



Attention: Company Announcements
Australian Securities Exchange Limited

19 October 2023

Dear Sir/Madam,

**SUBJECT: CHAIRMAN'S AND CEO'S ADDRESSES – 2023 ANNUAL GENERAL MEETING
("AGM")**

Please find enclosed copies of the Chairman's and CEO's addresses that will be made at today's Globe International Limited AGM, commencing at 1pm.

This release has been authorised by the Board of Globe International Limited.

Yours sincerely,

A handwritten signature in grey ink, appearing to read "J Moelands".

Jessica Moelands
Company Secretary
Phone: (03) 8534 9932



GLOBE INTERNATIONAL LIMITED
ANNUAL GENERAL MEETING
THURSDAY 19 OCTOBER 2023

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Good afternoon,

On behalf of my fellow Directors, CEO and Management, I welcome you to the Globe International Limited 2023 Annual General Meeting.

I would like to acknowledge my predecessor, William Crothers on behalf of the Board, management and the shareholders.

We are extremely grateful to William for his leadership, contribution and support to Globe during his tenure.

As I said in my Chairmans letter in the annual report I have had a long association with the company and the founders, Matt, Peter and Stephen Hill.

Having been involved in the action sports industry for many years, Globe International has always been one of the most respected and admired businesses.

2023 was a challenging year for the company. However, fundamental issues have been addressed, the global team performed very well in the circumstances, and the results are credible.

By the beginning of the new financial year the company had dealt with major brand and operational issues and entered the 2024 financial year in a stronger and stable position.

Globe's continued success over many years has positioned the company and its brands as a leader in the action sports and streetwear industries and now with FXD, a leader in the sector of cutting-edge workwear.

Our four pillar brands of Globe, FXD, Salty Crew and Impala continue to provide a platform for revenue and profit growth for shareholders.

Geographically, Australia continues to be a standout division for the group. Meanwhile, North America, after a year of inventory adjustments, is on the path to improved performance and has a brand mix set for long term growth in that market.

The European division undergoing an ongoing re-structure that is already showing positive signs in respect to management improvement, greater efficiencies and an increased bottom line contribution to the group results.



It is worth noting that Globe is one of the few companies in the action sports industry with its founders still committed and involved day to day, helping to preserve the entrepreneurial culture of the company for the next generation of company leaders.

This also enables Globe to evolve its brand mix and distribution channels, leveraging relationships and creative know-how that has been nurtured over decades in the apparel, footwear and hardgoods sectors and in fact we have several new brands continuing in this tradition.

Relationships are built over many years and in 2024 we intend to continue and strengthen relationships with our suppliers and customers.

Globe's commitment to build global brands and invest in emerging brands has allowed the company to achieve a position in the market that is fundamental to achieving long-term strategies and paramount to staying relevant over so many years.

I would like to thank my fellow Directors, Peter and Stephen Hill and our CEO Matt Hill and his management team for their dedication and commitment.

I'll now hand you over to our CEO, Matt Hill.

Harry Hodge
Chairman



GLOBE INTERNATIONAL LIMITED
ANNUAL GENERAL MEETING
THURSDAY 19 OCTOBER 2023

CEO'S ADDRESS TO SHAREHOLDERS

Hello Everyone,

Firstly, on behalf of us all at Globe International I would like to welcome Harry Hodge as the new Chairman of our Board. As Harry mentioned, Peter, Stephen and I have known Harry professionally through many years in the action sports industry. We know that his international apparel action sports and publicly listed company experience will mean Harry is a great cultural fit for our business. He also comes with a wealth of knowledge and experience to contribute to the next phases of growth for Globe International. In addition, I would like to acknowledge Harry's predecessor, William Crothers, who did an exemplary job as Chairman throughout the pandemic, helping as the company transformed our brand mix and regional structures. William's contributions to the company were invaluable and have left benefits that shareholders will reap for years to come.

For the 2023 financial year, Globe International posted group revenues of \$234.3M and EBIT of \$4.6M. The year was fraught with challenges from general economic conditions leading to a softening in consumer sentiment, increases in costs due to inflation, and specific issues with regard to our hardgoods skate business which dropped off significantly after a massively profitable boom in the two years prior. While the performance was below our expectations, and resulted in a first half loss, we moved fast to rectify the issues. We cleared excess inventories and restructured certain brands and divisions to the right size for the company. We dealt with our issues and achieved a full year profit, ensuring we entered the 2024 financial year in a strong financial position. Essentially the goal was to emerge from FY23, primed to deliver profit growth and increase shareholder value in FY24 and beyond.

I'm proud to say we executed on the plan. By the end of the 2023 financial year, we achieved the following:

- A significant improvement in our balance sheet with a significant reduction in inventory holdings allowing us to pay-down debts, resulting in lower debt levels by the end of the financial year.
- Dividend flow to shareholders was maintained with 7c per share in total dividends being paid to shareholders for the 2023 financial year.
- Completion of a company restructure in regions, most notably in Europe where a complete overhaul of management was undertaken after major underperformance from prior and exited management.

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- Brand consolidation and removal of small non-global brands was completed.
- Stabilization of Globe skateboards and Impala Skate was starting to be seen by year end.
- Most importantly for the future prosperity of the company, brand investment for our apparel and footwear programs under the FXD Workwear and Salty Crew brands and the newly introduced It's Now Cool swimwear brand was maintained throughout the year. Despite a tough financial position, we continued to invest in our future, which are our key strategic global pillar brands.

With that key strategic work behind us, we enter the 2024 financial year in one of the best positions we've been in throughout our history. Despite the ups and downs of the pandemic, we have been able to follow through on our key strategic agenda of growing more diverse, global brands and increase our reliance on apparel rather than hardgoods and skate footwear. Our key apparel brands of FXD Workwear and Salty Crew have remained stable and grown over the last three years, with still more growth potential to come. In addition, we continue to introduce new brands as incubators for future distribution channel diversity, a formula that has worked well for us over the past five plus years.

With regard to our environmental, social and community programs, I would encourage shareholders to review our corporate website or our 2023 annual report, where much of the good work to improve both our impact on the environment and our commitment to social and community causes are noted. Highlights include our tree planting offset program with the National Forest Foundation, which since 2018 has resulted in over 130,000 trees being planted for our skateboard log harvesting, our involvement in the Tread Lightly footwear recycling program, and our packaging efforts to replace our plastic bags with paper packaging. Through our membership in the Leather Working Group and Sedex organizations we seek to improve our standing and compliance for responsible and ethical sourcing undertaking annual reviews of our supply chain. Finally, in December each year we submit an updated version of our Modern Slavery Statement. We continue to become more proactive in this area each year, with the focus in this past year on improving our internal systems and processes around on the mapping and risk assessment of all our direct Tier 1 suppliers, and we are beginning to do the same with Tier 2 suppliers.

Looking ahead to the 2024 financial year, for our first quarter of trade, we are seeing revenues start to stabilize and a significant improvement in gross profits, despite downward pressure on Australian margins from the strengthening of the US dollar.

As we look to the full year, we expect our apparel brands to continue to grow, and our hardgoods business to plateau, with less sales decline and higher margins. For the full year, we anticipate a significant EBIT improvement, despite non-clearance revenues remaining relatively flat on the prior year. This is largely driven by the improved gross profit and EBIT margins of our international divisions, North America and Europe, after significant changes in those regions, while Australia will continue to be a major contributor to the total group results.



Strategically, we expect the 2024 year to deliver on 2 key agenda items that we have been working towards for many years. Firstly, our core group revenues are now made up primarily of more stable global apparel brands, and less on volatile hardgoods sales, although we remain poised to capitalise on those trends when they occur. And, secondly, we expect profits to resume from all three geographical operating regions in Australasia, North America and Europe. This places us on a platform of top tier global brands, with scale and financial stability to enter our next phase of revenue growth, moving towards higher EBIT and shareholder returns over the coming years.

Before closing, a personal note for our Chief Financial Officer Jessica Moelands who will be leaving the company at the end of December, after twenty years of tireless and outstanding work. Jessica has been a great professional colleague – a perfectionist, a team player and someone who will be able to look back at the company today and see many of her fingerprints on so many of our strengths and achievements. A testament to her professionalism is the fact that she is choosing to move on at a time of stability, financial strength and our house in order - meaning she can hand the reigns over to her successor, who we hope to have in place in the coming month, giving them the best chance of success and for them to add their own perspective and add value for the next generation of our company. We'll miss Jess, but I know everyone wishes her the best for the future.

In closing I would like to thank the Board, our staff around the world, shareholders and of course our suppliers and mostly importantly our customers, for continuing to support the company and our missions as we move ahead. Having executed a great deal of change in the last twelve months, we look now to a revamped and focused branded platform set for revenue and profit growth around the world for the next decade and look forward to seeing that transform into increased value to shareholders.

Thank you.

Matt Hill
Chief Executive Officer