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12 October 2021

ASX Market Announcements Office
ASX Limited

CEO Succession and deferral of Annual General Meeting date

Lovisa Holdings Limited (**Lovisa** or **Company**) today announces that after 12 years leading the Company, Shane Fallscheer will step down from his role as Managing Director and Chief Executive Officer, and the Board is very pleased to announce the appointment of Victor Herrero to succeed Shane as Global Chief Executive Officer of the Company.

Victor joins Lovisa with vast global experience having spent 13 years with the Inditex Group, one of the world's largest fashion retailers with 8 store formats such as Zara, Pull & Bear and Massimo Dutti. The Inditex group with over 6,000 stores in 80 markets and sales over US$25billion pioneered fast fashion retailing growing numerous brands, including Zara, around the world. During Victor's time at Inditex, he held numerous roles including Head of Asia Pacific and Managing Director Greater China and led the company's expansion through this region rolling out 800 stores across multiple countries including China and India. Victor also spent four years as CEO of global retail brand Guess based in California. Guess has over 2,000 stores across 90 markets with over 15,000 employees and annual retail sales over US$5billion. Victor was most recently Chairman and CEO of international shoe manufacturer and retailer Clarks and is also a Director of G-III Apparel Group (Nasdaq listed) and Global Fashion Group (listed on the Frankfurt Stock Exchange).

Brett Blundy, Chairman of Lovisa, said:

"I would like to thank Shane for his outstanding leadership. He was the driving force behind the creation of Lovisa in 2010 and has since then grown the business to over 550 stores, operating across 20 countries, employing over 3,000 team members and with a market capitalisation of circa A$2 billion. He has time and again proven himself to be one of the top retail leaders and will be greatly missed by all involved with Lovisa. Having worked closely with Shane for thirty years I am saddened by his decision to step down but understand the reasons behind his decision."

"Shane's decision has provided us with the opportunity to appoint an exceptional global retailer and we are excited to announce the appointment of Victor Herrero as Global CEO. Victor has an exceptional track record of driving global expansion and leading complex global retail businesses and will help us to move to the next stage of the global growth strategy of the Lovisa business. Shane hands over the business in a very strong position and the Board is excited by the opportunity to continue the global expansion under Victor's leadership, backed by his extensive global retail experience. Victor will commence in the role of Global Chief Executive Officer as soon as practical subject to current COVID restrictions, and we are pleased Shane and Victor are committed to ensuring a smooth transition."

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

Shane Fallscheer said:

"I am proud of what the Lovisa team has achieved in the past 12 years and I am very excited to pass the baton on and watch Lovisa continue its global expansion. Victor is an exceptional retailer with proven achievements in global markets and is the ideal person to continue to take Lovisa forward."

"I would like to thank all of the Lovisa team for the monumental effort and energy that has been demonstrated since we opened our first store through to the numerous markets we have today. I would also like to thank Brett Blundy and the Lovisa Board for their continual support and guidance. I am sure this is just the start of where Lovisa will go in the future."

Victor Herrero said:

"This is an amazing time to be joining the Lovisa business, and I look forward to continuing to drive it forward with the same passion and momentum that has gotten the business to where it is today. I would like to thank Shane for agreeing to help ensure a smooth transition and for his exceptional efforts to lead the company to its current strong position, and I look forward to the great opportunity we now have to further drive the company's strategic goals."

Shane will continue as CEO until Victor's arrival and will remain available to support a smooth transition leading into the Christmas trading period, however will step down as a Director effective 14th October 2021 to allow for Victor to be appointed as a Director of the Company with effect from that date.

Details of the key terms and remuneration under Victor's employment contract are included at Attachment 1.

Annual General Meeting Date deferral

As a consequence of the changes noted above, the Board has decided that the Lovisa Annual General Meeting currently scheduled for 14th October 2021 will be deferred so that shareholders can have sufficient time to consider the Amended Notice of Meeting, which makes the following changes to the business of the meeting:

- Removal of Item of business no. 4 which dealt with the approval of Shane Fallscheer's LTI Grant for FY22; and
- Insertion of a new Item of business no. 5 in relation to the approval by shareholders of Victor Herrero's LTI Grant for FY22 to FY24.

All other items of business remain the same. To allow for the required notice period prior to the meeting, the date of the AGM has been amended to 4.30pm on Monday 22nd November 2021 as set out in the Amended Notice of Annual General Meeting to be issued to shareholders shortly. The meeting will be held as a virtual meeting as originally planned.

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For and on behalf of the Board of Directors



Brett Blundy
Chairman

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ATTACHMENT 1

Summary of material terms and conditions of employment of Victor Herrero

<table>
<tr><td>Commencement</td><td colspan="6">Victor will be appointed as a Director of the Company with effect from 14th October 2021 and will commence as Global Chief Executive Officer as soon as practical subject to current COVID restrictions.</td></tr>
<tr><td>Term</td><td colspan="6">No fixed term, ongoing until terminated by either party in accordance with the employment contract.</td></tr>
<tr><td>Fixed Remuneration</td><td colspan="6">US$1,300,000 per annum (subject to annual review)</td></tr>
<tr><td>Sign-on Incentive</td><td colspan="6">A$1,000,000 payable within 30 days of appointment, with the after-tax amount to be used to acquire shares in Lovisa as soon as practicable after receiving such amount, subject to the Group's Policy for Dealing in Securities. If Victor's employment is terminated by the company for Cause or by Victor without Good Reason within 12 months of commencement, the sign-on incentive must be repaid to the Company and/or associated acquired shares forfeited.</td></tr>
<tr><td>Short-Term Incentive (STI)</td><td colspan="6">Nil</td></tr>
<tr><td>Long-Term Incentive (LTI)</td><td colspan="6">Subject to shareholder approval, Victor shall be eligible to participate in the Group's Long Term Incentive Plan as amended and restated from time to time. He will be entitled to an initial 3-year LTI Grant vesting annually over its 3 year term including a Cash Award and a Performance Rights component, with the number of Performance Rights to be granted under the award determined at the date set out in the table below (Grant Date), assuming shareholder approval is obtained. The table below sets out the maximum LTI opportunity for each performance period, split between a Cash Award and Performance Rights. The number of Performance Rights to be granted to Victor will be determined on the Grant Dates specified below and will be determined by dividing the proposed grant value by the 30-day volume weighted average price (VWAP) of the Company's Shares at the relevant Grant Date specified below (Fair Value).</td></tr>
<tr><td></td><td>Tranche</td><td>End of Performance Period</td><td>Date number of Performance Rights determined and Grant Date</td><td>Maximum Value of Performance Rights to be Granted (AUD)</td><td>Maximum Cash Award Opportunity (AUD)</td><td>Total Maximum LTI Opportunity (AUD)</td></tr>
<tr><td></td><td>Tranche 1</td><td>03-Jul-22</td><td>Day after 2021 Annual General Meeting</td><td>8,400,000</td><td>3,600,000</td><td>12,000,000</td></tr>
<tr><td></td><td>Tranche 2</td><td>02-July-23</td><td>04-Jul-22</td><td>24,400,000</td><td>3,600,000</td><td>28,000,000</td></tr>
<tr><td></td><td>Tranche 3</td><td>30-Jun-24</td><td>03-Jul-23</td><td>24,400,000</td><td>3,600,000</td><td>28,000,000</td></tr>
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<table>
<tr><td>Long-Term Incentive (LTI) (continued)</td><td colspan="4">The performance hurdles for each LTI tranche are set out below, with performance against the EBIT hurdles to be tested at the end of each Performance Period and based on EBIT before the share based payments expense recognised in the period associated with the LTI grants.</td></tr>
<tr><td></td><td>EBIT Hurdle (pre LTI) (A$m)</td><td>Cash Award Amount (A$m)</td><td>Value of Performance Rights that Vest (based on value per right at Grant Date) ($Am)</td><td>Total LTI Award value (based on value of Performance Rights at Grant Date) ($Am)</td></tr>
<tr><td rowspan="6">Tranche 1 (vesting based on performance against EBIT Hurdle for FY22)</td><td><65.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr>
<tr><td>65.0</td><td>1.5</td><td>1.5</td><td>3.0</td></tr>
<tr><td>70.0</td><td>1.75</td><td>1.75</td><td>3.5</td></tr>
<tr><td>80.0</td><td>2.5</td><td>2.5</td><td>5.0</td></tr>
<tr><td>95.0</td><td>3.6</td><td>5.4</td><td>9.0</td></tr>
<tr><td>105+</td><td>3.6</td><td>8.4</td><td>12.0</td></tr>
<tr><td rowspan="7">Tranche 2 (vesting based on performance against EBIT Hurdle for FY23)</td><td><90.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr>
<tr><td>90.0</td><td>1.0</td><td>1.0</td><td>2.0</td></tr>
<tr><td>95.0</td><td>1.5</td><td>1.5</td><td>3.0</td></tr>
<tr><td>100.0</td><td>2.5</td><td>2.5</td><td>5.0</td></tr>
<tr><td>110.0</td><td>3.6</td><td>4.4</td><td>8.0</td></tr>
<tr><td>115.0</td><td>3.6</td><td>8.4</td><td>12.0</td></tr>
<tr><td>120.0</td><td>3.6</td><td>14.4</td><td>18.0</td></tr>
<tr><td>130+</td><td>3.6</td><td>24.4</td><td>28.0</td></tr>
<tr><td rowspan="7">Tranche 3 (vesting based on performance against EBIT Hurdle for FY24)</td><td><95.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr>
<tr><td>95.0</td><td>2.0</td><td>2.0</td><td>4.0</td></tr>
<tr><td>100.0</td><td>3.0</td><td>3.0</td><td>6.0</td></tr>
<tr><td>110.0</td><td>3.6</td><td>5.4</td><td>9.0</td></tr>
<tr><td>125.0</td><td>3.6</td><td>10.4</td><td>14.0</td></tr>
<tr><td>140.0</td><td>3.6</td><td>18.4</td><td>22.0</td></tr>
<tr><td>155+</td><td>3.6</td><td>24.4</td><td>28.0</td></tr>
<tr><td></td><td colspan="4">Calculation of the EBIT Hurdle and achievement against the EBIT Hurdle will be determined by the Board (or a committee of the Board) in its reasonable good faith discretion, having regard to any matters that it considers relevant.

The number of Performance Rights that vest will be calculated by dividing the value of the Performance Rights that vest as specified above by the Fair Value of each Performance Right for that Tranche as calculated at the Grant Date.

Upon Vesting of the Performance Rights and conversion to shares, the shares will be subject to a 12-month holding restriction period (this does not apply to the Cash component).</td></tr>
<tr><td>Notice Period</td><td colspan="4">Either party may terminate the employment contract by providing 30 days' written notice, unless Victor is terminated by the Company for “Cause”, in which case there is no notice period. Termination for “Cause” includes serious misconduct, wilful and continuous failure to perform duties, and material breach of the employment contract.</td></tr>
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Payments on Termination	Where Victor's employment is terminated by the Company without Cause or by Victor for good reason, he may be eligible for a termination payment equal to 1 year's base salary, along with any LTI applicable to the current performance year remaining outstanding and subject to its applicable performance hurdles. Where Victor's employment is terminated for Cause by the Company or by Victor without good reason, no termination benefits are payable and all unvested LTI rights will immediately lapse.
Post-employment	Victor is subject to post-employment non-solicit and non-compete restraints for a maximum of two years commencing from the end of his employment.

Victor's Contract of Employment otherwise includes provisions customary to a role of this nature.

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