

ASX Announcement

COVID-19 UPDATE 19 MARCH 2020

Accent Group Limited (ASX:AX1) (**Company**) continues to actively monitor the impact of COVID-19 on its teams, trading and supply chain with the health and safety of the Company's employees and customers top of mind.

The Company has felt the impact of the COVID-19 outbreak and the unprecedented and uncertain conditions it has created. This has had a significant impact on consumer demand in the market and as such, since the middle of February, like for likes store sales have deteriorated and have been below last year with a significant decline on last year in the first 2 weeks of March.

The Company's inventory levels are well positioned and whilst there are some delays to deliveries, our suppliers have advised us that they are not expecting any material impacts.

On 19 February 2020, the Company announced its results for H1 of FY20 including an update on trade for the first 7 weeks and that, based on the achievement of low single digit LFL store sales, the Company expected to deliver profit growth in H2 of FY20.

Like for like retail sales for the first 11 weeks of H2 FY20 are down 1.2%. Of greater impact is the uncertainty as to the ongoing impact of COVID-19 on consumer demand and the Company's trading over the next few months. As such, the Company withdraws its guidance for profit growth in H2 and no longer expects to achieve profit growth in the FY20 financial year.

Accent Group CEO Daniel Agostinelli said "We are monitoring the COVID-19 situation and reviewing advice from the relevant government and health authorities daily. Foremost in our minds is the health and safety of our teams. Management is focused on trading the business, including leveraging the customer access we have through our large email database, 18 websites and flexible multichannel inventory fulfilment model. In this environment, we are also ensuring prudent management of costs including rents with landlords to ensure the business is well set up to accelerate when environmental conditions normalise".

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