

# city chic collective

LEADING A WORLD OF CURVES

H1 FY25 RESULTS

27 February 2025





## KEY HIGHLIGHTS

- > Underlying EBITDA<sup>1</sup> of \$3.5m, strong turnaround of \$8.7m from a loss of \$5.2m in PCP
- > Strong trading margin<sup>2</sup> improvement with GM\$ up 8.5%
- > ANZ comp store sales up 7.5% boosted by bumper holiday sales period
- > Good momentum into 2H FY25 with trading revenue up 25% on PCP in first 8 weeks, driven by ANZ up 30%
- > Higher-than-planned USA clearance promotions in Jan-Feb and an increase in Amazon marketing, partly offset by additional cost savings, resulting in revised FY25 financial targets; Sales of \$137m-\$147m and EBITDA of \$8m-\$12m

1. Underlying EBITDA (post AASB 16) excludes non-recurring costs, including expenses related to the Northern Hemisphere warehouse relocation, costs associated with the capital raise and restructuring costs.  
2. Trading Gross Margin represents the difference between product sell price and product cost and is before accounting and other adjustments

# TABLE OF CONTENTS

1 Business Update

---

2 Strategic Update

---

4 1H FY25 Financial Summary

---

5 2H FY25 Outlook

---

6 Appendix

Phil Ryan, CEO

James Plummer, CFO



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BUSINESS  
UPDATE

# 1H FY25 RESULTS OVERVIEW<sup>1</sup>

Underlying EBITDA<sup>4</sup> turnaround to profit

<b>GLOBAL SALES</b>  <b>\$69.5m</b> <small>(3.6%) vs HY24</small>	<b>COMP STORE GROWTH</b>  <b>7.5%</b>	<b>ACTIVE CUSTOMERS<sup>2</sup></b>  <b>466k</b> <small>(3.1%) vs FY24</small>	<b>INVENTORY</b>  <b>\$31.1m</b> <small>+1.2% vs FY24</small>
<b>UNDERLYING EBITDA<sup>4</sup></b>  <b>+\$3.5m</b> <small>+181% vs HY24</small>	<b>UNDERLYING EBIT<sup>4</sup></b>  <b>(\$3.8m)</b> <small>71.8% vs HY24</small>	<b>STATUTORY NPAT FROM CONTINUING OPERATIONS<sup>5</sup></b>  <b>(\$5.3m)</b>	<b>NET CASH</b>  <b>\$12.0m</b>



1. Results are presented on a continuing business basis and exclude EMEA and Avenue businesses
2. Active customers include customers who have shopped online, in stores and omni-channel in the last 12 months; excludes wholesale and marketplace customers
3. Underlying EBITDA (post AASB 16) is for continued operations and excludes non-recurring costs of \$0.5m (Northern Hemisphere warehouse re-location \$0.4m, and Transaction costs \$0.1m). HY24 non-recurring costs were \$0.7m (Restructuring \$0.7m, Northern Hemisphere warehouse relocation \$0.4m, Transaction costs of \$0.3m, partly offset by a gain on lease modification of \$0.8m)
4. Underlying EBIT is derived from underlying EBITDA
5. Statutory NPAT for continuing operations excludes the profit from discontinued businesses of \$3.3m, resulting in an NPAT loss attributable to shareholders of \$1.8m

# H1 OPERATIONAL HIGHLIGHTS

Turnaround in EBITDA result driven by Strategic Actions

## GROWING OUR HIGH VALUE CUSTOMER AND PRODUCT IMPROVEMENTS

- High Value Customer up to 53% of customers
- Global Traffic up 15% in first half
- Increased investment in marketing to drive right customer
- NPS up at 72 with strong customer support for strategic changes in product and marketing

## NEW PRODUCT DELIVERING IMPROVED OPERATING METRICS

- H1 Gross Margin<sup>1</sup> up 4.7 percentage points
- Improving Average Selling Price at \$55, up 25% on PCP
- In ANZ, Summer product made in FY25 sold 18% more YTD than summer product made in FY24 at a better margin
- USA 1H sales performance and sell through of winter product has been below expectations

## MATERIAL PROFITABILITY IMPROVEMENTS

- \$8.7m EBITDA turnaround
- Fulfilment costs down to 12.3% of sales from 14.0% in PCP
- 24.4% reduction in labour costs (\$4.8m)
- Underlying CODB down to 54.4% of sales from 62.4% in PCP

## BALANCE SHEET STRENGTHENED

- Cash Balance \$12m as at 29 December 2024
- Multi-currency debt facility of \$10.0m remains in place and undrawn
- Inventory of \$31.1m has returned to typical purchasing cycles and remains healthy
- Provides platform to drive future growth

# POSITIVE MOMENTUM IN 2H FY25

Momentum from strong Holiday trade continues with high growth in first 8 weeks

## TRADING FOR THE 8 WEEKS OF H2 to 23 FEBRUARY 2025

Trading Revenue<sup>1</sup> up  
25% versus PCP

- ANZ +30%
- USA +9%
- Online websites +73%

Group traffic 41%

- ANZ +45%
- USA +25%

USA Trading Margin<sup>1</sup>  
materially impacted  
by higher clearance  
activity than  
anticipated



1. Trading Revenue and Trading Margin represents product revenue/margin before accounting and other adjustments

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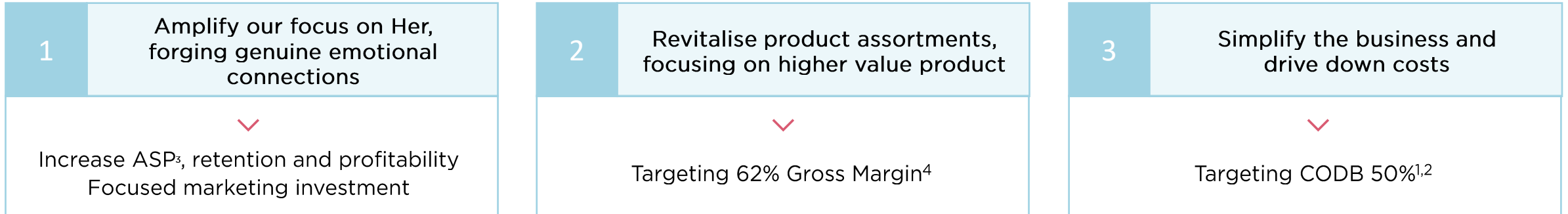
STRATEGY  
UPDATE



# FOCUSED GROWTH STRATEGY

STRATEGY IS DELIVERING WITH STRONG EBITDA TURNAROUND FROM THE ACTIONS TAKEN

## KEY STRATEGIC PILLARS



## DELIVERED THROUGH INITIATIVES UNDERTAKEN



1

# A BUSINESS DEDICATED TO HER

ANZ back on track and USA the opportunity for growth

city chic

Leveraging a long history of knowledge and experience, in an attractive market segment, under the high value City Chic brand. A customer research led brand refresh through product and marketing initiatives supported by an ability to focus on delivering a dedicated premium experience to Her

466k Active Customers up 21% from 2019<sup>6</sup>

## DISTRIBUTION CHANNELS<sup>5</sup>



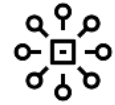
72 stores across ANZ

38% of revenue



City Chic website in ANZ and US

50% of revenue

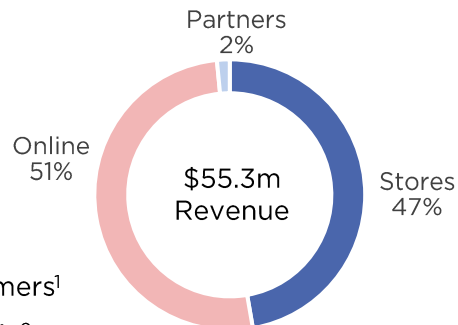


Partner network

12% of revenue

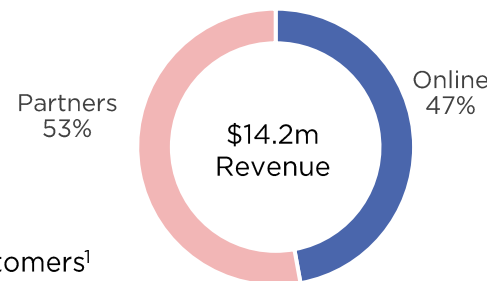
## HY25 REVENUE AND CUSTOMER METRICS BY REGION<sup>5</sup>

### AUSTRALIA & NEW ZEALAND (ANZ)



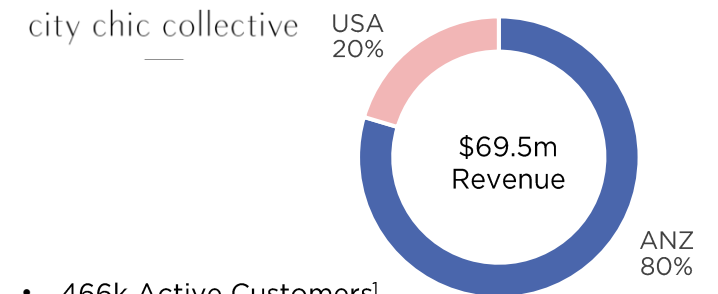
- 414k Active Customers<sup>1</sup>
- 19.4m Annual Traffic<sup>2</sup>
- A\$232 Avg. Annual Spend<sup>3</sup>
- Market Size: USD\$740m<sup>4</sup>

### AMERICAS



- 52k Active Customers<sup>1</sup>
- 5.4m Annual Traffic<sup>2</sup>
- A\$223 Avg. Annual Spend<sup>3</sup>
- Market Size: USD\$54b<sup>4</sup>

### CITY CHIC COLLECTIVE



- 466k Active Customers<sup>1</sup>
- 24.8m Annual Traffic<sup>2</sup>
- A\$231 Avg. Annual Spend<sup>3</sup>

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1. Active customers includes customers who have shopped online, stores and omni channel in the last 12 months; excludes wholesale and marketplace customers  
 2. Traffic to our own websites in the 12 months to Jun 2024; excludes stores and partner websites  
 3. Average annual spend is net of returns; excludes wholesale and marketplace customers

4. Source: Plus Size Women's Clothing Market (Credence Research 2023)  
 5. All metrics exclude Avenue  
 6. 2019 pre-Avenue Active Customers 385k

2

# NEW PRODUCT RESONATING

New season range resonating with our target customer

City Chic is refining its signature style and embracing a more fashion-forward approach. With a bold increase in our trend mix, City Chic is curating contemporary pieces inspired by global runways and streetstyle, ensuring our customers have access to the latest looks.

“The new styles are very attractive, stylish and up to date trend and colours

“LOVE LOVE LOVE ! Keeps all new things coming

“The styling was so fresh and new!

“Love the summer sets!



# COST REDUCTION INITIATIVES

CODB is down \$7.2m (16%) in 1H FY25 vs PCP

FY24 savings from cost out programs		\$8.8m
<b>FY25</b>		
Additional annualised savings from FY24 programs	\$4.3m	
New Cost out program	\$5.1m	
New fulfilment provider USA	<u>\$2.1m</u>	
<b>FY25 total required savings</b>		<b>\$11.5m</b>
<b>Total savings from initial initiatives</b>		<b>\$20.3m</b>

CODB is already down \$7.2m in 1H FY25 compared to 1H FY24, showing the business is on track to have total cost savings of greater than \$11.5m for the full-year. However, it is noted some of these savings are sales volume driven and are separate to the cost reduction initiatives.

A further \$2m annualised reduction in costs has now been targeted for 2H FY25 and into FY26.

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# FY24 FINANCIAL SUMMARY



# SUMMARY FINANCIAL PERFORMANCE<sup>1</sup>

Strategic actions delivering turnaround to profitability

\$'m:	HY25	HY24	% to FY23
Sales	69.5	72.1	-3.7%
Other Revenue	0.3	0.3	0.0%
Sales & Other Revenue	69.7	72.4	-3.6%
Gross Margin	<b>41.3</b>	<b>39.5</b>	4.6%
<i>Gross Margin %<sup>2</sup></i>	59.5%	54.8%	4.7%
Fulfilment Costs	(8.6)	(10.1)	-15.7%
Marketing & Advertising Expense	(6.7)	(4.7)	43.2%
Employee Benefits Expense	(15.0)	(19.8)	-24.4%
Rent (Post-AASB16)	(1.0)	(2.2)	-54.8%
Other	(6.6)	(8.2)	-19.6%
Underlying Cost of Doing Business <sup>3</sup>	<b>(37.8)</b>	<b>(45.0)</b>	<b>-16.0%</b>
<i>CODB %</i>	-54.4%	-62.4%	8.0%
Underlying EBITDA (Post-AASB16) <sup>3</sup>	3.5	(5.5)	-163.2%
<i>Underlying EBITDA Margin</i>	8.46%	-6.30%	14.8%
Underlying EBIT (Post-AASB16) <sup>4</sup>	(4.0)	(24.3)	-83.6%
<i>Underlying EBIT Margin</i>	-17.20%	-18.40%	1.2%
Statutory NPAT (Continuing Operations)	(5.1)	(17.4)	-70.9%
Statutory Loss Attributable to Shareholders	(10.1)	(26.2)	-61.3%

- Financial Performance is presented on a continuing business basis following the exit of Evans and Avenue
- Underlying EBITDA of \$3.5m is a \$9.0m turnaround from PCP. Key variances to last year include:
  - Gross Margin (%) 4.7%-ppts higher (net of provision). Trading margin (\$) are 8.5% higher than PCP
  - Fulfilment costs down to 12.3% of revenue, from 14% in PCP
  - Labor costs down 24.4% delivering a materially lower CODB
- Revenue of \$69.5m
  - ANZ: up 2.6% on PCP, with strong momentum in Q2 (+8.9% growth) compared to -4.1% decline in Q1 when comping low margin inventory clearance in PCP
  - USA: While City Chic branded product grew 25% to pcp, it did not make up the lost Avenue product sales in this channel in pcp. Marketplace business remains challenged and was below our expectations for the period
- Cost actions delivering lower CODB
  - Overall CODB down \$7.2m on PCP
  - When normalised for FX impact, controlled CODB improved \$9.0m vs PCP, or 10.5ppts against revenue

1. All reporting is for the continuing operations, excluding EMEA and is on a post AASB 16 basis

2. Gross margin represents Gross Margin divided by Sales & Other Revenue.

3. Underlying EBITDA (post AASB 16) is for continued operations and excludes non-recurring costs of \$6.8m (Restructuring \$2.2m, Northern Hemisphere warehouse re-location \$0.5m, lease modification \$2.7m, capital restructure \$1.2m and Transaction costs \$0.2m). FY23 non-recurring costs were \$4.8m (Northern Hemisphere warehouse strategic review and relocation \$4.5m, costs related to acquisition opportunities that did not materialise \$0.3m)

4. Underlying EBIT is derived from underlying EBITDA and excludes non-recurring impairment of the Head Office lease (Right of Use Asset) of \$4.6m

5. Proforma adjusted P&L as presented on page 13 of the Sale of avenue, Business Transformation & Equity Raising Investor Presentation dated 21 June 2024

# SUMMARY FINANCIAL POSITION

Improved balance sheet post capital raise and Avenue divestment

A\$m	29-Dec-24	30-Jun-24
Cash & cash equivalents	12.0	21.4
Inventories	31.1	30.7
PP&E/Intangibles	25.6	27.8
Right of use assets	26.0	27.6
Other assets	18.5	20.8
Assets held for sale	-	12.6
<b>Total Assets</b>	<b>113.1</b>	<b>140.9</b>
Trade & Other Payable	29.1	37.0
Provisions & Other	9.1	9.7
Lease Liabilities	35.0	41.1
Borrowings	-	17.5
Liabilities associated with assets held for sale	-	0.5
<b>Total Liabilities</b>	<b>73.3</b>	<b>105.8</b>
<b>Net Assets</b>	<b>39.9</b>	<b>35.1</b>
<b>Net Cash</b>	<b>12.0</b>	<b>3.9</b>

- Net cash position of \$12.0m
  - Includes proceeds of Capital raise of \$8.6m and net proceeds<sup>1</sup> of \$15m from the sale of Avenue
- Repayment of \$17.5m borrowings during period. \$10.0m facility remains available but undrawn in 1H FY25, meeting FY25 clean-down requirements
- Inventory remains at normalised levels – the improved margins reflect the newer and higher value product on hand, particularly in ANZ
- Trade and other payables ~~also~~ now at normalised levels after being high at 30 June 2024, driven by corporate activity (capital raise and Avenue sale), as well as the remaining portion of Avenue product

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FY25 OUTLOOK



# OUTLOOK

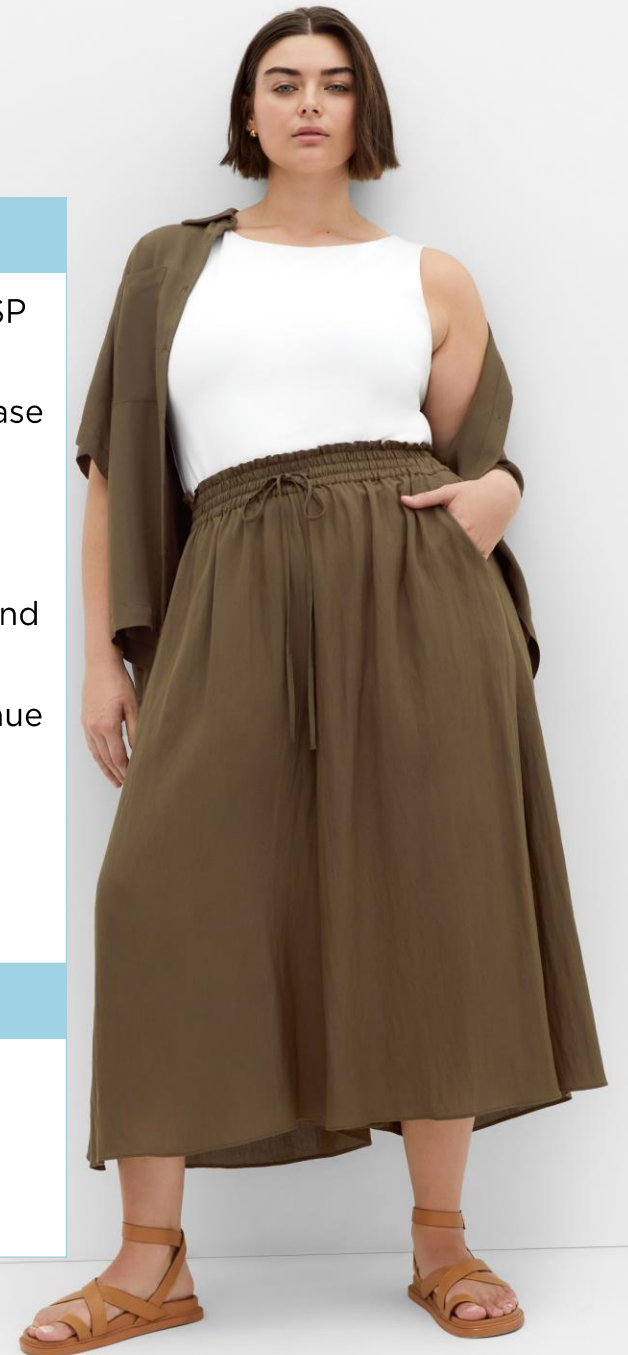
City Chic is focussed on delivering profitable and sustainable long-term growth

## FINANCIAL OUTLOOK

- ANZ business expected to continue on its current trajectory as strategic initiatives pay off, with higher ASP and GM%. Five new stores signed for H2 FY25 and more expected into FY26
- USA sales remain volatile, with slower than anticipated economic recovery, and as we rebuild customer base with reduced promotions. Our expectations are higher for US Summer based on ANZ sell through
- CEO focus on USA recovery and future growth, with potential physical store trials and new partners. This will take time to deliver
- Marketing focus on brand engagement in ANZ, targeting high value customers in USA, and increased spend required with Amazon to achieve forecast sale and drive future sustainable revenue
- Further \$2m annualised CODB reduction targeted in 2H FY25 and into FY26 to align cost base with revenue
- Higher-than-planned USA clearance in Jan-Feb and an increase in Amazon marketing, partly offset by additional cost savings, resulting in revised FY25 financial targets<sup>1</sup>
  - Revenue of \$137m to \$147m
  - EBITDA Post AASB16 of \$8m to \$12m

## LONGER-TERM OPPORTUNITY

- Global plus-size fashion market opportunity remains strong, continued industry growth expected<sup>2</sup>
- USA Plus size market remains attractive and open for an elevated brand to take greater market share
- Review store portfolio with a view to 120 store chain in 3 to 5 years



Thank you for your attendance and participation

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# APPENDIX

# SALES BY CHANNEL & REGION

Sales reflect inventory clearance and a challenging consumer

REVENUE BY REGION	HY25 (A\$m)	Sales Revenue	Sales Growth Reporting Currency (vs PCP)	Sales Growth Constant Currency <sup>1</sup> (vs PCP)
ANZ		55.3	2.8%	2.6%
AMERICAS		14.2	(22.5%)	(23.6%)
Total		69.5	(3.7%)	(4.1%)

REVENUE BY CHANNEL <sup>2</sup>	HY25 (A\$m)	Sales Revenue	Sales Growth Reporting Currency (vs PCP)	Sales Growth Constant Currency <sup>1</sup> (vs PCP)
Online website		35.0	3.2%	2.7%
Stores		26.1	(2.2%)	(2.3%)
Online marketplace		4.8	(23.8%)	(24.8%)
Wholesale		3.5	(32.0%)	(33.0%)
Total		69.5	(3.7%)	(4.1%)

## HY25 REVENUE REFLECTS:

- ANZ was up 2.6%
  - Comp Stores up 7.5%
  - Strong momentum in Q2 (+8.9% growth) compared to -4.1% decline in Q1 when comping low margin inventory clearance in pcp.
- USA down 23.6%
  - City Chic branded product grew 25% to pcp, it did not make up for the lost Avenue product sales in the Partner channel in pcp
  - Online down -4.6% and improving
  - Marketplace business remains challenged, chasing Avenue product sales
  - Wholesale recovery in Holiday trading period and first 8 weeks of 2H FY25 has been pleasing
  - Slower than anticipated economic recovery

1. Constant currency is calculated by restating the prior year sales at the current year FX rate; prior year revenue numbers have been restated for the continued business.

2. CCX is implementing an automated returns process, which is expected to increase customer satisfaction and increase overall sales, however, this is likely to change the mix between stores and online

# IMPACT OF AASB 16 – CONTINUING OPERATIONS

AASB16 adopted from 1 July 2019

A\$millions	HY25					HY24				
	Statutory Post AASB16	Underlying adjustments <sup>1</sup>	Underlying Post AASB16	AASB Impact	Underlying Pre AASB16	Statutory Post AASB16	Underlying adjustments	Underlying Post AASB16	AASB Impact	Underlying Pre AASB16
Sales & other revenue	69.7		69.7		69.7	72.5		72.5		72.5
Purchase & inbound related costs of inventory	(28.4)	0.0	(28.4)		(28.4)	(32.9)	0.1	(32.7)		(32.7)
<b>Gross trading profit</b>	<b>41.3</b>	<b>0.0</b>	<b>41.3</b>	<b>0.0</b>	<b>41.3</b>	<b>39.7</b>	<b>0.1</b>	<b>39.8</b>	<b>0.0</b>	<b>39.8</b>
Fulfilment cost	(8.6)	0.1	(8.6)	0.0	(8.6)	(10.2)	0.1	(10.1)	(2.1)	(12.3)
Marketing & Advertising expense	(6.7)		(6.7)		(6.7)	(4.7)		(4.7)		(4.7)
Employee benefits expense	(15.0)	0.0	(15.0)		(15.0)	(20.5)	0.7	(19.8)		(19.8)
Rent	(1.0)		(1.0)	(5.9)	(6.9)	(2.2)		(2.2)	(4.8)	(7.0)
Other	(7.0)	0.4	(6.6)		(6.6)	(8.0)	(0.2)	(8.2)		(8.2)
Cost of doing business	(38.2)	0.4	(37.8)	(5.9)	(43.7)	(45.6)	0.5	(45.0)	(6.9)	(52.0)
<b>EBITDA</b>	<b>3.1</b>	<b>0.5</b>	<b>3.5</b>	<b>(5.9)</b>	<b>(2.3)</b>	<b>(5.9)</b>	<b>0.7</b>	<b>(5.2)</b>	<b>(6.9)</b>	<b>(12.2)</b>
Depreciation, amortisation & impairment	(7.1)		(7.1)	4.7	(2.3)	(7.8)		(7.8)	6.1	(1.7)
<b>EBIT</b>	<b>(4.0)</b>	<b>0.5</b>	<b>(3.5)</b>	<b>(1.1)</b>	<b>(4.6)</b>	<b>(13.7)</b>	<b>0.7</b>	<b>(13.0)</b>	<b>(1.3)</b>	<b>(14.3)</b>
Net finance cost	(1.1)		(1.1)	0.8	(0.2)	(1.8)		(1.8)	1.3	(0.6)
<b>Loss before tax</b>	<b>(5.1)</b>	<b>0.5</b>	<b>(4.6)</b>	<b>(0.3)</b>	<b>(4.9)</b>	<b>(15.5)</b>	<b>0.7</b>	<b>(14.8)</b>	<b>(0.0)</b>	<b>(14.9)</b>
Income tax expense	(1.7)		(1.7)		(1.7)	(1.9)		(1.9)		(1.9)
<b>Net loss after tax</b>	<b>(6.7)</b>	<b>0.5</b>	<b>(6.3)</b>	<b>(0.3)</b>	<b>(6.6)</b>	<b>(17.4)</b>	<b>0.7</b>	<b>(16.8)</b>	<b>(0.0)</b>	<b>(16.8)</b>
Loss after income taxes from discontinued operations	3.3		3.3		3.3	(6.6)		(6.6)		(6.6)
<b>Loss after income taxes – whole business</b>	<b>(1.4)</b>	<b>0.5</b>	<b>(0.9)</b>	<b>(0.3)</b>	<b>(1.2)</b>	<b>(26.2)</b>	<b>0.7</b>	<b>(25.5)</b>	<b>(0.0)</b>	<b>(25.6)</b>

1. HY25 Underlying adjustments are for continued operations and excludes non-recurring costs of \$0.5m (Northern Hemisphere warehouse re-location \$0.4m, and Transaction costs \$0.1m). HY24 non-recurring costs were \$0.7m (Restructuring \$0.7m, Northern Hemisphere warehouse relocation \$0.4m, Transaction costs of \$0.3m, partly offset by a gain on lease modification of \$0.8m)

# FY25 OUTLOOK KEY ASSUMPTIONS

## Outlook Preparation

The outlook has been prepared based on an assessment of City Chic's existing ANZ and US business and head office functions.

## Fluctuations in future operating results from period to period

City Chic's revenues, operating margins, cash flows and other operating results could vary significantly from period to period as a result of various factors and City Chic may not be able to accurately predict its future revenues or results of operations. In addition to other risk factors described in the Key Risks outlined on pages 23-24, these results may also be affected by, for example:

- changes in the mix of City Chic's sales products;
- level of discounting required;
- key assumptions on return to spending;
- level of customer engagement;
- City Chic's customers purchasing decisions;
- City Chic's ability to control costs, including City Chic's operating expenses;
- changes in the competitive dynamics of City Chic's market and general economic and political conditions and uncertainty, and
- changes in laws, regulations and accounting standards.

Many of these factors are outside City Chic's control, and the variability and unpredictability of such factors could result in City Chic failing to meet or exceed City Chic's financial expectations for a given period.

Further, City Chic bases its current and future expense levels on City Chic's operating plans and sales budgets, and City Chic's operating costs consist of a fixed component in the short term. As a result, City Chic may not be able to reduce its costs sufficiently to compensate for an unexpected shortfall in revenues, and even a small shortfall in revenues could disproportionately and adversely affect City Chic's financial results for that period.

City Chic also notes these results will be subject to finalization of ordinary accounting period-end review and audit.

## Key assumptions include:

1. With greater stabilisation of the macroeconomic environment, consumer sentiment improvements are reflected in spend patterns in H2 FY25 which results in a stronger revenue and profitability in H2 FY25.
2. FY24 trading was heavily impacted by inventory clearance as aged product was traded out. This impacted on the Average Selling Price and Gross Margin. 2H FY25 will benefit from new product with regular stock delivery in all channels and an associated improvement in the Average Selling Price and Gross Margin as embodied in 1H FY25.
3. In line with strategy, the targeting of higher value customer through marketing and advertising campaigns and associated product assortments will deliver a higher Average Selling Price and margins %'s and dollars. The improvements already seen in ANZ in 1H FY25 are expected to continue through 2H FY25. While these metrics improve, this may deliver a reduction in unit volumes in segments / categories that are not the core focus of the company.
4. Summer product is expected to drive growth in the USA and turnaround the promotional customer base.
5. Increased focus on growing key partners and additional investment in Amazon marketing, particularly in the US, will result in higher revenue.
6. Renewed supplier relationships and lower inbound logistics costs will result in a strengthening Gross Margin.
7. Cost in line with initiatives as presented on page 12 and subject to inflationary increases.
8. A USD/AUD FX rate of 0.65 has been assumed.

# KEY RISKS

There are a number of factors, both specific to City Chic and of a general nature, which may affect the future operating and financial performance of City Chic, its products and the industry in which it operates.. There can be no guarantee that City Chic will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with the operating and financial performance of City Chic. Each risk set out below could, if it eventuates, have a materially adverse impact on City Chic's operating performance, financial performance, financial position, liquidity and the value of its shares.

<b>Sales and revenue risk</b>	City Chic's revenue depends on the extent and timing of future product sales. There is a risk that expected revenue levels may not be realised. Given the current global market and economic conditions, there is a risk that consumer spending, and particularly discretionary consumer spending, will be negatively impacted by ongoing high inflation and interest rates.
<b>Customer preferences or trading patterns</b>	There is a risk that City Chic fails to anticipate and adapt quickly to changing consumer behaviour and preferences in a timely manner. If this occurs then lower revenue and margins could result and this could adversely impact City Chic's financial and operating performance. Further, any misjudgement in predicting customers' trading patterns, or any significant decreases in customer demand patterns during peak trading periods, could have a material adverse effect on City Chic's financial and operating performance. An unexpected decrease in consumer demand and sales could also result in a surplus of inventory. Failure to maintain appropriate inventory levels may adversely affect City Chic's operating and financial performance, particularly if City Chic is required to implement deep and/or broad-based discounts to reduce the volume of inventory (which may lead to reduced business revenue and gross profit).
<b>Supply chain risk</b>	While sufficient levels of inventory are currently in place, there is a risk that future events may have an adverse impact on City Chic's supply chain. This could occur if the ability to transport products between countries or interstate is disrupted, City Chic's suppliers are negatively affected or if City Chic is otherwise unable to efficiently distribute products to its stores and customers. In this occurs there could be a material adverse effect on City Chic's operating performance and earnings.
<b>Liquidity risk</b>	There is a risk that City Chic's ability to collect receivables may be slower than assumed and bad debts may also be higher than assumed given City Chic's exposure to the risk of wholesale customers and others being able to pay City Chic. As a result, City Chic may have insufficient liquidity to cover payments or meet its own capital requirements.
<b>IT risk, privacy and cybersecurity</b>	City Chic relies heavily on its information technology systems, including to drive its online sales channel. City Chic's technologies and other systems and operations could be exposed to damage or interruption from system failures, computer viruses or cyber-attacks, among other things. Any interruptions to operations could impact City Chic's ability to operate and result in the loss of customers and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect City Chic's operating and financial performance. Through the ordinary course of business, City Chic collects a wide range of confidential information. Cyber-attacks may compromise or breach the systems used by City Chic to protect confidential information. Any data security breaches of City Chic's failure to protect confidential information could result in the loss of information integrity, or breaches of City Chic's obligations under applicable laws or agreements, each of which may materially adversely impact City Chic's financial performance and reputation.
<b>relationships and store sites</b>	City Chic operates many stores under which it is the lessee. The loss of key store sites or leases could materially adversely affect City Chic's business, operating and financial performance. On the other hand, being unable to exit underperforming store sites quickly (e.g., because a lease cannot be ended before the expiration of its term) could also have a material adverse effect on City Chic's performance.
<b>Competition risk</b>	City Chic operates in a competitive market. The loss of customers may negatively affect earnings. Additionally, the risk from increased competition may negatively impact on sales and profitability. The actions of an existing competitor or of new competitors may make it difficult for City Chic to grow or maintain its business, which in turn may have a material adverse effect on its profitability.
<b>Warranty risk and product liability exposure</b>	There is an inherent risk of defective workmanship or materials in the manufacture of products sold by City Chic and for exposure to product liability for damages suffered by parties attributable to the use of the product. Defective products may have a materially adverse impact on City Chic's reputation, its ability to achieve sales and commercialise its products and on its financial performance due to warranty obligations. It may also give rise to product liability claims which could impact on City Chic's viability, particularly if its liability exceeds any insurance coverage. City Chic will mitigate this risk via the usual contractual provisions which exclude liability for consequential loss and so on, but it is not possible to protect City Chic against reputational loss.
<b>Intellectual property and patent risk</b>	The ability of City Chic to maintain protection of its proprietary intellectual property and operate without infringing the proprietary intellectual property rights of third parties is an integral part of City Chic's business. There can be no assurances that the validity, ownership or authorised use of intellectual property (both owned and licensed) relevant to City Chic's business cannot or will not be challenged.
<b>Key personnel risk</b>	City Chic relies heavily on the experience and knowledge of its management team. City Chic is also dependent on its ability to recruit and retain suitably qualified personnel. Competition could increase the demand for, and cost of hiring, quality personnel. City Chic's ability to meet its labour needs while controlling costs associated with hiring and training personnel is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. In the event that key personnel leave City Chic and City Chic was unable to recruit suitable replacements, or there is a delay in their replacement, such loss could have a materially adverse effect on City Chic.

# KEY RISKS (CONT.)

<b>Regulatory and compliance risk</b>	There can be no guarantee that City Chic will be able to comply with the regulatory requirements imposed on it (whether in Australia or overseas). The existence of any such failure is likely to have a materially adverse effect on City Chic. Further, there is the prospect of the cost of compliance exceeding expectations and having an adverse impact on the financial position of City Chic.
<b>Sovereign risk</b>	<p>Certain suppliers of City Chic are subject to the risks associated with foreign emerging countries. These risks may include economic, social or political instability or change, hyperinflation, or changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, export duties, capital controls, repatriation of income or return of capital, environmental protection, labour relations and government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. No assurances can be given that the co-operation of such authorities, if sought by City Chic, will be obtained, and if obtained, maintained.</p> <p>It cannot be ruled out that any government in any foreign jurisdiction in which City Chic operates may adopt substantially different laws, policies or conditions which impact on City Chic's business. City Chic may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future materially adverse changes in government policies or legislation in any foreign jurisdiction in which City Chic operates may affect the viability and profitability of City Chic.</p>
<b>Exchange rates</b>	City Chic is potentially exposed to movements in exchange rates. City Chic's financial statements are expressed and maintained in Australian dollars. However, a portion of City Chic's income and costs are earned in foreign currencies. Exchange rate movements affecting these currencies may impact the profit and loss account or assets and liabilities of City Chic (to the extent the foreign exchange rate risk is not hedged or not appropriately hedged) and the general competitiveness of City Chic's products in the market.
<b>Changes in interest rates</b>	Changes in interest rates will affect borrowings which bear interest at floating rates. Any increase in interest rates will affect the costs of servicing borrowings and may affect the relative strength of operations and financial performance.
<b>Funding risk</b>	There is no guarantee that the monies currently available to City Chic will be adequate or sufficient to meet the ongoing funding requirements of City Chic under its current business plan. If City Chic requires access to further funding at any stage in the future, there can be no assurance that additional funds will be available either at all or on terms and conditions that are commercially acceptable to City Chic. Given current global market and economic conditions, access to equity capital markets may be negatively impacted over the medium to long term. If City Chic is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.
<b>Forecast risk</b>	City Chic's FY25 forecast has been developed based on a number of key assumptions which may not eventuate if there is a further decline in consumer sentiment and customer spending habits. The key impact on forecast achievability and positive trading trends in FY25 relies on maintaining AOV in line with recent trading trends, with no significant changes in the mix of sales products and no significant levels of discounting. An adverse change in any one of these could result in not achieving the FY24 forecast, and uncertainty over the FY25 outlook. Refer to page [39] for further drivers of the forecast.
<b>Dependence on general economic conditions</b>	<p>The operating and financial performance of City Chic is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets and government fiscal, monetary and regulatory policies.</p> <p>A prolonged deterioration in general economic conditions, including through sustained high interest rates or a decrease in consumer and business demand, could be expected to have a materially adverse impact on City Chic's business or financial condition.</p> <p>Changes to laws and regulations or accounting standards which apply to City Chic from time to time could adversely impact City Chic's earnings and financial performance. The Directors make no forecast in regard to the future demand for City Chic's products and services. Neither City Chic nor the Directors warrant the future performance of City Chic or any return on an investment in City Chic.</p>
<b>Litigation risk</b>	City Chic may in the ordinary course of business become involved in litigation, claims and disputes (e.g. with suppliers or customers). Any litigation, claim or dispute could be costly and damaging to City Chic's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing. City Chic commenced proceedings in the Supreme Court of NSW against iCare (the NSW Workers Compensation insurer) and the NSW State Insurance Regulatory Authority disputing the basis and calculation of historical insurance premiums. The assessed amount of \$3.8 million arising from the dispute is fully provided for in City Chic's financial accounts. However, depending on the period over which payment of the assessed amount is made (if any), there may be a material impact of City Chic's future cashflows and liquidity.
<b>Legislative and regulatory changes</b>	<p>Legislative or regulatory changes in jurisdictions in which City Chic operates, including property or environmental regulations, fair trading and consumer protection, or regulatory changes in relation to products sold by City Chic, could have an adverse impact on City Chic, including by increasing the cost to the business of complying with legal requirements. Any such adverse effect may impact City Chic's future financial performance.</p> <p>There is a risk that laws or regulations may be introduced that restrict City Chic's use of its customer database and customers' personal information, or otherwise restricts its interactions with consumers, sales tactics and marketing campaign efforts. Such changes could impact the normal operations of City Chic and reduce its ability to generate revenue.</p>
<b>Accounting standards</b>	Australian Accounting Standards are issued by the Australian Accounting Standard Board and are not within the control of City Chic or its directors. Any changes to the accounting standards or the interpretation of those standards may have an adverse effect on the financial performance of City Chic.
<b>Speculative investment</b>	The above list of risk factors ought not to be taken as exhaustive of the risks faced by City Chic or by investors in City Chic. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of City Chic and the value of City Chic's securities. Therefore, an investment in City Chic's securities carries no guarantee with respect to the payment of dividends, return on investment or return of investment. Potential investors should consider that an investment in City Chic is speculative.



# IMPORTANT NOTICE & DISCLAIMER

The following disclaimer applies to this investor presentation prepared by City Chic Collective Limited ACN 057 569 169 (City Chic) and is dated 27<sup>th</sup> February 2025 (Presentation).

## Summary information

This Presentation contains summary information about City Chic and its activities that is current only as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information that a prospective investor may require in evaluating a possible investment in City Chic or that would be required in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with City Chic's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX) at [www.asx.com.au](http://www.asx.com.au).

The information in this Presentation has been obtained from or based on sources believed by City Chic to be reliable. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither City Chic nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications and no representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

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This Presentation has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before making an investment decision, you should consider whether it is a suitable investment for you in light of your own investment objectives, financial situation and particular needs and having regard to the merits or risks involved. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.

## Financial information

All financial information in this Presentation is in Australian dollars unless otherwise stated. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. As such, the actual calculation of these figures may differ from the figures set out in this Presentation.

## Past performance

The past performance and position of City Chic reflected in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of City Chic's views on its future financial performance or condition. Past performance of City Chic cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of City Chic, including future share price performance. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

## Forward-looking statements and future performance

This Presentation contains forward-looking statements and comments about future events, including about the plans, strategies and objectives of City Chic's management and City Chic's expectations about the performance of its business. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "opinion", "predict", "project", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

You are cautioned not to place undue reliance on any forward-looking statement. While due care and attention has been used in the preparation of forward-looking statements, the forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions, circumstances and events specific to the industry, countries and markets in which City Chic and its related bodies corporate and associated undertakings operate.

Forward-looking statements including projections, expectations, guidance on future earnings and estimates concerning the timing and success of strategies, plans or intentions are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, contingencies and uncertainties and other factors, many of which are outside the control of City Chic and cannot be predicted by City Chic. Forward-looking statements may involve significant elements of subjective judgement and assumptions as to future events, which may or may not be correct, and therefore you are cautioned not to place undue reliance on such information. Please refer to slides 17 for an outline of the forecast financial information that appears in this Presentation and slide 22 for the assumptions that underpin this information.

A number of important factors could cause City Chic's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Refer to the 'Key risks' section of this Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect City Chic. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based, including but not limited to the risk factors set out in this Presentation. Neither City Chic nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed implied in any forward-looking statement will actually occur.

The forward-looking statements are based on information available to City Chic as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), City Chic disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.

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