



September 18, 2023

**National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051**

**BSE Limited
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 001**

Symbol: NYKAA

Scrip Code: 543384

Dear Sirs,

Sub: Press Release and Chairperson's Speech at the 11th Annual General Meeting held on September 18, 2023

Please find enclosed the Press Release titled as follows:

***FSN E-Commerce Ventures Limited AGM 2023 Highlights: Falguni Nayar
Forecasts India's Rise as the World's Third Largest Consumer Market by 2030***

We are also enclosing herewith a copy of the Chairperson's Speech as delivered at the 11th Annual General Meeting of the Company held today.

We request you to take the same on record.

Thanking You.

Yours faithfully,
For FSN E-Commerce Ventures Limited

Sujeet Jain
Chief Legal and Regulatory Officer,
Company Secretary and Compliance Officer
Mem. No.: F6144

Encl: a/a



FSN E-Commerce Ventures Limited AGM 2023 Highlights: Falguni Nayar Forecasts India's Rise as the World's Third Largest Consumer Market by 2030

"India's entrepreneurial spirit, young and aspirational population makes it the best place to build consumer focused businesses and brands. I'm excited about what the future holds for Nykaa and for a young and unstoppable India", said Falguni Nayar, Chairperson, MD & CEO, Nykaa

Mumbai, 18th September 2023: FSN E-Commerce Ventures Limited, referred to as "Nykaa", India's leading omnichannel consumer-tech company, today held its 11th Annual General Meeting (AGM). Falguni Nayar, Chairperson, MD & CEO of Nykaa reiterated the faith the company has in the tremendous growth potential of the Indian consumption story that is set to play out over the coming years. Having made strategic investments over the years in technology, operational excellence, partnerships and people, Nykaa has earned its place in its consumers' minds as India's most preferred beauty and lifestyle omnichannel destination.

Key statements from Falguni Nayar's speech to the shareholders:

"India has quickly become the most preferred destination for many global brands to meet their growth ambitions. Through unwavering focus on best practices combined with the art of retailing, we have established ourselves as the Indian partner of choice for brands across the world. By taking an unconventional technology first approach, we were able to disrupt and democratize both demand and supply for the industry while reaching over 98% of the market."

"We have an unwavering commitment to our customers – we strive to be authentic, inclusive and transparent with them. Our customers have appreciated this, and allowed us into their homes and hearts, for which we are grateful. We have received much brand love, with Nykaa becoming synonymous with Beauty for many around the country."

"We are proud of our ability to execute and deliver on the plans we set out to achieve. Almost one-third of our GMV contribution in FY23 has come from our newer businesses, with all of them being built from scratch over the last 4 to 5 years. Our success here comes from diligently finding product-market fit, executing well with speed, and driving only sustainable growth."

The highlights of FSN E-commerce 11th AGM presented virtually on 18th September 2023

- Nykaa witnessed a consolidated GMV of over Rs. 9,743 crores and a Net Revenue of Rs. 5,143 Crores. This represents a revenue growth of 36% over FY22 and a revenue growth of 191% over the pre-covid year of FY20.
- Nykaa achieved a Gross Profit of over Rs. 2,278 Crores and EBITDA of Rs. 256 Crores, with a healthy and improving EBITDA margin of 5%.
- Nykaa's business spans across multiple digital platforms retailing over 6,200 brands to a customer base of 24 million and the company services customers in 98% of the country's pin codes.
- As an omnichannel retailer, Nykaa has 150+ multi brand retail stores along with many EBOs and Store-in-store across 3rd party outlets.
- Currently, Nykaa has 25 unique and well positioned brands across Beauty, Personal Care and Fashion, spanning across categories. Notable amongst these are Kay Beauty, Nykaa Cosmetics, Dot & Key, Nykd & 20 Dresses.

Industry Outlook

- Presently, India's per capita Beauty & Personal Care (BPC) consumption is at \$15 and is likely to grow to \$50 by 2030. This presents a significant opportunity for Nykaa which already enjoys an annual consumption value of \$80 per capita, which is already more than 5 times the national average.
- For Fashion, India's per capita consumption stands at \$54 and is expected to reach \$160 by 2030, based on the trajectory of developed markets. The Nykaa customer today spends \$130 on Fashion.

Nykaa's Beauty and Personal Care Business

- The BPC GMV stood at Rs. 6,649 Crores for FY23, growing 33% over the last year, and when compared to pre-COVID, it stood at a strong 2.6 times of the FY20 GMV.
- Today Nykaa is the largest beauty specialty retailer in the country, online and offline with an unconventional technology first approach.
- Currently, Nykaa retail over 3,400 brands, from the biggest global brands such as L'Oreal, MAC & The Ordinary, to international cult favorites like Charlotte Tilbury to niche Korean Brands from Amore Pacific to homegrown beauty brands like Lakme, Mamaearth and Minimalist.
- Nykaa has always believed in the power of omnichannel, and opened its first store, very early in its journey in 2014. As of FY23, Nykaa has expanded to 145 beauty specialty stores across different formats, including Luxe stores, On-trend stores and Kiosks across 60+ cities.

Nykaa's Fashion Business

- The Fashion GMV stood at Rs. 2,569 Crores for FY23 and now constitutes over 26% of Nykaa's overall consolidated GMV.
- In FY23, over 2.5 million customers trusted Nykaa Fashion to help them stay stylish.
- Global Store contributes almost 25% of the western wear sales, as of Q4 FY23.
- This year, the number of brands available on the platform doubled from 1,500 brands to 2,850+ brands – across curation levers – National brands, Global Store, Hidden Gems, First in Fashion and the Responsible Collection.

Nykaa's Owned Brands

- The BPC owned brands now contribute to 11.9% of the overall BPC GMV and Fashion owned brands contribute 12.9% to the overall Fashion GMV.
- In less than 3 years from launch, Nykd, Nykaa Fashion's lingerie brand has built a national presence and is distributed through 4 EBOs, 900+ Point of Sales in GT/MT.
- Kay Beauty, Nykaa's award-winning premium beauty brand launched in partnership with Katrina Kaif is present in 300+ offline stores and has witnessed impressive year on year GMV growth, with a 2-Year CAGR of 86% and exceeding a GMV of Rs 127 Crores in FY23.
- Nykd (lingerie brand), and 20 Dresses (western wear brand) have now become sizable, crossing Rs 85 Crs and Rs 150 Crs in GMV sales for FY23 respectively.

Nykaa B2B offerings

- Superstore by Nykaa, launched in 2021 has successfully onboarded 150,00 retailers in FY23.
- Along with a growth in the number of retailers, Superstore witnessed an order growth of over 15 times in FY22.
- For FY23, over 84% of the sales came from Tier 2+ India.

Strategic Alliance with Apparel Group in GCC

- The GCC offers a large BPC market size of over \$30 Billion and as a region is in its early-stage journey of ecommerce adoption.



- Nykaa, in a joint venture with GCC's retail conglomerate Apparel Group, will open its first international store before the end of 2023.

Nykaa's CSR and ESG efforts

- Nykaa Foundation within the first year of launch has taken up multiple initiatives spanning education, training, children's health and empowerment.
- **As part of 10x10**, a Nykaa initiative that started in July 2020, to reduce the amount of plastic used (both by volume and value) by 10% every year for the next 5 years has invested in building a 'regional fulfillment' strategy with a twofold objective - reducing the last mile carbon footprint by getting closer to the customer and reducing the number of shipments required per order. Through investments in technology in warehouses, Nykaa has adopted paperless picking, resulting in elimination of almost 90% paper consumption across all our warehouses.

Workforce at Nykaa

- Nykaa has been able to build a diverse and inclusive workforce. Women constitute 45% of the employee base – with representation at all levels. Amongst the 188-person strong managerial leadership, 33% are women.
- Nykaa's business supports various segments and generates indirect employment across its logistics partners, brand partners, thousands of suppliers as well as hundreds of MSME vendors.

Falguni Nayar concluded her address by citing one of Nykaa's core values, which is "To be Bold and To be Good", reiterating Nykaa's commitment to being ambitious and entrepreneurial yet bold and ethical, striving for long-term profitability and value creation for all stakeholders.

ENDS

;About Nykaa

Nykaa (FSN E-Commerce) was founded in 2012 by Indian entrepreneur Falguni Nayar with a vision of bringing inspiration and joy to people, everywhere, every single day. Derived from the Sanskrit word 'Nayaka', meaning one in the spotlight, Nykaa has emerged as one of India's leading lifestyle-focused consumer technologies platforms. Since its launch, Nykaa has expanded its product categories by introducing online platforms Nykaa Fashion, Nykaa Man, and Superstore. Delivering a comprehensive Omnichannel e-commerce experience, Nykaa offers over 6200 brands through its online platforms and 150+ stores in India. The Nykaa Guarantee ensures that products available at Nykaa are 100% authentic and sourced directly from the brand or authorized retailers.

Through engaging and educational content, digital marketing, social media influence, robust CRM strategies, and the Nykaa Network community platform, Nykaa has built a loyal community of millions of beauty and fashion enthusiasts. Over the years, Nykaa has received many accolades for disrupting the beauty market. At the 17th India Business Leader Award in 2022, Nykaa was awarded as the Disruptor of the Year and Kantar's Brandz List features Nykaa as one of most valuable brands in India. www.nykaa.com

CHAIRPERSON'S SPEECH AT THE 11TH ANNUAL GENERAL MEETING**1: <Introduction>**

Good morning, ladies and gentlemen.

It gives me immense pleasure to be welcoming you all to Nykaa's 11th AGM. On behalf of the board of directors, I thank you for taking out the time to join us.

2: <Macroeconomic Introduction>

When we started Nykaa, I had some understanding of the power of India's consumption story - but today, having witnessed the company grow along with India's young consumer, my conviction has never been stronger. India today, sits on an enormous demographic dividend and rising per capital income. There could not be a better place in the world to be building consumer-focused products and services.

India is set to become the third largest consumer market by 2030 and countless Indian businesses – from startups to conglomerates – have contributed to, and have benefited from this historic growth. We are blessed to be a part of this Indian growth journey.

Today, I am excited to share our vision and plans with you.

3: <FY23 performance and highlights>

Dear Shareholders,

I am delighted to announce that FY23 witnessed another year of strong One Nykaa performance. Nykaa witnessed a consolidated GMV of over Rs. 9,743 crores and a Net Revenue of Rs. 5,143 Crores. This represents a revenue growth of 36% over FY22 and a revenue growth of 191% over the pre-covid year of FY20. We believe that we have grown faster than the market.

Nykaa achieved a Gross Profit of over Rs. 2,278 Crores and EBITDA of Rs. 256 Crores, with a healthy and improving EBITDA margin of 5%.

As India's preferred lifestyle retailer, operating in beauty and fashion, our business today spans across multiple digital platforms retailing over 6,200 brands to a customer base of 24 million. As an omnichannel retailer, we have rolled out over 150+ multi brand retail stores and many more as EBOs and Store-in-store in 3rd Party stores.

As an evolving consumer brand company, we today have 25 unique and well positioned brands across Beauty, Personal Care and Fashion, spanning across categories. Notable amongst these are Kay Beauty, Nykaa Cosmetics, Dot & Key, Nykd, 20 Dresses



With over 42 million orders in FY23 on retailer platforms alone, we continue to bring customer delight through our proposition of curation, content, convenience, and trust.

What is particularly noteworthy, is that we have built a sustainable business and a lasting brand with a total primary investment of approximately just \$150 million, a number that stood at approximately \$70 million, pre-IPO. Furthermore, our new businesses are being built largely on the back of profits that our core businesses generate.

4: <BPC>

Let me begin with our beauty vertical.

The BPC GMV stood at Rs. 6,649 Crores for FY23, growing 33% over the last year, and when compared to pre-COVID, it stood at a strong 2.6 times of the FY20 GMV.

Nykaa launched in 2012 with a dream to inspire, educate and empower our customers. Having seen the vibrancy of the beauty market across the world, from the United States to Asian markets in South Korea & Japan, it inspired us to create a similar industry here in India. I am immensely proud of what we have achieved since then.

We are today the largest beauty speciality retailer in the country, online and offline. By taking an unconventional technology first approach, we were able to disrupt and democratize both demand and supply for the industry.

Today, we retail over 3,400 brands, from the biggest global brands such as L’Oreal, MAC & The Ordinary, to international cult favourites like Charlotte Tilbury to niche Korean Brands from Amore Pacific to homegrown beauty brands like Lakme, Mamaearth and Minimalist – and they all co-exist and thrive on our platforms.

In the more recent past, India has witnessed a boom in local brands with Indian roots. In their journeys, Nykaa has played the role of brand builder and growth catalyst. Over 1,500 brands with GMV of under Rs. 1 Crore retail on our platform. We are pleased to be strong retail partners for these brands as they start out.

We are recognized and trusted globally as industry leaders. India has quickly become the most preferred destination for many global brands to meet their global ambitions. Through focus on technology best practices combined with the right art of retailing, we have established ourselves as the Indian partner of choice for brands across the world.

Our Nykaa Global Store business further demonstrates our commitment to this mission, providing end-to-end services to global brands from go-to-market strategies to onboarding, importing, marketing, and post-sale support. On behalf of these brands, we ensure they find the right fit in the market, and we facilitate a multi-year growth journey.



We are proud of the role Nykaa has played in fulfilling such global ambitions of many brands, such as Charlotte Tilbury, Huda Beauty, E.l.f Cosmetics, Sol De Janeiro, Murad and many more.

Nykaa firmly believes in the power of omnichannel, and we opened our first store in 2014. In FY23, Nykaa expanded to 145 beauty specialty stores across different formats, including Luxe stores, On-trend stores and Kiosks. Our stores cover 1.4 Lacs square feet of retail space – with GMV productivity of over 3,200 Rs. per square foot per month. Physical retail GMV has grown 67% in FY23, which is over 3x the pre-covid FY20 GMV and now contributes to 8.3% of the overall BPC business. Our stores offer a highly curated range of 80-100 brands and achieve store level profitability within a year from opening.

Through our digital channels and a wide store network, we service customers in 98% of the country's pin codes. But democratizing access alone was not enough, and we wanted to educate & empower the customer to make the right choices for themselves. This was critical and non-negotiable from the start, and we work hard to enable right choices for the consumer. Our customers on an average visit the platform 50 times in a year – best in class for ecommerce platforms.

We have an unwavering commitment to our customers – we strive to be authentic, inclusive and transparent with them. Our customers have appreciated this, and allowed us into their homes and hearts, for which we are grateful. We have received much brand love, with Nykaa becoming synonymous with Beauty for many around the country.

5: <New Businesses - Introduction>

Over the last few years, our business has become increasingly diversified. We have set out ambitious plans for new ventures. The new businesses remind me of the early days of Nykaa, when we were able to foresee the opportunity in beauty, and thereafter worked relentlessly to execute to that vision.

We are proud of our ability to execute and deliver on the plans we set out to achieve. Almost one-third of our GMV contribution in FY23 has come from our newer businesses, with all of them being built from scratch over the last 4 to 5 years. Our success here comes from diligently finding product-market fit, executing well with speed, and driving only sustainable growth.

To begin with, lets cover fashion.



6: <Fashion>

We started Nykaa Fashion in 2018 with a two-fold belief: Fashion was an incredibly large and fast-growing market and that the Indian consumer was ready for more of a fashion-forward and less-discount centric shopping experience than what existed.

Our trajectory over the last 4 years has shown product-market fit and customer-connect. Nykaa Fashion, in a short span of time, has achieved commendable scale. Our Fashion GMV stood at Rs. 2,569 Crores for FY23 and now constitutes over 26% of our overall consolidated GMV. To put that growth into perspective, Nykaa's consolidated GMV for the company in FY20 stood at 2,684 Crores.

We have quickly established ourselves as a differentiated platform – one which prioritizes curation, discovery, convenience, and inspiration. This simple yet unique philosophy has led to a 140% CAGR in Fashion GMV over FY20-FY23.

This year, we almost doubled our brand portfolio from 1,500 brands to 2,850+ brands – across our curation levers – National brands, Global Store, Hidden Gems, First in Fashion and the Responsible Collection.

We strengthened our 'Global Store' assortment bringing international retailers and brands like Revolve, Cider, Alo to India, exclusively on Nykaa Fashion. The global store provides serious differentiation to our platform and already contributes almost 25% of the western wear sales, as of Q4 FY23.

We continued to build our 'Hidden Gems' portfolio which highlights emerging homegrown labels and contributes around 6% of Nykaa Fashion GMV as of Q4 FY23.

While the women's segment continues to be our focus, a quarter of our business is spread across men, home and kids.

In FY23, over 2.5 million customers trusted Nykaa Fashion to help them stay stylish.



7: <B2B>

Dear Shareholders,

I want to talk about our e B2B venture, Superstore By Nykaa.

I earlier spoke about how Nykaa launched with an aim to democratize demand and supply in the beauty industry. We launched Superstore in 2021, with an aim to further democratize the industry.

As the industry continues to grow and mature, the kind of complex and evolved consumer demand we witness on online channels, will expand to unorganized offline retail as well. We believe Beauty and Personal Care requires a focused distribution strategy given the width of assortment as well as the tail nature of demand. As leaders in this category, we believe we are well positioned to serve the country's BPC distribution aided by a strong technology stack.

We have, in a short span of time, built a technology led B2B platform, serving the underserved retailers across the country and through them many more end consumers, building access for all.

We would like to show you a short video which explains the value proposition for retailers.

[Video Plays]

Superstore has already seen great initial product market fit and has quickly witnessed strong adoption among retailers across the country, with the onboarded retailer count crossing the 150,000 mark in FY23, up from just over 38,000 in the prior year.

While the retailer count has increased by 4 times, we have witnessed an order growth of over 15 times over FY22 – signalling strong acceptance amongst retailers once they interact with our platform.

For FY23, over 84% of the sales came from Tier 2+ India. Superstore will make the BPC category growth story in India much more inclusive for all.

8: <Owned Brands>



I am very pleased to share that as a consumer brands company, we now operate 25 owned brands across Beauty, Personal Care and Fashion.

Our BPC owned brands portfolio consists of 12 brands with unique propositions across categories of Makeup, Skincare, Hair, Bath and Body, and much more.

These brands resonate with consumers across the country, and I would like to talk about a few of them.

Nykaa Cosmetics, our retailer makeup brand, offers quality at an affordable price, for all Indians.

India has always been at the forefront of ingredient-based skin solutions and inspired by that, Nykaa Naturals, an ingredient led, concern based brand, has witnessed strong traction.

In parallel to that, we have developed a science-backed efficacious brand with clinically proven actives called SkinRx.

We acquired Dot & Key in 2021, a brand which brings indulgent & joyful skincare routines to all.

We operate in the bath and body category through Wanderlust, a brand designed to evoke travel memories – from Japan to Sicily through fragrance-based bath & bodycare products.

Within the year, we forayed into category of wellness and Ayurveda and introduced two new brands. 'Nyveda', a potent Ayurvedic brand rooted in nature. We have also ventured into Nutraceuticals through 'Nudge'.

The BPC owned brands now contribute to 11.9% of the overall BPC GMV.

Celebrity beauty brands have found immense success across the globe. We are proud to have introduced the first celebrity beauty brand in India. Kay Beauty, our award-winning brand with Katrina Kaif, has witnessed impressive year on year GMV growth, with a 2-Year CAGR of 86% and exceeding a GMV of Rs 127 Crores in FY23. The brand is also available across 300 offline stores across the country.

The Fashion Owned brands portfolio has grown from 7 brands in FY22 to 13 by the end of FY23. These brands contributed 12.9% to the overall Fashion GMV in the year and grew at a strong pace, witnessing GMV growth of over 140% in the year.

Some of these brands include,

20 Dresses – our westernwear ready-to-wear label that celebrates modern day femininity for everyday fashion

RSVP – an aspirational high-on-trend brand for special and everyday occasions



Gajra Gang – A modern Indian occasion wear label with a focus on craftsmanship

Nykd – Our lingerie brand bringing innovative technology and comfort to the forefront, built specially with the Indian consumer in mind.

We entered new categories like activewear, and also tapped into new audiences like Gen Z and Men's segments.

Here are some of our other brands.

Some of our more mature brands like Nykd, our lingerie brand, and our westernwear brand, 20 Dresses have now become sizable, crossing Rs 85 Crs and Rs 150 Crs in GMV sales for FY23 respectively.

We have taken these brands far beyond Nykaa's own platforms – they both retail on 3rd party online and offline channels. In less than 3 years from launch, Nykd operates as a national brand, distributed through 4 EBOs, 900+ Point of Sales in GT/MT and strong presence on other online marketplaces.

9: <Content to commerce & International>

The year also witnessed further widening of the Nykaa Ecosystem.

From the early days of Nykaa, we have believed in the power of content and its role in the art of retailing. We invest in multiple content strategies such as Nykaa Stream, our shoppable content platform, and our 360-degree social media presence, as well as our deep partnerships with thousands of influencers.

Underscoring our continuing belief in the power of rich content, Nykaa acquired LBB in September 2022, and it joins our evolving content to commerce playbook. LBB is India's leading lifestyle brand discovery platform for young Indian consumers to discover new brands.

Nykaa has also widened its ecosystem in terms of our geographic reach.

I am very pleased to announce that we have entered into a strategic alliance with Apparel Group, a global lifestyle retail conglomerate to build an omnichannel beauty retail platform in the GCC.

The GCC offers a large BPC market size of over \$30 Billion and as a region is in its early-stage journey of ecommerce adoption.

Our first international stores will open within this financial year itself.

10: < Employment & Ecosystem>



Dear shareholders,

As I introspect on the reach, width and depth of our businesses – across digital platforms, physical retail, consumer brands, distribution, all across the lifestyle ecosystem, it brings me immense joy that Nykaa has been able to generate employment for so many Indians.

Nykaa directly employs close to 3,200 individuals across its business verticals and functions. Even larger is our off-roll contract workforce, which stood in excess of 3,700 in FY23.

Even with a fast-scaling organization, we have been able to build a diverse and inclusive workforce. Women constitute 45% of our employee base – with representation at all levels. Amongst our 188-person strong managerial leadership, 33% are women.

We aspire to be an employer for all, deriving strength from our diversity in an increasingly agile world.

The indirect employment we have been able to generate and influence – is multifold of the direct employment Nykaa generates. Between our logistics partners, our brand partners, thousands of suppliers as well as hundreds of MSME vendors – our businesses support various segments of our larger economy.

But one thing stands out – which is our ability to encourage and support small and medium sized enterprises as well as self-employed individuals and entrepreneurs.

Our platforms showcase brands built by budding beauty as well as fashion entrepreneurs.

And The 'Nykaa Affiliate Program' provides seamless content to commerce opportunities for every beauty content creator in the country – our program has more than 5000 members as of March 2023

We have also built out a dedicated platform of products and education for beauty professionals – called 'Nykaa Pro'.

I would like to share with you all a short video on one of the initiatives undertaken by the Nykaa Pro team.

[Video Plays]

Finally, and most importantly, as we scale, cultivating the right culture and values within our team remains my top priority as CEO. I am proud of the entrepreneurial, hardworking, and respectful Nykaaites that fill our offices.

11: <ESG - CSR>



Dear shareholders,

I am pleased to announce that the year witnessed the formation of the Nykaa Foundation – Nykaa’s CSR arm with a focus on vulnerable communities, especially underprivileged women and children.

Within the founding year itself – the foundation has taken up multiple initiatives spanning education, training, children’s health and empowerment. As shown on the presentation, you can see the various initiatives we have taken, collectively driving a positive impact in over 15,000 lives.

12: <ESG - Ops>

On the operational front, our 10x10 plastic reduction program continues to drive us in the direction of our goals, through packaging innovation and recycling efforts, as well as delivery optimizations.

Through the year, we invested in building a ‘regional fulfilment’ strategy – which served 2 purposes – reducing the last mile carbon footprint by getting closer to the customer as well as reducing the number of shipments required per order, directly reducing our packaging material consumption. We expanded and invested in 13 new warehouses for our Beauty and Personal Care vertical and 6 warehouses in our Fashion vertical. These investments will have a substantial impact on our carbon footprint and packaging utilization for years to come.

We continue to increase our reliance on sustainable eco-friendly packaging in majority of our orders, using paper fillers, as well as paper flyers.

With investments in technology in our warehouses, we have adopted paperless picking and it has resulted in elimination of almost 90% paper consumption across all our warehouses.

13: <ESG – Social Advocacy>

We have been strong advocates of inclusivity and diversity right from the start. As I mentioned earlier, this reflects in our people strategy. Along with that, our marketing strategy also strives to bring positive societal change and our campaigns have touched across ideas – diversity of skin tones, empowerment of women, gender diversity, body positivity, and much more. We are very proud of the impact and reach of these campaigns.

14: <ESG – Conscious at Nykaa & Responsible Collection>

I had mentioned earlier that we are passionate about empowering our consumers to make the right informed choices. We make concerted efforts to bring sustainable brands to the forefront through increased visibility and special curations on both our beauty and fashion platforms.

'Conscious At Nykaa' for the beauty platform, recognizes brands and products that are as mindful as our customers' lifestyle choices – showcasing over 140 cruelty free, vegan and clean ingredients based brands. 'The Responsible Collection' on our fashion platform brings together over 600 sustainability focused brands which follow practices such as using recycled materials, employing low waste practices or are certified organic.

15: <Industry Outlook>

Moving ahead,

It gives me immense joy to share our thoughts on our future.

We have invested in businesses and platforms that operate in industries like beauty and fashion where we see immense long-term potential.

Today, India's GDP per capita stands at \$2,500 and is expected to reach \$5,500 by 2030. Consumption is meant to grow faster, at a CAGR of 25% for the next 8 years.

Reflecting on the BPC landscape, currently, India's per capita BPC consumption is at a nascent stage, with only \$15 spent per capita vs developing countries like Vietnam at \$30, Brazil and Thailand at ~\$100. Developed countries have per capita BPC spends in excess of \$200. Based on experience and trajectory from other countries, given GDP per capita growth projections, BPC spend per capita is likely to grow to \$50 in India by 2030. This presents a significant opportunity for Nykaa which already enjoys an annual consumption value of \$80 per customer, which is more than 5 times the national average.

While BPC consumption continues to grow, there is a noticeable shift in India's preferences from personal care to beauty. Skincare, cosmetics, and fragrance are emerging as the fastest-growing segments from 2020-2035, with growth rates more than twice of personal care categories. Additionally, the premium segment of the market is growing at 2.5 times the mass segment, and Nykaa is strategically positioned to capitalize on this opportunity.

The fashion market in India is expected to grow to \$147 Bn by 2027. Fashion is 4x the size of the Beauty TAM and we are excited that our fashion foray allows Nykaa to dramatically expand the TAM it operates in, giving us massive headroom for sustained growth.

Today, per capita Fashion consumption stands at \$54 and is expected to reach \$160 by 2030, based on trajectory of developed markets. The Nykaa customer today spends \$130 on Fashion and we remain optimistic that we should be able to

maintain this premium over the per capita consumption based on our superior customer profile.

Both beauty and fashion categories are also experiencing increasing width and proliferation in terms of micro-categories as well as micro-customer segmentation. On the beauty side, brands catering to specific needs of niche customer segments are taking up increasing space. In Fashion, we see an emergence of local and homegrown brands. These trends in both categories will be well serviced by a vertically-focused, digitally-led retailer such as Nykaa.

On the digital front, the internet economy is set to become a \$1 trillion market by 2030, representing 12-13% of the country's GDP. Within this market, ecommerce, B2C and B2B combined, will account for half of the internet economy.

An exciting shift is happening in consumer behavior, which is the significant migration of beauty and fashion spends from offline to online platforms. We have witnessed a remarkable transformation over the past decade, as consumers have become more comfortable with online purchases of these products.

The overall ecommerce penetration is underscored by very different penetration depth by category. The online penetration of BPC and Fashion categories are currently under indexed compared to evolved categories such as Electronics and Mobile Phones. By 2027, the digital markets for these lifestyle categories are expected to mature and the ecommerce share of both BPC and Fashion can reach or exceed one-third share of the respective categories.

All these expected shifts to digital is why technology continues to remain the backbone of our discovery, shopping and post order experiences and we continue to make significant investments here. Personalization, discovery engines, acquisition and retention journeys including our flagship loyalty program Nykaa Prive, marketing innovation, generative AI for textual content – all witnessed developments in the year. We have also developed and launched our superior AdTech platform and a new Seller Portal for our brand partners this year and improved our ability to execute multiple complicated supply chain models.

And finally, the biggest driver of our growth will be the demographic dividend of our economy. Millennials and Gen-Z in India represent the most bold, adventurous, and most importantly aspirational youth we have ever witnessed. They are digitally native consumers and will continue to increase their digital wallets share. As of today, 92% of ecommerce transactions come from these age groups, while they only make up 42% of the population. This has a twofold implication – as these groups move up in their lifecycle, they will increasingly seek a more diverse range of lifestyle products online. Second, new generations will come into the consumption fold, and many young users who have grown up with our brand will become our customers.

16: <Conclusion>



Finally, I want to end on a message of the Nykaa spirit.

I'd like to cite one of our values, which is "To be Bold and To be Good". There could not be an articulation that encapsulates our ethos as much as this one. We are ambitious and entrepreneurial, but always while being ethical and quite simply, good. We truly believe that we only achieve our goals when the whole ecosystem succeeds. And we believe the industry cannot be created and sustained for the long term, unless we add long term value to all.

For our brands, this means, we ensure we build their brand equity through the right storytelling and drive the art of retailing for end consumer delight.

For our customers, we build the right customer-centric solutions, and empower them to make the decisions best suited for themselves.

For Nykaaites, we truly want to be the employer of choice and provide fulfilling work and a long-term career path

For shareholders, we focus on driving long term sustainable growth, and diversification of business to mitigate risks.

And finally, every day we make decisions to operate in a way that's best for the larger society and the environment.

On behalf of the company, I would like to thank all the shareholders, investors, partners, suppliers, Nykaaites and customers, for your unwavering faith in Nykaa and your continued support.

Thank you so much.