

## DR. MARTENS PLC

### 2022 AGM Q&A

1. Q: Are product and manufacturing standards led from the UK?

*A: Production of our 1460 boot originated in the UK, which remains the home of the business and our original factory at Cobbs Lane in Northampton is still in operation. For us, everything started there and all of our international manufacturing is modelled on that. We have a global supply chain and the structure of our footwear and the production methods we use are the same all over the world.*

2. Q: Are your stores freehold or leasehold?

*A: The vast majority of our stores are operated under short leaseholds.*

3. Q: What is your approach to conversion markets and are there any downsides to pursuing an owned model?

*A: Once we have identified a market to 'convert', our first step is simply to wait for our existing contractual arrangements to expire before moving ahead. We will then focus on hiring a local leader for that market well in advance of the conversion date and providing them with the support they need. From a financial perspective, wholesaler margin is stronger than a distributor margin and this funds the retail investment in a converted market.*

*In terms of whether there are any downsides to the owned model, this is already a well-trodden path for our business, as it is for many others. As a Board, we're confident that this approach affords the best opportunities for us to drive growth and profitability in our most important markets.*

4. Q: How do you manage innovation within the business?

*A: The most important for us is product innovation. We are constantly introducing new seasonal products and collaborations and make use of a range of materials to refresh our ranges. Whilst the nature of our business is not particularly high-tech, innovation is also important in manufacturing and how we operate our stores. We do look to bring in new or upgraded capabilities and share best practice where possible in these areas.*

5. Q: Are the materials used in products manufactured internationally sourced locally or from elsewhere?

*A: We use a range of materials in our products sourced from different places.*

6. Q: How is the business doing in China?

*A: Prior to the renewed lockdowns impacting Shanghai (where our stores are located) this year, our Chinese business had been performing in line with expectations, supported by our new local team. At the moment, China makes up a small part of our global business but remains a tremendous opportunity to grow our brand given the vast size of the market.*

*Despite the current challenges, we remain confident that our Chinese business will return to growth and perform well over the longer term.*

7. Q: Do employees make use of the Company's confidential incident reporting and whistleblowing facilities?

*A: Yes they do. Our 'Speak Up' policy, which sets out how our people can safely raise any concerns they may have about suspected illegal or unethical business practices impacting the business, is widely communicated and well understood by our employees. As part of this, we have in place a confidential incident reporting 'hotline', provided by an independent specialist firm, for circumstances where an individual wishes to report an issue anonymously. Incidents that are raised in this way are initially triaged by the third-party specialist and are fed back to the Company via our Head of Compliance, with anonymity preserved at all times.*

8. Q: The share price has reduced significantly since IPO. Was this caused by Permira, your largest shareholder, selling a portion of their holding?

*A: Prior to the IPO, Dr. Martens experienced a successful period of private equity ownership under Permira, which remains our largest shareholder. Since transitioning to public ownership we've been undergoing a period of adjustment, with new investors continuing to grow their understanding of our business whilst Permira, with its detailed knowledge of the business built during its period of ownership, gradually reduces its position over time. This is also a well-trodden path for newly listed businesses such as ours. The tranche of shares sold by Permira in January 2022 was the first such sale conducted in line with the terms of its relationship agreement with Dr. Martens and is not a cause for concern. Details of this relationship agreement can be found in our FY22 Annual Report, available at [drmartensplc.com](http://drmartensplc.com).*

*A consequence of having a single large shareholder which owns c.36% of the Company is reduced liquidity in our stock, which means that the Company's shares are likely to be unavailable to purchase in the volumes that some prospective investors require. This can also place downward pressure on a company's share price.*

*All that said, the directors all retain significant individual shareholdings and have no plans to reduce these. The share price does not change the way in which we run the business. We are focused on delivering our DOCS strategy and are confident that, over time, the share price will more accurately reflect the true value of the business.*

9. Q: This is a business that should be attractive to younger private investors. Why do you have so few?

*A: We are still young as a listed business and expect that our register will grow over time. You may recall that our offer at IPO was oversubscribed due to significant institutional interest and, consequently, we currently have a relatively low free float. There is also likely to be a generational difference in how people trade, with people increasingly moving away from paper share certificates in favour of holding shares in online nominee accounts. In these cases, it is the nominee and not the individual private investor who is the registered shareholder. The Company has no visibility over who the beneficial owners of shares held in this way are.*