owned brands, encouraging top line momentum and improvements in gross margins and a restructured cost base as well as higher levels of operating efficiency, we enter FY26 in a better position than prior year. Reaching consistent monthly profitability remains our primary goal and early indications are that we are on track to achieve this in FY26.

We estimate that April 2025, the first month of our new financial year, will be a breakeven month as a standalone brand owning business, operating as a private company and expect May to follow a similar pattern.

David Hampstead, Chief Executive Officer of Samarkand Group, commented: "I am very pleased with the growth momentum we are generating on our owned brands and our progress towards overall profitability. We are now a simpler, more focused business, fully concentrated on driving profitable growth in our owned brands.

Our brands resonate with consumers and customers, are meaningfully differentiated vs the competition, are well positioned on long term growth segments and enjoy healthy unit economics. Run rate revenues for our owned brand portfolio are in the range of £8.0 to £9.0 million and we see strong potential for further growth and development in our portfolio of owned brands."

For more information, please contact:

Samarkand Group

<https://samarkand.global/>

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Samarkand is a consumer brand owner operating a scale up platform for meaningful different, high growth, high potential health and healing brands. Owned brands include Napiers the Herbalists, Scotland's oldest natural herbal apothecary brand and Zita West, a leading specialist supplement line for fertility and reproductive health as well as Natures Greatest Secret a leading colloidal silver-based health and healing brand. Founded in 2016, Samarkand is headquartered in Tonbridge, UK

For further information please visit <https://www.samarkand.global/>

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