city chic collective

LEADING A WORLD OF CURVES

INTERIM FY22 RESULTS

24 February 2022

CONTENTS

Phil Ryan, CEO   Peter McClelland, CFO

1.

1H FY22
RESULT OVERVIEW

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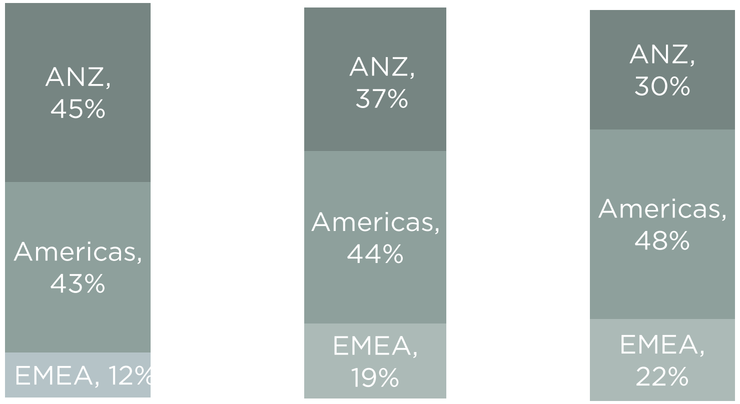
1H FY22 RESULT HIGHLIGHTS

$178m

Global Sales

Australia, New Zealand, USA, Canada, UK, Europe, Middle East

$178.3m	**1.32m**	**71.7m**
Global Sales[6]	Active Customers[3,6]	Global Traffic[5,6]
	64% YoY Growth	71% YoY Growth



77%
Online Sales Penetration (LTM)[2]

49.8%
Top-line Sales Growth

44.0%
Comp Sales Growth[1]

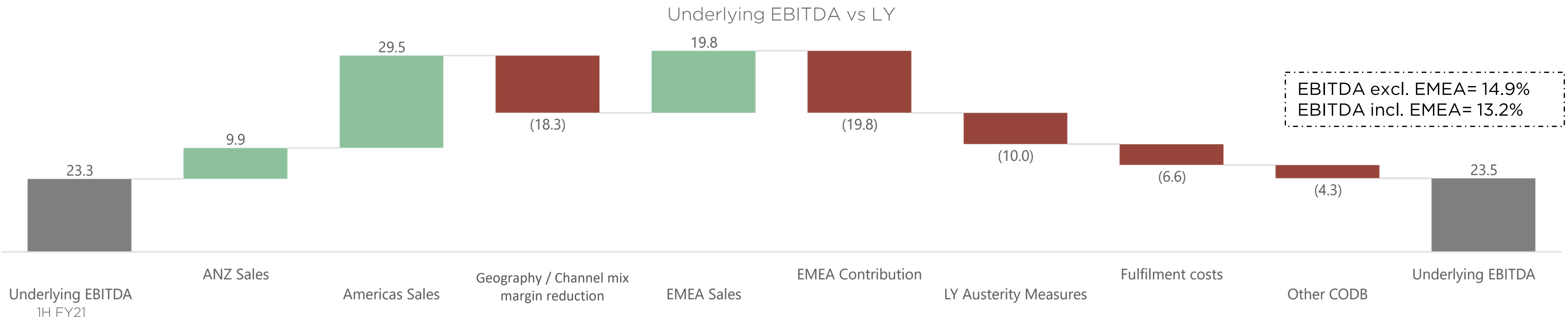
$23.5m
Underlying EBITDA[4]
1% YoY Growth
13.2% Margin

$20.4m
Underlying EBIT[4]
0.8% YoY Growth
11.4% Margin

$14.0m
Underlying NPAT[4]
7.9% Margin

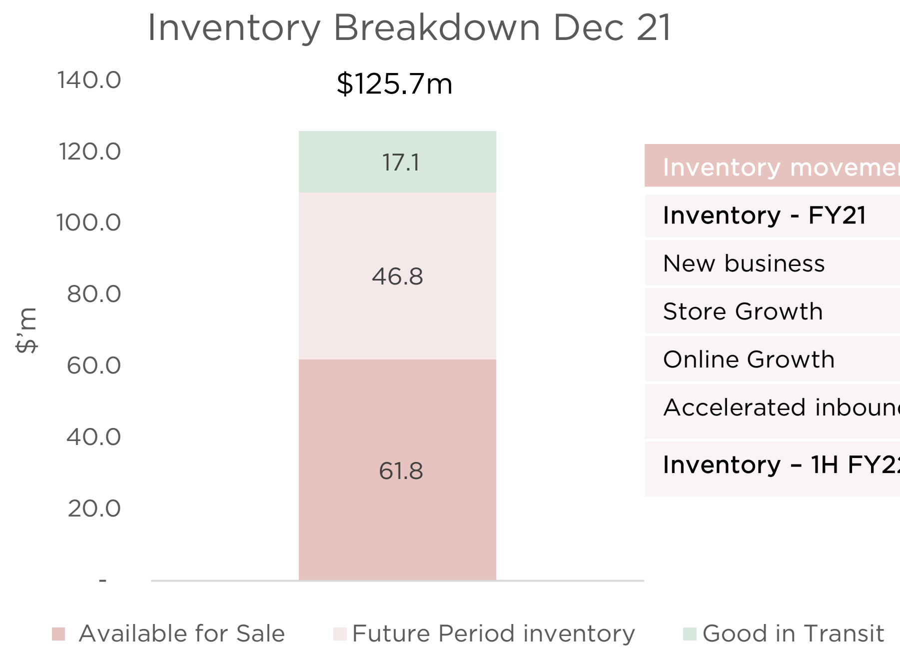
1. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Evans and Navabi; excludes period of extended store closures due to Government-directed lockdowns. On constant currency basis (prior year re-stated at current year FX rate)
2. Online represents websites and online marketplace sales; based on last 12 months revenue to remove seasonality impacts
3. Active customers include customers who have shopped online, in stores and omni-channel in the last 12 months; excludes wholesale and marketplace customers
4. Underlying earnings adjusted for net expenses of $1.7m, which include costs associated with the acquisition of Navabi and its integration into the business, as well as costs associated with the impact of additional on-costs incurred on the vesting of performance rights in 1HFY22 and the outstanding performance rights and loan funded shares at the end of 1H FY22 (net of a favourable impact from the forfeiture of long-term performance incentives in 1H FY22). No adjustment for the non-cash long term incentive share-based payments expense of $0.7m in 1H FY22 ($1.5m in 1H FY21). Presented pre-AASB16, with reconciliation in Appendix
5. Traffic to Online excludes traffic to Online Marketplaces
6. ANZ refers to Australia and New Zealand, Americas includes USA and Canada, EMEA region refers to UK, Europe, Middle East and Africa

1H FY22 EBITDA MOVEMENTS



- Revenue growth across all regions and channels (other than retail stores which were impacted by Government-directed store closures)
- The strong growth in the US and AU Online resulted in a lower gross margin ratio as these geographies/channels trade at a lower gross margins%. Included in the channel mix impact is Government-directed store closures which at an EBITDA level is estimated to be approximately $4m
- EMEA traded at a breakeven EBITDA as the newly acquired Evans and Navabi businesses re-build and COVID-19 and supply chain issues are addressed
- The prior period benefited from non-recurring COVID-19-related austerity measures of $10.0m in Marketing & Advertising expenditure, Employee Benefits and other OPEX (largely consulting)
- Fulfilments costs increased from both the continued growth of the online business and an underlying increase in freight costs globally
- Underlying Cost of Doing Business (CODB) of 45.7% of sales is higher than 1H FY21 (41.6%) on an actual basis but lower than the 50.0% if the prior period was adjusted for the austerity measures.

INVENTORY MOVEMENTS RECONCILIATION



Inventory movements	$'m
Inventory - FY21	**67.0**
New business	5.5
Store Growth	2.2
Online Growth	22.0
Accelerated inbounding	29.0
Inventory – 1H FY22	**125.7**

- Strategic investment in inventory to offset global disruption to supply chains and to support business growth.
- Growth since June 21 driven by:
  - New business – investments in Navabi, Partners and World of Curves to build stock to commercial levels
  - Store growth - 5 new stores (net) opened and 8 relocations to larger format sites
  - Online growth – significant assortment increases across all sites, globally to drive sales growth
  - Accelerated inbounding:
    - We are leveraging our global demand to produce commercial quantities at our quality and price expectations. This has led to an increase in our future inventory hold of market appropriate volumes in our growth markets;
    - Investment in inventory to protect the business from the continued global supply chain volatility and freight capacity shortages, with a blanket 4-6 weeks lead time increase;
    - Diversification of product sourcing into new regions including India and Bangladesh and onboarding of new factories in China required longer lead times, resulting in earlier ownership of goods by up to 2 months
- This strategic investment in inventory to protect the business from global supply chain volatilities and freight shortages and to support global growth has resulted in a decline in the operating cash flows in 1H FY22
- Increase in inventory during 1H FY22 almost entirely relates to current and future seasons, with aged inventory balances as of the end of 1H FY22 in line with FY21. There has been no change in the methodology used for assessing the net realisable value of inventory on hand and the inventory provisioning remains consistent between periods.

1H FY22 OPERATIONAL & STRATEGIC HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

- ANZ online business grew 42%, more than offsetting any store closure disruption; addition of Conservative product stream proving successful and catalyst for continued growth
- Continued to drive market penetration in the USA; Avenue.com trading above pre-acquisition levels, City Chic USA website trading back at historic growth levels
- Enhanced store environments with 8 new stores and closure of 3 stores, plus 8 store conversions into larger sites
- Strategic investment in inventory to manage supply chain issues and support Northern Hemisphere summer sales; continue to adapt product mix and stock levels across global operations
- Live chat and 24/7 customer service available across our websites globally; Trustpilot customer engagement score for Evans up from 1.3 to 3.9

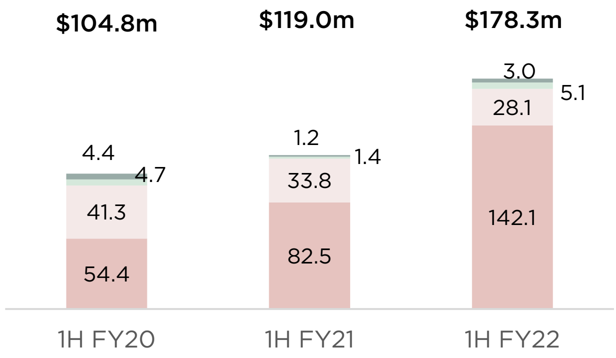
STRATEGIC HIGHLIGHTS

- Strong customer acquisition and growth in category market share as City Chic continues to leverage the expanded global footprint across online, marketplace and stores
- Launched new marketplace partnerships as part of strategy to grow geographically: Very in UK, Walmart and Target in USA, David Jones in ANZ
- Entry into the European market with acquisition of Navabi; integration of Evans and Navabi complete and growth strategies being implemented, delivering a pleasing $20m of revenue in 1H FY22; managing product assortment due to UK/EU supply chain issues remains a key priority
- Introduced the City Chic Collective consumer to a greater assortment of product, catering to her everyday lifestyle; Evans and Avenue product added to citychic.com.au and Evans, Avenue and City Chic products added to Navabi websites
- Acquired US plus-size marketplace CoEdition post 1H FY22
- Northern Hemisphere business was 55% of revenue, exceeding ANZ for the first time

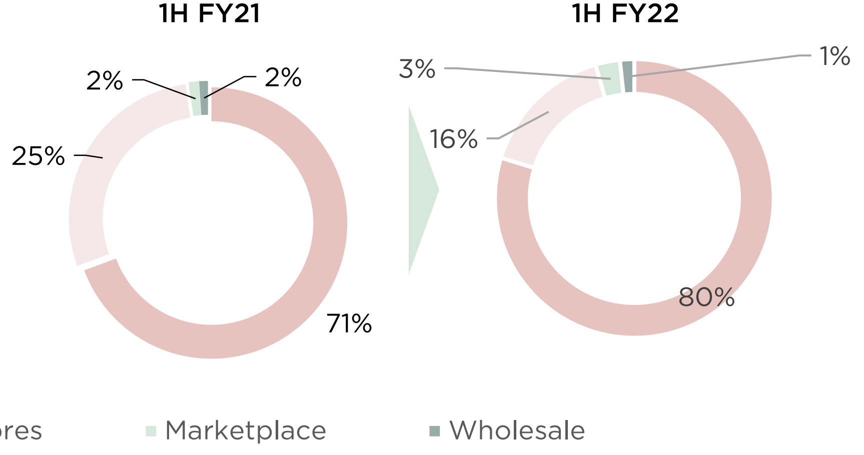
SALES PERFORMANCE BY CHANNEL & REGION

REVENUE BY CHANNEL

1H FY22	Sales Revenue (A$m)	Sales Growth Reporting Currency	Sales Growth Constant Currency[1]	Comp Sales Growth[2]
Online	142.1	72.2%	75.6%	52.5%
Stores	28.1	(16.8%)	(17.0%)	(7.7%)
Marketplace	5.1	257.5%	280.2%	-
Wholesale	3.0	132.6%	122.3%	-
Total	**178.3**	**49.8%**	**51.0%**	**44.0%**

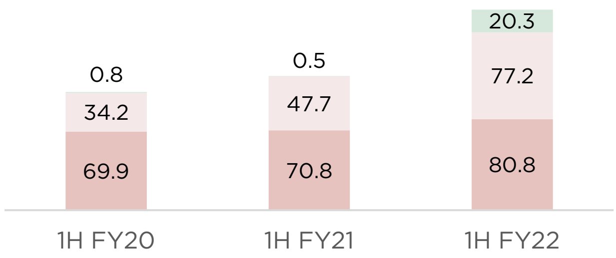


CONTRIBUTION BY CHANNEL

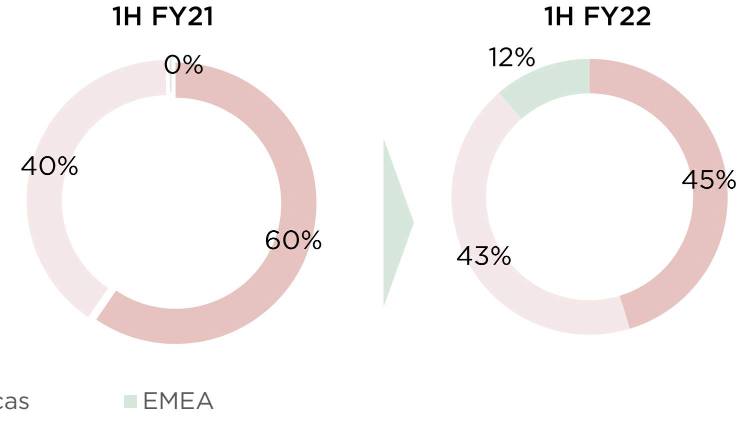


REVENUE BY REGION

1H FY22	Sales Revenue (A$m)	Sales Growth Reporting Currency	Sales Growth Constant Currency[1]	Comp Sales Growth[2]
ANZ	80.8	14.0%	14.0%	29.0%
Americas	77.2	62.2%	65.1%	61.2%
EMEA	20.3	N/A	N/A	N/A
Total	**178.3**	**49.8%**	**51.0%**	**44.0%**



CONTRIBUTION BY REGION



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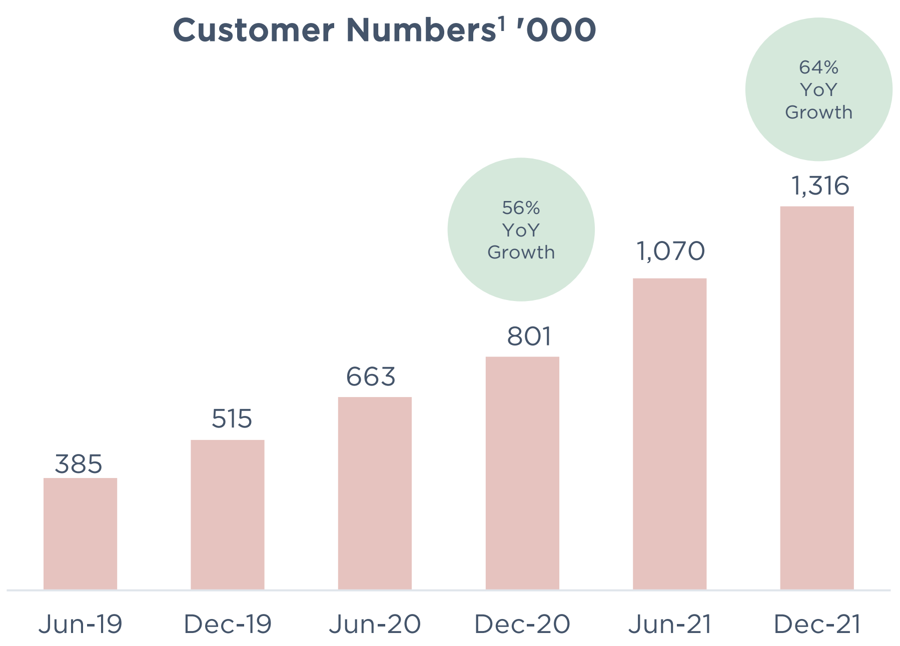
1. Constant currency is calculated by restating the prior year sales at the current year FX rate
2. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Evans and Navabi; excludes period of extended store closures due to Government-directed lockdowns. Calculated on a constant currency basis (prior year re-stated at current year FX rate)

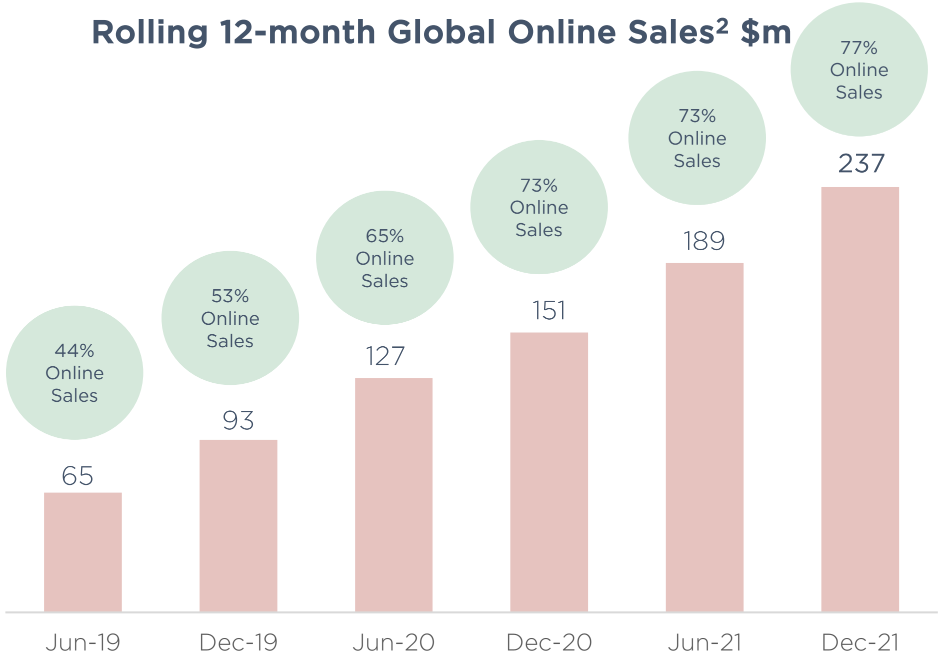
CUSTOMER-FOCUSED GROWTH STRATEGY

Plus-size focus, global customer base growth, digital

GLOBAL CUSTOMER BASE GROWTH



INCREASED ONLINE PENETRATION



- Active customers increased from 801k to 1,316k in the last 12 months representing a 64% increase
- Active customer growth in all regions; includes Avenue, Evans and Navabi customers who have shopped with CCX from time of acquisition (Oct-19, Dec-20 and July-21 respectively)

- Online penetration has increased from 73% to 77% in the last 12 months
- Strong online (own websites and marketplace) revenue growth
  - 75% YoY growth in 1H FY22
  - More than 2.5x vs Dec-19 Rolling 12-months

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1. Active customers include customers who have shopped in online, stores and omni-channel in the last 12 months; excludes wholesale and marketplace customers
2. Online represents websites and online marketplace sales; based on last 12 months revenue to remove seasonality impacts

2.

BUSINESS OVERVIEW AND STRATEGY

World of Curves

THE DESTINATION FOR HER EVERY LIFESTYLE NEED

EXECUTING OUR STRATEGY

Deliver the Collective's significant product range to the global plus-size market through our global digital and physical storefronts

GLOBAL PRODUCT RANGE

5k+
STYLES

15+
BRANDS[2]

GLOBAL DIGITAL STORE FRONTS

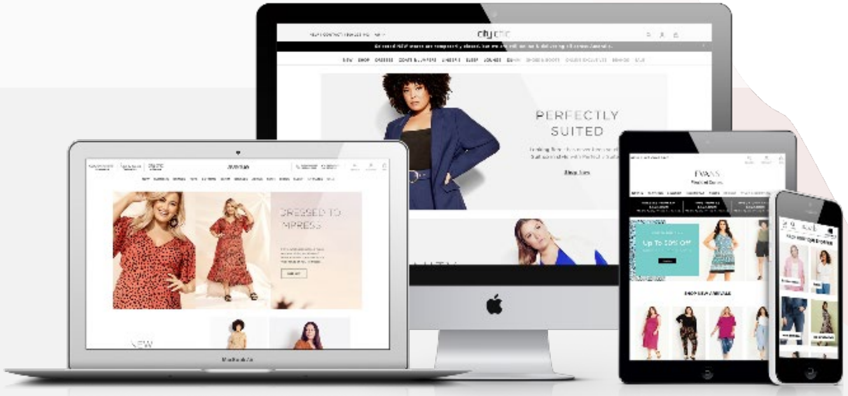
city chic avenue
EVANS navabi

& Partners + Stores

GLOBAL PLUS-SIZE MARKET

Global Plus-size Customer across various lifestyles: fashion, youth, conversative, intimates

US$180bn annually[1]



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1. Source Credence Research, Inc.
2. Includes recently launched lifestyle brands and owned brands acquired through Navabi

BRANDS TO LOVE

avenue®

Keep your everyday style effortlessly put-together. Mix-and-match our capsule wardrobe separates for an instant style update.

BRANDS TO LOVE

CCX

Taking inspiration from of-the-moment street styles and festival vibes, the CCX girl is always ready for a selfie.

Keep your look edgy with graphic tees, camo prints, and quality basics that love to mix-and-match.

BRANDS TO LOVE

CLOUDWALKERS®

Treat your feet with our bestselling range of footwear featuring Cloudwalkers™ padded insoles.

BRANDS TO LOVE

FOX & ROYAL

A beautiful outfit starts with the perfect foundation: gorgeous lingerie in a curve-enhancing fit.

EVANS

Sure to charm, the beloved English brand Evans puts a modern twist on wardrobe classics, from tops and dresses to on-trend shoes.

BRANDS TO LOVE

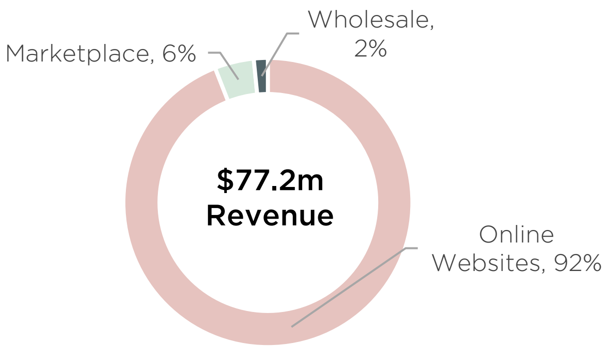
city chic

Channel your inner fashionista with new-season styles that conceal and reveal in all the right places.

CUSTOMER-CENTRIC OPERATING MODEL

GLOBAL BUSINESS OVERVIEW

AMERICAS

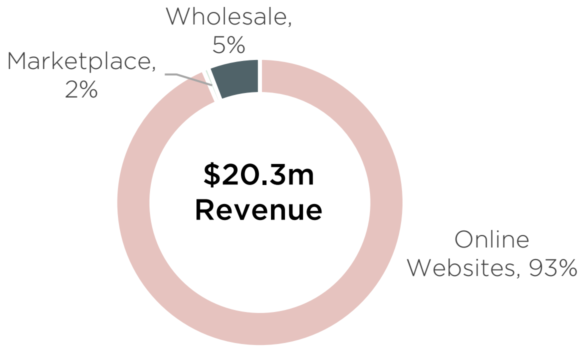


- 582k Active Customers[1] (42% YoY Growth)
- 34.3m Annual Traffic[2] (31% YoY Growth)
- A$207 avg Annual Spend[3] (In line with pcp)

(note: average USD FX rate of 0.74 in 1H FY22)

USA fulfilment site in Dallas
Canada fulfilment site in Ontario
Office in New Jersey

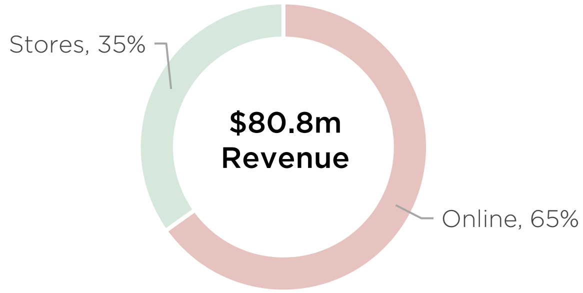
EMEA



- 251k Active Customers[1,4]
- 15.9m Annual Traffic [2,4]
  (includes 5 months since Navabi acquisition)
- A$122 avg Annual Spend[3,4]

UK fulfilment site in Gateshead
European fulfilment site in NW Germany
Office in London

AUSTRALIA & NEW ZEALAND



- 482k Active Customers[1] (24% YoY Growth)
- 21.5m Annual Traffic[2] (34.4% YoY Growth)
- A$319 avg Annual Spend (8.1% YoY Growth)

ANZ fulfilment site in Sydney
94 stores at end of Dec 2021
Head office in Sydney

1. Active customers includes customers who have shopped in online, stores and omni-channel in the last 12 months; excludes wholesale and marketplace (at Dec 2021)
2. Traffic to our own websites in the 12 months to Dec 2021; excludes stores and partner marketplace websites
3. Average annual spend excludes wholesale and marketplace customers
4. Includes Navabi revenue (in AUD) and metrics for 5 months since acquisition (acquired on 23 July 2021)

THE FUTURE OF DIGITAL PRIVACY

Data protection has experienced a paradigm shift over the last few years with GDPR in Europe, CCPA in California & PIPEDA in Canada. As a global digital retailer, we are looking to adapt to these changes by moving from client-side to server-side tracking. We are removing the power of tracking from the browser to our encrypted servers. Providing us enhanced control over our data while adding additional protection to our consumer's data.

CURRENT TRACKING - CLIENT-SIDE

We currently operate "Client-Side", Tracking through browser data, third-party cookies and pixels.

WHY MOVE FROM CLIENT-SIDE TRACKING

- Outdated model and degradation of data due to ad-blockers, Intelligent Tracking Protection (ITP), misattribution.
- Google looking to block third-party cookies in 2023
- IOS updates have led to complications for Facebook and Google Advertising tracking. While server side is not a complete solution and is evolving. It allows us to enhance our conversion tracking and pass it back to Facebook and Google for improved accuracy.

FUTURE TRACKING - SERVER-SIDE

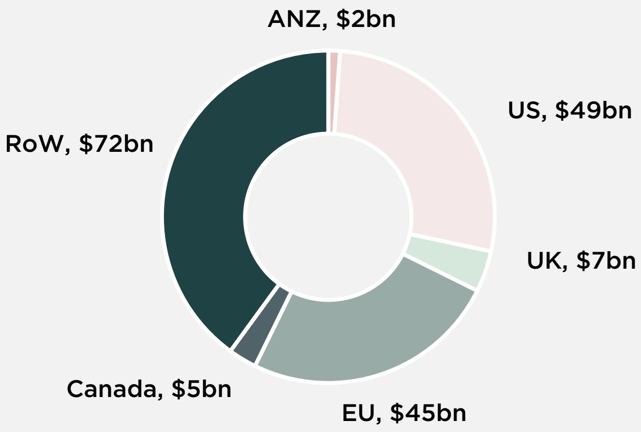
We will be moving to Server-Side, Tracking directly through customers interactions within our server.

THE IMPACT OF SERVER-SIDE TRACKING

- Enhanced data security for consumers and IP anonymization
- Enhanced data tracking capabilities - removes complications from ad-blockers and Intelligent Tracking Protection
- Data ownership – removing third-party data from cookies and tracking pixels
- Enhanced data to be passed to and from our advertising channels leading to improve efficiencies in our spend and behavioral tracking

GLOBAL PLUS-SIZE LANDSCAPE

Currently address US$100bn+ of the US$180bn[1] total global plus size market
Entry into US$45bn European market in FY22 with Navabi acquisition[2]



City Chic's current penetration by product stream and region

	Fashion / Youth	Conservative	Intimates
ANZ	Established	Early Stage	Established
USA	Early Stage	Established	Early Stage
UK	Early Stage	Established	Early Stage
EU	Entry in July 2021 with Navabi acqusition[2]		
Canada	Entry in April 2021 with minimal current share[3]		

GROWTH

- Plus-size market forecast to grow c.7%[1] annually
- Average annual spend in plus-size is currently materially less than the rest of the women's apparel market
- Curvy women increasingly gaining confidence
- Increasing rates of plus-size women globally

ONLINE

- Plus-size women have embraced shopping online
- Current online sales represent one-quarter[1] of total plus-size sales globally
- Strong forecast growth in online channels in the global plus-size market

UNDERSERVED

- Traditionally, plus-sized women's clothing has been serviced by department stores or select retailers with extended sizing
- Limited number of independent plus-sized brands

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1. Source Credence Research, Inc.
2. City Chic Collective acquired European plus-size retailer Navabi on 23 July 2021 (refer slide 16 for details)
3. New 3PL facility established and launched with HBC; expanding marketplace partners

CURRENT BRAND PORTFOLIO & STRATEGIC OPPORTUNITY

Opportunity to address global plus-size market with our portfolio of brands

	FASHION / YOUTH	CONSERVATIVE	INTIMATES	
OUR BRANDS	city chic, CCX	avenue, EVANS	city chic, CCX, FOX&ROYAL, Hips & Curves, avenue	
AUSTRALIA & NEW ZEALAND	*Greater Share of Wallet*	*Market Entry Opportunity (Launched August 2021)*	*Market Share Expansion and Greater Share of Wallet*	
UNITED STATES OF AMERICA	*Market Share Expansion / Customer Acquisition*	*Market Share Expansion / Customer Acquisition*	*Market Share Expansion and Greater Share of Wallet*	
UNITED KINGDOM	*Market Share Expansion / Customer Acquisition*	*Market Share Expansion / Customer Acquisition*	*Market Entry Opportunity*	EVANS *Acquisition*
EUROPE	*Market Entry Opportunity*	*Market Entry Opportunity*	*Market Entry Opportunity*	navabi *Acquisition*

Executed in past 12 months | Continue to Drive Forward

KEY INITIATIVES TO LEAD A WORLD OF CURVES

MARKET SHARE EXPANSION IN THE AMERICAS

- Significant market share opportunity in the US$49bn[1] market
- Cross selling of City Chic and Evans product to the Avenue customer is tracking well
- Expand marketing campaigns to grow customer base and to re-engage customers
- Expand existing and enter new marketplace partnerships – see slide 20

MARKET SHARE EXPANSION IN THE UK

- Significant market share opportunity in the US$7bn[1] market
- Evans acquisition has accelerated entry into the UK; providing platform to drive customer base growth
- Supply chain issues have materially impacted the range delivery in the UK and EU business and these are a key focus to get right for the northern hemisphere summer
- Expand existing and enter new marketplace partnerships – see slide 20
- Key priorities outlined on slide 19

MARKET ENTRY FOR 'CONSERVATIVE VALUE' IN ANZ

- Significant market share opportunity in the US$2bn market[1]
- Adopted the learnings from the US market entry experience – leverage the strong existing traffic streams of Citychic.com.au and launched the conservative value product stream across 7 David Jones concession stores and David Jones marketplace with strong positive early reads
- Launched Avenue/Evans on Citychic.com.au with assortment including over 1,500 styles; very pleasing customer reaction to date

MARKET ENTRY IN EUROPE

- Significant market share opportunity in the US$45bn[1] market
- Acquisition of Navabi provides a foothold into European market
- Range build was stopped by supply chain issues and the range build will commence in summer 2022
- Introduce all the collective's brands and further develop the current product and lifestyle offering
- Launch marketplace partnerships in Europe to drive brand awareness – see slide 20

EXPAND FASHION / YOUTH OFFERING GLOBALLY

NEW MARKET PARTNERSHIPS IN CANADA AND THE MIDDLE EAST

WORLD OF CURVES SOCIAL COMMUNITY

REVIEW INORGANIC OPPORTUNITIES

1. Source Credence Research, Inc.

AN UPDATE ON RECENT ACQUISITIONS

EVANS

- In early 1H FY22, Evans was materially impacted by labour shortages in the UK, particularly in transport and logistics and this has resulted in sales revenue in FY22 to date being below expectations
- We are working with logistics partners to build a stronger assortment into Summer 2022.
- Logistic challenges in the UK has delayed the growth potential with partners including Zalando and Debenhams
- Launched partnership agreement with Very and NEXT Partner Plus Program in the UK

navabi

- Completed the integration of the business including team, website and warehouse
- Transitioned to a new warehouse
- Launched 2 new websites (English and German) with a collective portfolio of brands available (including City Chic, Evans and Avenue product)
- Focused on rebuilding the stock position to commercial levels albeit there were significant supply and logistics challenges.
- Looking to drive the summer 2022 range to be a stronger representation of the Collective's product mix

coedition

- City Chic completed the asset acquisition of USA plus-size marketplace CoEdition's customer lists, brand and URL in 2H FY22. City Chic paid US$0.639m for the assets.
- In the 12 months to September 2021, CoEdition had approximately 55k active customers
- Integration into the citychiconline.com (US) online platform was completed in January 2022

GLOBAL MARKETPLACE PARTNERSHIPS[1]

Partnerships in new and existing regions form a part of our customer acquisition strategy; leveraging infrastructure to profitably bring awareness to our global brands as trends continue online

	Established	1H FY22	New in 2H FY22
ANZ		DAVID JONES	THE ICONIC ebay
AMERICA	macy's NORDSTROM HUDSON'S BAY	Walmart TARGET	amazon Dia
EMEA	next Curvissa SIZES 14-32 freemans	very ALSHAYA GROUP SECRET SALES	zalando Debenhams (UK + Middle East) amazon

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1. Marketplace/dropship partners only; excludes wholesale partners

3.

1H FY22
FINANCIAL REVIEW

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FINANCIAL PERFORMANCE

A$m: Continuing Operations	1H FY20	1H FY21	1H FY22
Sales Revenue	**104.8**	**119.0**	**178.3**
Revenue Growth vs PCP	*39.0%*	*13.5%*	*49.8%*
Comparable Sales Growth[1]	*11.3%*	*20.8%*	*44.0%*
Online % of Sales Revenue	*56%*	*71%*	*83%*
Gross Trading Margin[2]	**64.9**	**72.8**	**105.0**
Gross Trading Margin %	*61.9%*	*61.2%*	*58.9%*
Fulfilment costs[3]	(8.1)	(14.8)	(26.0)
Employee Benefits Expense	(17.1)	(15.3)	(21.9)
Advertising Expenses	(2.1)	(4.8)	(12.1)
Marketing Expenses	(2.5)	(2.1)	(4.2)
Rent (Pre-AASB16)	(7.4)	(5.4)	(5.5)
Other	(8.6)	(7.1)	(11.8)
Underlying Cost of Doing Business[4]	**(45.8)**	**(49.5)**	**(81.5)**
CODB %	*43.7%*	*41.6%*	*45.7%*
Underlying EBITDA (Pre-AASB16)[4]	**19.1**	**23.3**	**23.5**
Underlying EBITDA Margin	*18.2%*	*19.6%*	*13.2%*
Underlying EBITDA Growth	*20.8%*	*21.8%*	*1.0%*
Underlying EBITDA Margin (excl SBP)	*19.7%*	*20.8%*	*13.6%*
Underlying EBIT (Pre-AASB16)[4]	**16.8**	**20.2**	**20.4**
Underlying EBIT Margin	*16.1%*	*17.0%*	*11.4%*
Underlying EBIT Growth	*13.3%*	*20.0%*	*0.8%*
Underlying EBIT Margin (excl SBP)	*17.5%*	*18.2%*	*11.8%*
Statutory NPAT	**10.5**	**13.1**	**12.3**

CONTINUED STRONG REVENUE GROWTH

- Strong comp sales growth[1] in 1H FY22 driven by ANZ online and a particularly strong performance in the US websites with Avenue.com trading materially above pre-acquisition levels. Revenue growth noted in all regions despite global supply chain volatility.
- Revenue and cost structures are not comparable between 1H FY21 and 1H FY22 due to the impact of COVID-19 and acquisitions:
  - Government directed store closures in 1H FY22 have negatively impacted EBITDA by approximately $4m
  - The Evans and Navabi acquisitions in EMEA generated revenue of $20.3m however traded at a breakeven EBITDA as the businesses rebuild and COVID-19 and supply chain issues are addressed
  - The prior period also benefited from non-recurring COVID-19-related austerity measures of $10m. These were predominantly in advertising and marketing and other operating expenditure, as well as Government subsidies which were reported against the employee benefits expense
- Gross trading margin 58.9% in 1H FY22:
  - Growth in the lower GM% USA and UK mix; in AU the increased online mix resulted in a downward impact on gross margins
  - Higher contribution from the lower margin Wholesale channel
  - Contribution from Evans and Navabi which are currently trading at a lower margin as the businesses scale up
- Underlying CODB% at 45.7% with expenditure in advertising, marketing and other expenses a more normalised cost structure in 1H FY22 vs 1H FY21
- Underlying EBITDA margin of 13.2% and growth of 1% from 1H FY21:
  - Adjusting for AASB16 impact (negative $0.3m), transition and transaction costs associated with executing the Navabi acquisition (negative $1.0m), additional on-costs associated with the long term performance incentives (negative $0.6m).

1. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Evans and Navabi; excludes period of extended store closures due to Government-directed lockdowns. Calculated on a constant currency basis (prior year re-stated at current year FX rate)
2. Gross Trading Margin represents Sales Revenue less purchase and inbound-related costs of inventory
3. Fulfilment Costs represent warehousing and freight costs to deliver online sales
4. Underlying earnings adjusted for net expenses of $1.7m, which include costs associated with the acquisition of Navabi and its integration into the business, as well as costs associated with the impact of additional on-costs incurred on the vesting of performance rights in 1HFY22 and the outstanding performance rights and loan funded shares at the end of 1H FY22 (net of a favourable impact from the forfeiture of long-term performance incentives in 1H FY22). No adjustment for the non-cash long term incentive share-based payments expense of $0.7m in 1H FY22 ($1.5m in 1H FY21). Presented pre-AASB16, with reconciliation in Appendix

CASH FLOW

A$m: Continuing Operations	1H FY20	1H FY21	1H FY22
Receipts from customers	114.8	126.4	196.9
Payments to suppliers	(95.6)	(103.9)	(213.0)
Net interest, other revenue, grants	0.0	4.9	0.2
Income taxes	(4.0)	(6.1)	(3.5)
Operating Cash Flows	**15.2**	**21.3**	**(19.4)**
Capex (pre landlord contribution)	(4.0)	(2.6)	(5.2)
Payment for purchase of business, net of cash acquired	(25.7)	(41.0)	(4.3)
Sale Proceeds	-	-	-
Investing Cash Flows	**(29.7)**	**(43.6)**	**(9.5)**
Repayment of lease liabilities[2]	(7.2)	(5.7)	(4.1)
Proceeds from / (Repayment) of borrowings	17.5	(17.5)	-
Dividends Paid	(2.9)	-	-
Net Proceeds from issue of shares	-	108.6	-
Financing Cash Flows	**7.4**	**85.5**	**(4.1)**

STRATEGIC INVESTMENT IN INVENTORY TO MANAGE GLOBAL SUPPLY CHAIN DISRUPTIONS

- Normalised Operating Cash Outflow of $21.6m for 1H FY22 vs Cash Inflow of $21.5m in 1H FY21. Net normalisation adjustments of $2.2m to the 1H FY22 Statutory Operating Cash Flow includes:
  - – Reclassification of rental payments to financing cash flows in relation to AASB16 of $4.1m
  - \+ Cash outflows related to transaction costs of $1.0m[1]
  - \+ Payroll-tax related payments on the vesting of performance rights of $0.9m
- Decline in operating cash flow mainly driven by approximately $112m of cash payments to inventory suppliers during the period and was the result of:
  - A strategic decision to invest in inventory in light of the continued global supply chain volatilities and freight capacity shortages, with a blanket 4-6 weeks lead time increase
  - Investment in inventory to support global growth (including following recent acquisitions of Navabi in 1H FY22 and Evans in 1H FY21) and global buying
  - Diversification of product sourcing into new regions including India and Bangladesh and onboarding of new factories in China required longer lead times, resulting in earlier ownership of goods by up to 2 months
- Capex primarily relates to IT investment and new store roll-out
  - Capex presented does not include landlord contributions; capex net of landlord contributions received was $3.9m for 1H FY22
- $40m debt facility remained undrawn in 1H FY22
- Net cash consideration paid for the acquisition of Navabi in July 2021 for $4.3m
  - Further investment in stock since acquisition to bolster assortment in the new European market including the introduction of City Chic, Avenue and Evans

1. Transaction costs associated with the acquisition of Navabi
2. AASB16 Leases which were effective from 1 July 2019

FINANCIAL POSITION

A$m	27 Dec 20	27 Jun 21	26 Dec 21
Cash and cash equivalents	83.0	71.5	38.7
Inventories	48.7	67.0	125.7
Other	9.2	12.5	22.8
Current Assets	**140.8**	**151.0**	**187.2**
Property, plant, equipment	8.4	10.2	12.5
Right-of-use assets	18.4	22.4	26.8
Intangibles	75.9	75.6	83.0
Deferred tax asset	8.7	7.8	8.2
Non-current Assets	**111.5**	**116.0**	**130.5**
TOTAL ASSETS	**252.3**	**267.0**	**317.7**
Trade and other payables	47.5	41.9	69.8
Provisions and Other	8.8	13.0	13.5
Borrowings	-	-	-
Lease liabilities	8.7	9.3	10.0
Current liabilities	**65.0**	**64.2**	**93.3**
Borrowings	-	-	-
Provisions and Other	1.5	1.2	1.5
Lease Liabilities	14.3	18.8	23.8
Non-current Liabilities	**15.8**	**19.9**	**25.3**
TOTAL LIABILITIES	**80.8**	**84.1**	**118.6**
NET ASSETS	**171.5**	**182.9**	**199.1**

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STRONG BALANCE SHEET FOR GROWTH

- Cash position as at 26 Dec 21 of $38.7m and nil borrowings. Since 27 June 2021, key non-operating movements in the cash balance include:
  - Acquired Navabi for $4.3m (net of cash acquired) and rebuilt inventory position
- Strategic investment in inventory (see Slide 6)
- Increase in trade and other payables from June 21 comprises:
  - An increase of $21.1m in balances outstanding to inventory suppliers; this is driven by the accelerated inbounding of inventory at the end of 1H FY22; outstanding balances are expected to fall in 2H FY22
  - An increase in other payables of $8.4m mainly driven by additional freight and warehouse-related payables due to the accelerated inbounding of inventory and additional payables driven by the recent Navabi acquisition
- Intangibles include acquisition of Navabi in July 2021
- Right of Use Assets and Lease Liabilities relates to adoption of AASB 16
  - Increase in balance in 1H22 due to opening new stores
- Given the organic and potential inorganic opportunities to accelerate growth, as well as the ongoing uncertainty caused by COVID-19, the Board has not declared a dividend for the period

4.

FY22 UPDATE AND OUTLOOK

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FY22 UPDATE AND OUTLOOK

- CCX notes there is uncertainty given the current impacts of macroeconomic conditions and COVID-19 on consumer confidence.
- In the first 8 weeks of H2, CCX has continued to deliver top line and comparable sales growth:
  - While still strong, Online growth rates in the key markets of ANZ and US have been more subdued compared to H1 following strong sales in the peak trading period of Q2 and impacts of COVID-19 being felt early in Q3; the physical store environment in Australia during the first 8 weeks has been challenging
  - US growth continues with our fashion product selling well on both City Chic and Avenue sites
  - Initial response from the CoEdition customer has been pleasing as there has been a significant uptick in the sales on the CC US website, following the integration in mid-January
  - UK and EU are showing signs of recovery and getting closer to pre acquisition levels
- Our partner business across multiple geographies has continued to show growth in the first 8 weeks of 2H
  - We will continue to develop new programs and launch new ranges with our existing partners, as well as onboarding new partnerships during H2
- Managing our supply chain to counter the ongoing global disruptions, and position CCX for continued growth, will remain a key focus of CCX in H2 and into FY23
  - Stock levels will continue to build during H2 to help manage the Lunar New Year shutdowns and in time for the key Northern Hemisphere summer sales period
  - This strategic investment in inventory will result in a temporarily reduced cash position and the partial utilisation of the Company's debt facility in H2;
  - Programs to actively manage inventory across the regions are in place

Execute strategy to deliver the Collective's significant product range to the global plus-size market through its global digital and physical storefronts

Drive market share growth and customer acquisition in the US; execute on the Avenue re-engagement strategy	Gain market share in ANZ through the introduction of our conservative value product stream (Evans and Avenue)	Introduction of the collective's full assortment to the Evans customer base, building on the initial deliveries in 2H FY21	Integration of Navabi and introduction of wider product range to the European customer base
Expand and execute on marketplace partnerships in all regions	Continue rotation of store portfolio into new fit-outs & conversion to larger format stores	Further develop the World of Curves social community	Continue to review inorganic opportunities to accelerate global customer growth

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5.
APPENDIX

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IMPACT OF AASB16

AASB16 adopted from 1 July 2019

Profit & Loss (Continuing Operations)

A$ million	1H FY22 Statutory Post AASB16	AASB 16 Impact	1H FY22 Pre AASB16	Underlying Adjustments[2]	1H FY22 Underlying Pre AASB16[2]	1H FY21 Underlying Pre AASB16[2]	Variance $	Variance %
Sales	178.3	-	178.3	-	178.3	119.0	59.3	49.8%
Purchase & Inbound-related Costs of Inventory	(73.2)	-	(73.2)	-	(73.2)	(46.2)	(27.1)	(58.5%)
Gross Trading Profit	105.0	-	105.0	-	105.0	72.8	32.2	(44.3%)
Cost of Doing Business	(79.1)	(4.1)	(83.2)	1.7	(81.5)	(49.5)	(32.0)	(64.6%)
EBITDA	25.9	(4.1)	21.8	1.7	23.5	23.3	0.2	1.0%
Depreciation & Amortisation	(7.1)	4.0	(3.1)	-	(3.1)	(3.1)	(0.0)	(1.7%)
EBIT	18.8	(0.1)	18.7	1.7	20.4	20.2	0.2	0.8%
Net Finance Cost	(0.7)	0.5	(0.2)	-	(0.2)	(0.2)	(0.0)	(4.3%)
Profit Before Tax	18.1	0.3	18.5	1.7	20.2	20.0	0.2	0.8%
Income Tax Expense	(5.8)	-	(5.8)					
Net Profit After Tax	12.3	0.3	12.6					

Balance Sheet

Recognised Right of Use Assets of $26.8m and Lease Liabilities of $33.8m as at 26 December 2021

Cash Flow

No impact on net cash flow. Rental payments previously captured in operating cash flow replaced with repayment of lease liability in financing cash flow.

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1. Underlying earnings adjusted for net expenses of $1.7m, which include costs associated with the acquisition of Navabi and its integration into the business, as well as costs associated with the impact of additional on-costs incurred on the vesting of performance rights in 1HFY22 and the outstanding performance rights and loan funded shares at the end of 1H FY22 (net of a favourable impact from the forfeiture of long-term performance incentives in 1H FY22). No adjustment for the non-cash long term incentive share-based payments expense of $0.7m in 1H FY22 ($1.5m in 1H FY21). Presented pre-AASB16, with reconciliation in Appendix

EARNINGS RECONCILIATION

A$ million	Group	
	1H FY21	1H FY22
Underlying EBITDA	23.3	23.5
Depreciation & amortisation	(3.1)	(3.1)
Underlying EBIT	20.2	20.4
Net Interest expense	(0.2)	(0.2)
Underlying NPBT	20.0	20.2
Taxation on Underlying NPBT	(6.0)	(6.2)
Underlying NPAT	14.0	14.0
Transaction-related items & adjustments	(0.9)	(0.3)
Transition Costs	-	(0.7)
AASB 16 impact[1]	(0.6)	(0.3)
Share issue	(0.2)	-
Other[2]	0.4	(0.6)
Underlying Adjustments	(1.2)	(2.0)
Taxation on Underlying Adjustments	0.2	0.3
Statutory NPAT	13.1	12.3

1. Detailed reconciliation on slide 28
2. In 1H FY21, Other includes FX gains on intercompany settlement and subsequent release of a provision relating to the Avenue acquisition. In 1H FY22, Other includes costs associated with the impact of additional on-costs on the vesting of performance rights in 1H FY22 and the outstanding performance rights and loan funded shares (net of a favourable impact from the forfeiture of long term performance incentives in 1H FY22).

ETHICAL TRADE UPDATE

We welcome the new opportunities and recognise the challenges that come with the growth of brands and the diversification of our supply chain.
Our goal is to work together with all our global partners for a more positive impact to people and planet.

Our 1H FY22 Highlights

Published our second Modern Slavery Act Statement

Continued to roll out Worker Surveys

Tracing of Tier 2 & 3 Suppliers in-progress

Updated and strengthened our Cotton Regions Ban

Introduced cotton tracing and chain of custody process

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We commit to source product in a recognised, responsible, and transparent supply chain

We continue to act on key issues such as the forced labour risks associated with certain cotton farming regions.

CCX is committing to take steps to try and ensure our supply chain does not source directly or indirectly from known regions that openly engage in the use of forced labour, in line with our responsibilities under the UN Guiding Principles on Business and Human Rights.

Working together to empower our workers and give them a voice in the supply chain

As part of our Worker Voice Program, we were excited to extend our worker survey tool out to all factory workers in China. We have also started to introduce our Bangladesh factories to our worker voice tools and surveys.

The survey is in addition to our worker hotline and grievance mechanism as another channel to talk to factory workers.

WORKER SURVEY SCORECARD

- ✓ Modern Day Slavery - 93% positive
- ✓ Labour Practices – 89% positive
- ✓ Health & Safety - 95% positive
- ✓ Worker Satisfaction – 89% positive

Right of every worker in our supply chain to enjoy safe and healthy working conditions in an environment where they are not exploited

Following the acquisition of new brands and our continued diversification of sourcing regions, our focus has been on embedding selected new factories and vendors into our supply chain and our ethical trade policies.

All new suppliers have been onboarded into our ethical trade program. We audit the factories, and assign a risk rating to help prioritise all factory corrective actions required.

Managing & Reducing our Footprint

Our current focus is on those areas where we believe we can help create more positive impact, including:

- more sustainable packaging options
- sourcing more sustainable / preferred fibres for our product
- reviewing options to extend the life of garments, to work towards a more circular economy

We care for the environment and the management of waste in our supply chain

Our audits include Environmental and Waste Management checks for

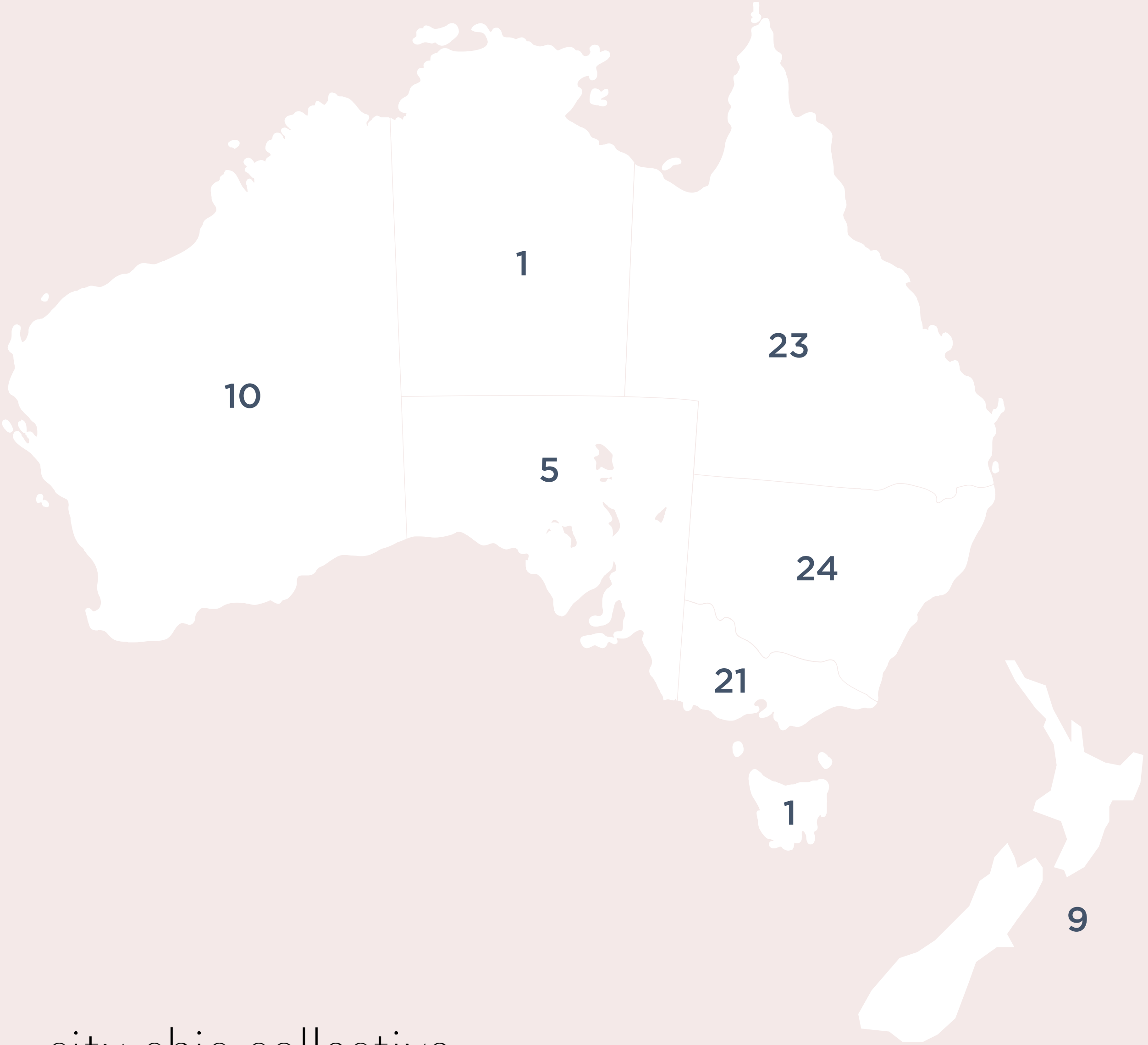
1. Legal Authorisations – such as the EIA
2. Solid & Hazardous wastes
3. Wastewater, Air Emissions and Noise
4. Energy & Water reductions

Working with factories to recognise that a minimum wage does not always equal a living wage

We partner with our factories to implement a plan to work towards paying a living wage so that workers are on a path to earning an income that covers their basic family living expenses which for many is higher than what a minimum wage can afford.

We have established an internal Living wage Tracker which we monitor closely to track our Progress.

STORE NETWORK



- 94 stores as at the end of December 2021
- Portfolio rotation to newer fit-outs in 1H FY22: 8 new stores opened, 3 closures; 8 relocations to a larger format site
- 7 larger format flagship stores with average footprint of c.220m^2
- 21 newer stores in the 'Gold' look design and with a larger footprint of c.150m^2 on average compared to historic smaller format stores of c.100-120m^2
- Focus on in-store experience with enhanced store environments and migration to larger footprint sites – stores that are representative of the City Chic brand and support the omni-channel experience for the loyal customer base
- Very few old fit-outs remaining in the portfolio
- Over 10 stores currently planned to open or relocate to improved sites in FY22
- 7 David Jones World Of Curves concession stores

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