

WE ARE SETTING BURBERRY ON THE PATH TO SUSTAINABLE, PROFITABLE GROWTH

Dear Shareholder,

This has been a particularly difficult year for Burberry. Our creative transition launched in 2023 struggled to gain traction with our customers against a backdrop of macroeconomic uncertainty and in a luxury market which proved more challenging than anticipated, resulting in a first-half loss and the suspension of dividend payments from FY 2024/25.

As a Board, we took decisive action to change course and stabilise the business for a return to sustainable, profitable growth, aimed at delivering an improvement in our second half.

In July we appointed Joshua Schulman as Chief Executive Officer (CEO), replacing Jonathan Akeroyd who stepped down and left the Company by mutual agreement with the Board. Josh is a proven leader with an outstanding record of building global luxury brands and driving profitable growth. He already had a strong understanding of our brand and his extensive experience in luxury and fashion will be key to realising Burberry's full potential.

As you can read in his letter which follows, Josh sets out his and the Board's analysis of Burberry's recent underperformance and his Burberry Forward transformation plan to reignite brand desire, improve performance and drive long-term value creation, placing the customer at the centre of everything we do.

Shareholder returns

In the context of the ongoing challenging macroeconomic environment, the Board is focusing on strengthening our competitive position and our balance sheet to underpin long-term growth. As mentioned, in July 2024 we took the decision to suspend dividend payments in respect of FY 2024/25. In line with our Capital Allocation Framework, this prudent approach will support the business as we execute our Burberry Forward transformation. Whilst our priority is to reinvest in the business, our intention is to return to our progressive dividend policy as soon as possible.

The Board welcomes discussions with shareholders and Directors have held several meetings during the financial year on a variety of topics including strategy, dividends, Board composition, executive remuneration and environmental and social matters; see page 111 for more information.

Board changes

In addition to the appointment of a new CEO, the non-executive composition of our Board has continued to evolve. In December 2024, we announced the appointment of Stella King as an independent Non-Executive Director. Stella, who joined the Board on 1 April 2025, has a wealth of luxury industry experience and a profound understanding of Asian luxury consumers thanks to more than 30 years' experience working within the Asia Pacific region. Further information on Board recruitment and the induction processes for Josh and Stella is provided in the Nomination Committee Report on pages 123 to 127.

Debra Lee stepped down from the Board at our 2024 AGM last July and we have announced that Fabiola Arredondo, Antoine de Saint-Affrique and Sam Fischer will retire as Non-Executive Directors following the 2025 AGM. Each of Debra, Fabiola, Sam and Antoine has played an important role in Burberry's journey and on behalf of the Board, I thank them for their contributions and service to our Company.

Sustainable business

Sustainability continues to be an important area of focus and the Board has continued to monitor progress against our Burberry Beyond commitments. Our heritage is deeply connected to the outdoors, and we remain committed to delivering on our goals, strengthening Burberry's resilience, lowering our environmental impacts and supporting our people and our communities. In this spirit, we continued to expand our Burberry Inspire flagship programme through The Burberry Foundation, working in partnership with youth-focused organisations to support young people and create a positive impact at both a global and local level.

Looking ahead

We are in the early stages of a business transformation and navigating the current global uncertainty has been made even more challenging by policy decisions that have impacted our sales and increased operating costs in the UK. Burberry Forward requires a step-change in our global cost base to ensure that Burberry is competitive and fit for the future. Regrettably, this change could impact around 1,700 jobs across Burberry, around half in the UK. The Board and I are confident that under Josh's leadership, Burberry Forward will set the business on the path to sustainable, profitable growth. We have seen a significant improvement in brand sentiment in the second half and encouraging resilience in our core scarf and outerwear categories.

With a much clearer and shared vision for the future, we will continue to write the next chapter of Burberry's storied history, one that is built on our strengths and celebrates our heritage. Like Josh, the Board is convinced that Burberry's best days lie ahead.

Our transformation journey would not be possible without the passion and commitment of our people, who have demonstrated again their ability to evolve and adapt during the past 12 challenging months. I would like to take this opportunity to thank them, as well as our Board, our customers and our shareholders for their continued support.

Gerry Murphy
Chair



“With our shared vision, we will continue to build the next chapter in Burberry’s storied history, one that leverages our strengths and celebrates our heritage while looking ahead to the future.”