

29 March 2018

Sosandar plc
(formerly Orogen plc) (the "Company")

Interim Results
for the 9 months ended 31 December 2017

Sosandar PLC (AIM: SOS.L), the online women's fashion brand, announces its unaudited interim results for the nine months ended 31 December 2017. On 2 November 2017 Sosandar was admitted to trading on the AIM market of the London Stock Exchange following a reverse acquisition of Thread 35 Ltd by Orogen plc.

Financial Highlights

The table below highlights financial performance for the 9 months to 31 December 2017 and prior year comparative.

	9 Months ended 31 December 2017	9 Months ended 31 December 2016*
Revenue	£861,443	£140,818
Gross Profit	£408,883	£71,991
Gross Margin	47.5%	51.1%
Operating Loss	£(2,129,632)	£(1,000,824)
EBITDA	£(2,023,632)	£(994,826)

*The Sosandar website went live in September 2016.

Operational Highlights

	9 Months ended 31 December 2017	9 Months ended 31 December 2016*
Sessions	983,933	320,882
Conversion rate	1.93%	0.89%
Number of orders	19,002	2,858
Average order value	£96.25	£95.69
Facebook Followers	31,354	8,587
Instagram Followers	6,560	240
Customer Database	36,328	3,713

*The Sosandar website went live in September 2016.

Ali Hall and Julie Lavington, Joint CEOs, commented:

"We are delighted with the progress being made within the business, which continues to exceed management expectations. Awareness of Sosandar is growing ever stronger and the coverage and recognition that our products receive is promising for a brand so early in its lifecycle.

"The fundraising in November has enabled us to increase our product range and we are already seeing good traction in our higher price point categories, including leather, outerwear and footwear. Our target market is affluent and has been long underserved and we continue to look forward to the future with great confidence."

Enquiries

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About Sosandar PLC

Sosandar is an online womenswear brand specifically targeted at a generation of women who have graduated from younger online and high street brands, and are looking for affordable clothing with a premium, trend-led aesthetic. Based on previous experience within the UK fashion industry and their understanding of the target demographic, this is a section of the market that the Company believes is currently being overlooked.

Sosandar was launched on 19 September 2016 following ten months of preparation that included building the management team, designing the initial Sosandar range, sourcing suitable suppliers, appointing a logistics provider and building the website. The Sosandar business model is built around using trend-led, in house designs that are sourced from a variety of global suppliers to cater for a growing market of fashion conscious women, while utilising an outsourced logistics provider that can support its planned growth over the coming years.

Sosandar's founders are Alison Hall and Julie Lavington, who have previously worked together at high street fashion and celebrity style magazine *Look*, as editor and publishing director respectively. They have a combined experience of over 35 years in the media and fashion industries, including in the design of fashion ranges for some of the UK's high street retailers, including Debenhams, Office, Oasis and JD Williams.

More information is available at www.sosandar.com

Introduction

In March 2017 Sosandar plc (formerly Orogen plc) ("the Company") announced its intention to dispose of its mineral assets with a change of strategy and plans to become a cash shell.

In May 2017 the Company announced the suspension of trading in its shares on AIM and the proposed acquisition of Thread 35 Ltd ("Sosandar") which culminated in the announcement on 2 November 2017 of the acquisition of the entire issued share capital of Sosandar and the re-admission of the Company to AIM at a market capitalisation of £16.1m. At the time of admission, the Company raised £5.3m before expenses by means of a placing.

About Sosandar

Sosandar was successfully launched in September 2016 after 10 months of extensive preparation including building a product range, website, management team, supplier and logistic network from scratch.

Its inception was the result of the founders' combined 35 years' experience in the media and fashion industries where they identified an increasingly growing market of women who have graduated from other online high street brands and were now looking for affordable clothing with a premium, trend-led aesthetic but felt largely underserved.

Since its launch, the brand has been well received. As a result the business has experienced consistent growth in orders, aided by increasing social media and email databases and an audience that is responding well to a combination of product and content.

Brand engagement has not been limited to customers; Sosandar has been well received by celebrities, social media influencers and the fashion press. The Company's products have been worn by the likes of Holly Willoughby and Fearne Cotton and included in style sections of This Morning TV and the Sunday Times, which is a notable achievement for a brand so early in its lifecycle.

Post fundraising

The fundraising has enabled the business to build on its positive start, expanding the product range and stock levels of popular products to make sure there is sufficient supply for growth. The funds have also provided working capital to begin testing on new acquisition channels and continued investment in digital platforms and initiatives.

As a result, since its admission to AIM, the business has experienced improvements across a range of KPIs including website sessions, conversion rates and average order values which have enabled top line growth to exceed management expectations. There are also promising signs of how these customers are repeat ordering which provides a strong baseline for future performance.

Economies of scale that come with increasing order quantities will be leveraged to improve margins on proven products alongside continued investment in product range expansion and accumulating data on customer preferences to enhance future design.

Similarly, investment will continue in testing new marketing initiatives utilising the data available on top performing customers to identify the channels that yield customers with the greatest long-term value whilst continually improving efficiencies in the areas that have proved successful to date.

Investment will also continue across web and digital platforms to enhance customer experiences and frictionless online journeys through analysis of customer shopping habits.

Once a foothold has been established in the UK online women's fashion market, longer term opportunities exist to expand geographically into international markets and to provide complementary products outside of womenswear and the business continues to research these areas to identify value generating opportunities.

Financial Overview

The table below highlights financial performance for the 9 months to 31 December 2017 and prior year comparative.

	9 Months ended 31 December 2017	9 Months ended 31 December 2016*
Revenue	£861,443	£140,818
Gross Profit	£408,883	£71,991
Gross Margin	47.5%	51.1%
Operating Loss	£(2,129,632)	£(1,000,824)
EBITDA	£(2,023,632)	£(994,826)

*The Sosandar website went live in September 2016. Prior to this the Company had no revenues.

The business is focused on expanding its customer base and building the brand awareness through development of exceptional product and a seamless customer experience. The below represent the key KPIs for both order performance and engagement:

	9 Months ended 31 December 2017	9 Months ended 31 December 2016*
Sessions	983,933	320,882
Conversion rate	1.93%	0.89%
Number of orders	19,002	2,858
Average order value	£96.25	£95.69

	As at 31 December 2017	As at 31 December 2017
Facebook Followers	31,354	8,587
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Customer Database	36,328	3,713

*The Sosandar website went live in September 2016.

- The number of visitors has increased year on year but most importantly the business is attracting relevant traffic through increased understanding of our customer and focused advertising. This increased focus has helped improve conversion rate which has more than doubled and helps the efficiency of marketing spend.
- By driving relevant traffic to the website the business has also been able to avoid discounting and protect average order value.
- The database growth enables the use of data led, personalised communications to engage with both customers and those prospects who did not purchase immediately. They also provide platforms to promote the brand identity and new product in a cost-effective way helping to reduce longer term cost of acquisition.
- The data available in the business is growing rapidly and being used to enhance lifetime values, repeat rates and active customer KPIs but the age of the business means that comparatives are not yet available.

Ali Hall and Julie Lavington, Joint CEOs, commented

"We are pleased to report strong trading ahead of expectations for the 9 months to the end of December 2017. The business is trading ahead on KPIs, as well as achieving strong PR coverage and a level of brand engagement that is notable for such an early stage business.

Orders, average order value, traffic and conversion are all performing ahead of expectations. We are seeing strong growth in both new customer acquisition and repeat order rates.

Sosandar's target demographic has responded positively to the brand and we continue to secure a highly affluent customer demographic. The underserved market that we have identified is responding well to our unique in-house designs and prints, the quality of our products across clothing and footwear, the desirability of the Sosandar brand and the keen price point.

PR coverage continues to go from strength to strength across all forms of national media from national newspapers such as The Times and The Daily Mail, to regular coverage on ITV. Celebrity endorsements have accelerated with our clothes being worn by a host of celebrities. In addition, a growing tide of fashion influencers are embracing the brand in their Instagram posts.

The decision to invest deeper in marketing and in the highest calibre of photography and video has accelerated our growth rate and has put us in a strong position as we enter our next year of trading. We are already seeing encouraging early spring trading that has been unaffected by the poor weather, which is testament to the brand's growing momentum.

Additionally we have invested in broadening the product range and have seen excellent rates of sell through including higher price point items such as leather, outerwear and footwear.

We have also seen the benefit of building a mobile first platform with consumers increasingly shopping on smartphones.

In addition, we are proud of our great customer service and first-class logistics operated by Clipper.

Moving forward our three-tiered approach is to broaden the range, buy deeper, and engage in a more diversified marketing strategy while focusing on data driven marketing efficiencies and digital investment to improve customer journeys.

We believe that the results to date demonstrate considerable potential and opportunity in this underserved market. Sosandar's unique offering and market positioning puts us in a very strong position to achieve another year of very strong growth in 2018.

Since our admission to AIM on 2 November 2017, we have seen an encouraging acceleration of our business and the new funds raised have allowed us to ramp up marketing investment and has seen a substantial acquisition of customers. This increased momentum has delivered new customers, repeat orders and total revenues ahead of forecast, in particular November 2017 and December 2017 were very strong and this momentum has continued into the first three months of this year. We will continue to invest in our marketing and digital strategy and look forward to further substantial growth."

Results

In considering the financial extracts below, you should have regard to note 2 which explains the basis of preparation of the interim results for the Group.

Consolidated Statement of Comprehensive Income

For the period to 31 December 2017

	Notes	9 months to 31 December 2017 Unaudited £'000	9 months to 31 December 2016 Unaudited £'000	17 Months to 31 March 2017 Audited £'000
Continuing operations				
Revenue		861	141	278
Cost of sales		(452)	(69)	(173)
Gross profit		408	72	105
Administrative expenses		(2,538)	(1,076)	(1,931)
Operating loss		(2,130)	(1,004)	(1,826)
Deemed cost of reverse		(1,439)	-	-
Reverse acquisition cost		(1,539)	-	-
Finance income		-	3	3
Loss before income tax		(5,108)	(1,001)	(1,823)
Income tax		-	-	-
Loss for the period		(5,108)	(1,001)	(1,823)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		(5,108)	(1,001)	(1,823)
Total comprehensive loss attributable to the owners of the company		(5,108)	(1,001)	(1,823)
Loss per share	4	(5,108)	(1,001)	(1,823)
Basic & Diluted loss per share - pence		(7.44)	(0.014)	(1844)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	As at 31 December 2017 Unaudited £'000	As at 31 December 2016 Unaudited £'000	As at 31 March 2017 Audited £'000
ASSETS				
Non-current assets				
Intangibles		53	55	55
Property, plant & equipment		170	175	210
		<u>223</u>	<u>230</u>	<u>265</u>
CURRENT ASSETS				
Inventories		473	299	363
Trade and other receivables		478	36	61
Cash and cash equivalents		5,328	302	338
		<u>6,279</u>	<u>637</u>	<u>762</u>
TOTAL ASSETS		<u><u>6,502</u></u>	<u><u>867</u></u>	<u><u>1,027</u></u>
EQUITY				
Shareholders' Equity				
Called up share capital	5	1,068	1	1
Share premium		26,863	2,130	2,743
Capital redemption reserve		4,648	-	-
Share based payment reserve		630	-	-
Reverse acquisition reserve		(20,125)	-	-
Accumulated deficit		(7,107)	(1,400)	(1,999)
Total Equity		<u>5,977</u>	<u>731</u>	<u>745</u>
LIABILITIES				
Current liabilities				
Trade and other payables		525	136	282
TOTAL LIABILITITES		<u>525</u>	<u>136</u>	<u>282</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,502</u></u>	<u><u>867</u></u>	<u><u>1,027</u></u>

Consolidated Statement of Changes in Equity

For six month to 31 December 2017

	Called up Share Capital	Share premium	Capital redemption reserve	Share based payments reserve	Reverse Acquisition Reserve	Accumulated deficit	Total Equity
	£	£	£	£	£	£	£
Thread 35 Limited							
Balance at 1 April 2016	1	2,130	-	-	-	(400)	1,731
Loss for the period	-	-	-	-	-	(1,001)	(1,001)
Issued during the period	-	-	-	-	-	-	-
	<u>1</u>	<u>2,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,401)</u>	<u>730</u>
Balance at 31 December 2016							
Loss for the period	-	-	-	-	-	(598)	(598)
Issue shares during the period	-	613	-	-	-	-	613
	<u>1</u>	<u>2,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,999)</u>	<u>745</u>
Balance at 31 March 2017							
Sosandar Plc							
Balance at 30 June 2017	4,884	15,535	-	610	-	(18,032)	2,997
Loss for the period to acquisition	-	-	-	-	-	(438)	(438)
Issue of shares	832	11,328	-	-	-	-	12,160
Cancellation of shares	(4,648)	-	4,648	-	-	-	-
Reverse Acquisition reserve	-	-	-	-	(20,125)	18,470	(1,655)
Options issued in the period	-	-	-	20	-	-	20

Consolidated Statement of Cash Flows

For the period to 31 December 2017

	9 months to 31 December 2017 Unaudited £'000	9 months to 31 December 2016 Unaudited £'000	17 Months to 31 March 2017 Audited £'000
Reconciliation of loss before income tax to cash outflow from operations			
Operating loss	(2,130)	(1,004)	(1,823)
(Increase) in inventories	(110)	(293)	(363)
(Increase)/decrease in trade and other receivables	1,544	24	(26)
(Decrease)/increase in trade and other payables	148	62	278
Reverse acquisition costs	(989)	-	-
Depreciation	101	5	27
Amortisation	5	1	1
Share based payments	20	-	-
Net cash outflow from operations	<u>(1,411)</u>	<u>(1,205)</u>	<u>(1,906)</u>
Interest received	-	3	3
Net cash outflow from operating activities	<u>(1,411)</u>	<u>(1,202)</u>	<u>(1,903)</u>
Cash flows from investing activities			
Addition of property, plant and equipment	(40)	(135)	(237)
Addition of intangible assets	(3)	(55)	(55)
Acquisition, net of cash acquired	(3,534)	-	-
Net cash (outflow)/inflow from investing activities	<u>(3,577)</u>	<u>(190)</u>	<u>(292)</u>
Cash flows from financing activities			
Share issues	9,978	-	788
Net cash inflow from financing activities	<u>9,978</u>	<u>-</u>	<u>788</u>
Taxation	-	-	-
Increase/(decrease) in cash and equivalents	4,990	(1,392)	(1,407)
Cash and cash equivalents at beginning of period	338	1,694	1,745

Cash and cash equivalents at end of period

5,328

302

338

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Notes

1. General Information

Sosandar plc is a company incorporated and domiciled in England and Wales. The Company's offices are in Wilmslow. The Company is quoted on the AIM market of the London Stock Exchange (ticker: SOS.L).

The principal activity of the company in the period under review was that of a clothing manufacturer and distributor via internet and mail order.

Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

2. Basis of preparation and significant accounting policies

In November 2017 Sosandar plc acquired via share for share exchange the entire share capital of Thread 35 Limited. Under IFRS 2 'Share based payments' this has been accounted for as a reverse acquisition.

Although the consolidated financial information has been issued in the name of the legal parent Sosandar plc, it represents in substance a continuation of the financial information of the legal subsidiary Thread 35 Limited.

The Interim Report has been prepared using the same accounting policies as were applied in the Thread 35 Limited's audited financial statements to 31 March 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Directors consider that the financial information presented in this Interim Report represents fairly the financial position, operations and cash flows for the period, in conformity with IFRS. The Interim Report for the nine months ended 31 December 2017 was approved by the Directors on 29 March 2018.

The assets and liabilities of the legal subsidiary, Thread 35 Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without restatement of fair value. The retained earnings and other equity balances recognised in the Group financial statements reflect the retained earnings and other equity balances of Sosandar plc immediately before the business combination and the results of the period from 1 April 2017 to the date of the business combination are those of Thread 35 Limited. However, the equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, Sosandar plc, including the equity instruments issued in order to effect the business combination; and comparatives numbers presented in the financial statements are the consolidated numbers of Thread 35 Limited for the periods ended 31 December 2016 and 31 March 2017.

New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the group.

3. Segmental Reporting

In the opinion of the directors, the group has one class of business, being that of a clothing manufacturer and distributor via internet and mail order. The group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is

currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment.

4. Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	Unaudited 9 Months to 31 December 2017 £'000	Unaudited 9 Month to 31 December 2016 £'000	Audited Period to 31 March 2017 £'000
Loss after tax attributable to equity holders of the parent	(5,108)	(1,001)	(1,823)
Weighted average number of ordinary shares in issue	68,641,476	6,853,168,120	98,846
Basic and diluted loss per share (pence)	(7.444)	(0.014)	(1844)

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The share options outstanding as at 31 December 2017 totalled 20,176,748, (31 December 2016: 152,000, 31 March 2017: 152,000) and are potentially dilutive.

5. Share Capital

Details of ordinary and deferred shares issued are in the table below:

Date	Details	Ordinary Shares (£0.001)		Deferred Shares (£0.009)		Deferred Shares (£0.0001)	
		Number of shares	Issue Price £	Number of shares	Issue Price £	Number of shares	Issue Price £
At 1 April 2017	Opening Balance	7,841,002,670		429,643,035			
7 Apr 2017	Share placing	80	0.0001				
7 Apr 2017	Consolidation	(7,809,638,739)					
7 Apr 2017	Subdivision					7,809,638,739	0.0001
10 Apr 2017	Share placing	231,364,011					
03 May 2017	Share placing	2,000,000	0.015				
01 Nov 2017	Share placing	138	0.0151				
01 Nov 2017	Consolidation	(238,255,344)					

