city chic collective

ASX ANNOUNCEMENT

25 November 2022

City Chic Collective 2022 Annual General Meeting

Please find attached the following documents, which will be presented at the 2022 Annual General Meeting of City Chic Collective Limited, which commences at 9:00am (Sydney time) today:

1. Copy of the 2022 AGM addresses
2. Copy of the accompanying presentation

Ends

The release of this announcement was authorised by the Board.

Chairman's Address

Introduction

I joined this board at the AGM four years ago, that is, at the end of 2018. If someone had told me then that after one relatively carefree year, the next three years would be characterized by the extraordinary global disruption and uncertainty of the Covid 19 pandemic; and that this would be accompanied by a period of intense geopolitical troubles and great power rivalry; and that this would be conjoined with soaring inflation and interest rates, as well as the impairment of global supply chains, I don't think I would possibly have believed it.

But it has happened. And as of today, it appears the world still has many challenges ahead of it. The war in Ukraine grinds on with the ever-present threat of an unthinkable escalation that threatens all of us, but particularly Europe. The UK and Europe seemingly face a very bleak winter with inflation, interest rate rises and energy shortages. The USA is also in the middle of an inflationary and rate strengthening cycle, as is Australia. The growing impact on consumer demand is being widely reported.

It will come as no surprise to shareholders therefore that these events affecting our major markets are having, at least to some extent, a concomitant effect on our business. Certainly, if the movement in the share price is a reasonable indicator, the public markets have taken the view that our business is likely to be deleteriously affected. I hope today we can demonstrate that whatever external events throw at us, City Chic, with the support of its loyal customers, will do better than most.

Typically at an AGM we reflect on the year just past and provide an outlook for the year ahead. I know from my discussions with shareholders that, given the volatility and uncertainty, they are more interested in what may lie ahead than what occurred last year. Accordingly, (and without the benefit of a crystal ball) our CEO Phil Ryan and I will try to focus on the issues we face in 2023 and how we propose to navigate through unknown waters.

FY2022 Review

Before doing so however, I did want to remind shareholders of the resilience this business has shown over these topsy-turvy last four years. From FY2019 to the end of FY2022 the business has achieved the following:

- 35.2% CAGR in sales growth (noting the 53rd week revenue impact of $5.4m in FY2022)
- 23.7% CAGR in earnings growth (based on underlying EBITDA, excluding non-recurring costs and based on a pre-AASB16 basis)
- 53.6% CAGR in our global customer base (customers that have shopped in the last 12 months across all channels except wholesale and marketplace)
- Increased online penetration from 44% to 82% (based on global revenue)
- 84.1% CAGR in online customer engagement (growth in online traffic, excluding online marketplace)
- Grown its geographic footprint from almost exclusively Australia to include material businesses in the Northern Hemisphere. As of the end of FY2022, the Northern Hemisphere comprised 56% of sales.
- Increased the range of products available to our customers to over 8000 styles and 15 lifestyle brands.

These are considerable achievements. Imagine what Phil and the City Chic team could have achieved in a more normal setting.

In the 2022 financial year the Company performed well under difficult conditions. Highlights include:

- Sales Revenue grew by 39% to $369.2m and comparable sales growth (CSG) was up 25.5%
- Underlying EBITDA grew by 11.3% to $47.1m, representing a 12.8% margin
- Statutory NPAT was up 4.7% to $22.3m and Underlying NPAT was up 14.5% to $28.5m
- Our global customer base grew 30% to 1.4m active customers, with growth in all regions
- Global customer website traffic grew by 35% to 78.6m visits
- Online comparable sales grew by 33.8%, with 82% online penetration
- Ongoing diversification of revenue channels; Partner generated revenue grew to $30m, with $22m generated in the second half

In a choppy market, these results demonstrate the strength of CCX's franchise and the platform that has been developed. In a year when Australia was heavily impacted by Covid and associated closures, the USA business chimed in and performed excellently. Our customers are very loyal and have been for many years through the City Chic brand in Australia, and Avenue and Evans in the USA and UK respectively. Evans / EMEA customers now comprise 20% of our active customer base.

FY2023

So enough of the past. What lies in our future in these extraordinary times?

Let's start with supply chains and inventory. Shareholders will recall management informed the market that in the face of Covid-related bottlenecks and resulting rampant inflation in the supply chain, a decision was made to buy forward to mitigate the risk of supply and as a hedge against growing inflation. Shareholders will also recall that the great majority of the purchases brought forward are items that sell year in year out and we have ensured we have seasonally appropriate and relevant stock on hand in each of our key regions.

Notwithstanding current economic conditions, we remain confident in our ability to sell-through this stock in our various markets, and shareholders will have noticed Phil's incentives this year are based on the balance between growing profit, reducing the inventory to the previously guided number of $125m to $135m (on a constant currency basis), and cash conversion.

These incentives are a little unusual but the Board believes they strike the right balance and keep management focused on the right things in these very unusual times. A more traditional incentive scheme will be put in place when global conditions return to a more normal setting.

Perhaps the greatest unknown we have to deal with in FY2023 is consumer demand. Most published metrics, commentaries and surveys indicate that consumer confidence is low, that inflation and interest rates are eating into disposable income and that consumers are consequently taking steps to protect their personal and family balance sheets and cash flow. Some commentators are saying these adverse conditions will persist throughout 2023 and into 2024.

Our major markets, namely, USA, Australia and the UK/Europe are all exposed to these global headwinds. We have seen demand fluctuate between markets and within markets. Recently, Australian demand has been good, USA less so and perhaps unsurprisingly, the UK and EU are most challenged. Customers are carefully choosing what to spend their money on and are looking for promotional offers. These are challenging trading conditions but we believe we have the right range in the right markets at the right prices to trade successfully through whatever externalities we encounter. Phil will provide a more detailed trading update and outlook in his presentation.

As shareholders will know, we are approaching a very important trading period with Black Friday (today!), Cyber Monday and the Christmas period. The level of demand during these traditionally busy times will be telling in terms of both our half year and full year results. Early indications suggest demand has picked up in the weeks leading into Black Friday, and we are hopeful this will continue into Christmas.

In FY2023, City Chic is focussed on the execution of various initiatives which will assist us in our aim to gain market share and increase customer numbers:

- Expanding market share in the Americas by increasing customer purchase frequency and spend through personalised marketing and acquiring customers where we see value
- Expanding market share in ANZ through the continued expansion of our conservative lifestyle product offering
- Expanding market share in the UK and Europe with seasonally relevant product in-market, across a range of brands in our collective
- Expanding and executing on marketplace partnerships in all regions
- Consolidating our very clean store portfolio and driving sales in our larger format stores
- Reviewing our retail price architecture, as appropriate across geographies and channels
- Continuing to develop the World of Curves social community
- Continuing to execute against our ESG priorities

At the same time, we will actively manage our cost base depending on prevailing demand and trading conditions.

Balance Sheet, Inventory and Margin

Based on my discussions with the investor community, they have been particularly focused on our inventory position and balance sheet. Let me respond by saying the balance sheet remains in a sound position and is expected to strengthen further over the course of the financial year. We are on track to reduce inventory to the guided numbers and consequently, we aim to have zero debt and a healthy cash balance by 30 June, 2023.

The real issue for us to deal with in FY2023 is temporary margin compression driven by competition for reduced demand, together with transitory logistics costs in the Northern Hemisphere. Phil will provide more detail in his presentation, including the measures we are taking to mitigate the impact of these pressures.

Concluding Remarks

As I hope I have demonstrated, we are acutely aware of the impacts of the evolving global economic conditions and geopolitical uncertainty, and just as the Company had to adapt over the last two and a half years of Covid, we remain focused on remaining agile, building resilience and managing the business to traverse the current conditions.

We believe our expanded market penetration across geographies and channels, our category leadership globally, with stock available in market for key sale periods during the year, and our investment in distribution infrastructure provides a strong foundation and will support us in our efforts to continue to grow the business and ultimately, to lead a world of curves.

On behalf of the Board, may I express our thanks for the support of shareholders during what has been a difficult 12 months for the share price. I don't believe it reflects the value of the business nor the global platform that has been built.

I also extend our thanks to the City Chic team and our customers for their ongoing support over another challenging year. Throughout this Covid-affected period, the City Chic team hasn't faltered for a moment and throughout, has maintained its energy, enthusiasm, and ambition. With the prospect of continued uncertainty ahead, we are fortunate indeed to have such a talented and motivated team to serve our loyal customers around the world.

CEO's Address

Good Morning. I would like to add my welcome to you all to the 2022 AGM.

FY2022 was another strong year for City Chic Collective, with sales growth of 39% and EBITDA growth of 11.3%. This was achieved with store closures, sourcing delays, material cost increases, logistics challenges and demand that has been extremely hard to predict. This illustrates the strength of our team and our business model and the support of our customer for our product range.

Strategy

Our vision to "Lead a world of Curves" progressed in leaps and bounds in FY2022, and we are now a truly global plus size apparel business in what is a fragmented $180bn market. We've entered new markets, struck many new partnerships, embedded new brands into the collective, all in the pursuit of our goal to provide a range of plus size product that resonates with customers all around the world, and FY2022 confirmed that our range has global appeal.

Regional performance

As Michael stated, the Northern Hemisphere is now 56% of our business with almost 900k customers. Back in 2018 this was just a dream, but through strategic thinking and hard work we have built a global business.

Our growth in the Northern Hemisphere in FY2022 was extremely strong. The USA was up 54% and was our biggest region at $162m. In FY2022 EMEA contributed $45m reflecting the first full year of Evans. It took us over 10 years to achieve that level of revenue in the USA, and it was through the strategic acquisition of Avenue that we achieved it. This outlines the value of both the Avenue and Evans acquisitions to our global growth. ANZ grew 11% despite store closures.

At a channel level, we had an exceptional year online with 45% growth. A lot of this growth was driven by the first half, and we are now cycling that period.

The partner business showed its potential in the second half of FY2022; over the full year the partner business generated $30m in revenue with $22m or 74% in the second half.

Driving that demand required re-engineering of our global supply chain. We have built a factory network and logistical capabilities to ship from 6 origins to 7 destination ports. This was done to move production to specialised lower cost regions, such as denim in Bangladesh, and to reduce risks associated with a reliance on one geography. In FY2023, we are focused on in-market fulfilment operations in the Northern Hemisphere as the next step in this plan.

Ethical Trade

Ethical trade is woven into the fabric of our business, something we have been working on for many years and is very important to me. We have an excellent team that do wonderful work in this space, to ensure we are looking at all aspects of our business and our supply chain.

I am proud of our achievements in FY2022:
We have furthered our social responsibility through:

- Our continued progress against our Modern Slavery Act roadmap
- We have strengthened our bans on high-risk cotton regions
- We have piloted DNA / fingerprint testing on cotton product to determine its origin
- We have continued to trace all tiers of our supply chain

In the area of environmental sustainability, we have:

- Developed more sustainable packaging options
- Introduced preferred fibers into product ranges
- Continued to build knowledge and capacity for future climate strategies.

FY23 Current Update

I will now give a trading update and discuss outlook.
Our most important update is that our inventory reduction programme is on track, I will talk more about this as I turn to outlook.

Globally revenue is down 2% year to date; there were many influences on last year's comparative numbers with store closure and Covid related online trading, which was particularly strong in the first half of FY2022. However, to put that into context, the FY2023 YTD performance is up 48% on FY2021, with growth in all regions and channels. The expansion into EMEA and partners has delivered a true global omni channel business.

Demand has been volatile, and the consumer is looking for promotion as a reason to buy. The competitive landscape, especially in the Northern Hemisphere, has intensified as all businesses promote aggressively to capture the limited dollars she is prepared to spend.

We have adapted to this environment and responded to the customers behaviours and have promoted to stimulate demand, not to clear inventory.

At a regional level there have been very contrasting results. The Southern Hemisphere, with stores open has shown growth and the Northern Hemisphere, which is facing much greater economic pressures, delivered a decline in revenue.

Last year, it was Avenue in the Northern Hemisphere that delivered growth as Australian stores were closed; what a difference a year has made, outlining the volatility in demand, but also the value and strength of a geographically diversified business.

For the first 20 weeks of FY2023, ANZ was up 10%, driven by stores being up 56%, and online down 11% off a very strong prior corresponding period in FY2022; however, to put that into context, the FY2023 year to date performance of online is up 22% on the same period two years ago, and that was a strong year for online in Australia. The introduction of Avenue and Evans products to the Australian market has provided the building block that has bridged the gap to last year, as online shoppers return to stores Australia wide. We have grown our Australian customer base outlining the strength of the City Chic brand in Australia.

USA is down 12% year on year, however, up 44% on the same period in FY2021, outlining the strength of this period in FY2022 in the USA.

Our partner business and City Chic brand have shown strong growth. Avenue has been the only channel we have seen declining revenue and traffic year to date, however, to give this context, we are materially up on revenue, traffic and conversion to the same period in FY2021 outlining our assortment growth and the market opportunity.

EMEA was set for a big winter with inventory in market, however, the economic conditions have led to a sales decline of 5%. The UK has delivered demand growth and the EU a decline, with returns materially above historical trends so far this half in both regions.

Moving to channel performance globally. The first half of FY2022 online was exceptionally strong in all regions and we are now cycling that period with revenue decreased by 19% year to date. However, if you look back two years, our revenue has grown 43% outlining the strength of our assortment and our ability to drive market share in new markets.

Partners have grown from $5.7m to $13.2m which, while very pleasing, has also been impacted by the economic conditions. Our partner strategy has shown progress not only in the USA but in the UK and Australia.

Customer engagement with our websites globally remains robust with traffic at 78.5m on an annualised basis until the end of week 20. This shows the strong connection she has with our websites and product assortment. The impact of the economic environment has been a reduction in conversion rates; however, she is still coming to our sites and is just a little hesitant to buy right now. I am sure this will turn; it is just when.

Competitive impacts on margin

The impact of the promotional activity I referred to earlier, along with the growth in our lower margin partner business, resulted in a circa 4% of revenue drop in gross margins for the year to October, driven predominantly by the Northern Hemisphere.

The USA has seen the most intense competition leading to much earlier Black Friday-like promotional levels. This, combined with a bigger partner business, has led to the largest regional decrease in margin year on year.

EMEA has seen similar levels of competition to the USA, however, the impacts are not as material to our total results.

Southern Hemisphere margin is flat with increased store mix offsetting online promotional activity.

We are aiming to return to historical levels of gross margin over time as present cost, consumer behaviour and macro pressures ease driven by three key items. Firstly, a return in the Northern Hemisphere to a more normal trading environment will increase selling prices and average basket size. Second, we continue to review retail pricing in line with the market and we are increasing prices which will take effect through FY2023. Lastly, from a product cost level we are seeing material drops in shipping rates, not quite to pre-Covid levels, but they are close. This will allow us to realise the input cost reductions we have achieved from our factory and origin shifts.

Transitory cost pressures in fulfilment

After an exceptional period of global growth, we are consolidating our infrastructure to provide a scalable platform for growth when market conditions 3ormalize.

The speed with which we had to move upon the acquisition of Avenue, Evans and Navabi left us with legacy logistics solutions. We have been planning the transition from these legacy structures for some time to industrialise our in-market supply chain to support our consistent strategy of building a scalable global omni channel business. All brands have strong customer bases that have driven our global growth and market penetration.

This has resulted in transient efficiency and inflationary cost pressures in our fulfilment process, equating to circa 5% of revenue. The fulfilment impact on profitability is focused in the Northern Hemisphere.

There are four key drivers of fulfilment costs in the Northern Hemisphere. Firstly, our promotional activity has led to a reduction in the average selling price and average basket size meaning we are driving more activity, which elevates fulfilment costs as a percentage of revenue; this will normalise as the economic conditions improve. Secondly, we have seen material rate card increases from our Northern Hemisphere 3PL providers as they face cost pressures relating to labour, fuel and infrastructure. Thirdly, we have seen an inflationary increase in storage rates, which will decrease as our inventory position unwinds. And lastly, consistent with the reported experience of other European retailers, the returns percentage in EMEA is well above historical levels, driving a material cost increase.

We are taking a number of steps to build scalable operations globally and return to historical fulfilment costs, while continuing to improve our customer service. The first step was to build a leadership team capable of driving a global logistics business, which are all now in place. Our new logistics director was responsible for the Australian automation implementation and has strong global apparel experience.

In the USA, we have signed a deal to move to a new automated facility that will allow us to be much more flexible, efficient and drive scale. Having a facility like this in Australia has driven our growth online and this is the first step in setting up the right infrastructure in the USA to allow us to achieve our potential in this market. I am excited for this next big step in our USA journey. I expect this to take 6-12 months to embed as we transition out of our current provider, and we will give an update on our progress at the half year results.

This new facility allows us to consolidate our Canadian warehouse, as the new partner has cross-border capabilities, meaning we have only one pool of stock in Northern America.

We are in the process of consolidating the operating warehousing arrangements in both Europe and the UK. This will materially reduce the fixed costs, rationalise inventory pools and still deliver excellent customer service. We expect this to be completed by the end of FY2023.
We will then review our EMEA logistical operation to determine the optimal long-term solution with a view to implementation in FY2024.

These actions will drive down the fulfilment costs over the medium term, assist in the reduction of inventory through fewer stock buckets in our emerging markets, and improve the customer experience.

We see gross margin and fulfillment costs as temporary issues focused in the Northern Hemisphere. We are anticipating a return to historical levels of EBITDA margin as our plans are actioned and present cost, consumer behaviours and environmental pressures abate.

FY23 Outlook

Moving to the outlook. We are on track to deliver the inventory targets. At financial year end we expect a positive net cash position.

Inventory as at end of the first half is expected to be in the range of $168-174m, subject to demand and FX fluctuations. FX has an impact on the value of our USD held stock on consolidation. At October, compared to FY22 year end, this increased the value of stock by c.$5m, however, this is a non-cash translation impact and despite this we are on target for inventory to be in the range of $125-135m by June 2023.

I am very happy with the market relevance of the stock and the performance of our inventory so far given the conditions. We are moving inventory between regions to deliver seasonally relevant product to the most appropriate market to drive demand off existing inventory. Our purchases into the second half remain flexible to demand fluctuations and we are managing this very tightly.

As Michael said, we have the biggest trading period of the year in front of us, including today, which is Black Friday, into Cyber Monday and then into Christmas. We are very well positioned to take advantage of this critical period with all ranges ready in all markets to drive demand.

While we expect continued pressure on the consumer into the second half of FY2023 we are cycling lower comparative numbers, as the second half of FY2022 was not as strong as the first.

In this environment we are also reviewing those costs that we can actively manage and are looking to deliver a sensible cost base that will not hurt our future growth or customer experience.

In summarising the way things look from our perspective, the balance sheet is sound and inventory on track to meet guidance. The issue we are dealing with is margin contraction driven by softer Northern Hemisphere demand, resulting competition and increased logistical costs and, as I hope I have demonstrated, we expect those issues to resolve through our actions and market normalisation.

Our business is well positioned to accelerate when macroeconomic conditions stabilise, underpinned by our strong customer base and improved logistics operations. This is a moment in time for the consumer globally and this will pass.

I want to thank our team for another wonderful year in FY2022. It seems that whatever challenges are thrown at us, we can manage through together and this drives my confidence in the resilience, agility, and strength of our business.

To the Board, I would like to say that your ongoing support for the team is something that we very appreciate.

To our 1.4m customers globally, you are at the centre of our organisation, and we put you first.

And I appreciate the support you, our shareholders, have given through the last few volatile years.

city chic collective

LEADING A
WORLD OF CURVES

2022 Annual General Meeting

25 November 2022

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Michael Kay, Chairman

Phil Ryan, CEO

Your Board of Directors

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YOUR BOARD OF DIRECTORS

MICHAEL KAY
Chairman
Non-Executive Director

MEGAN QUINN
Non-Executive Director

NEIL THOMPSON
Non-Executive Director

NATALIE MCLEAN
Non-Executive Director

PHIL RYAN
Managing Director, CEO

1.

CHAIRMAN'S ADDRESS
Michael Kay

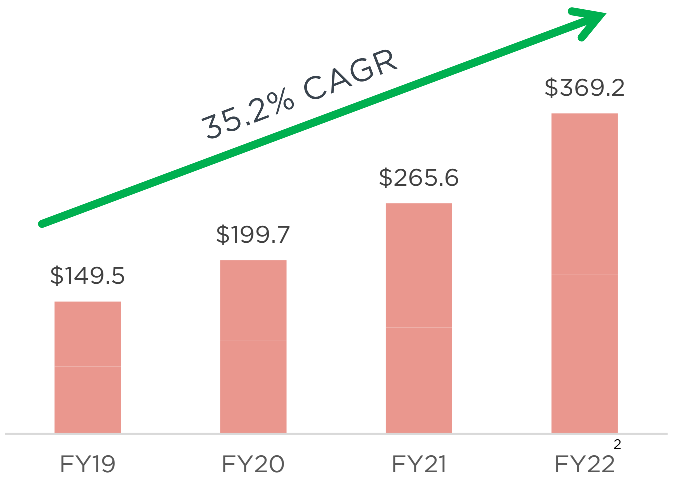
city chic collective

BUILDING A GLOBAL BUSINESS

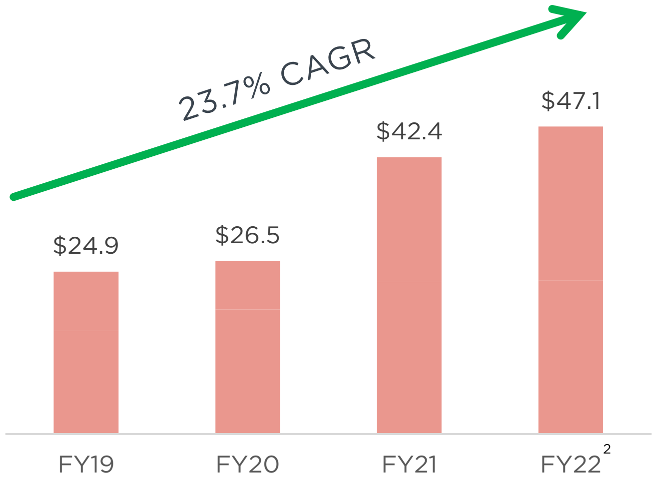
SUSTAINED REVENUE AND PROFIT GROWTH

Demonstrated ability to drive sales and earning growth through volatile trading conditions

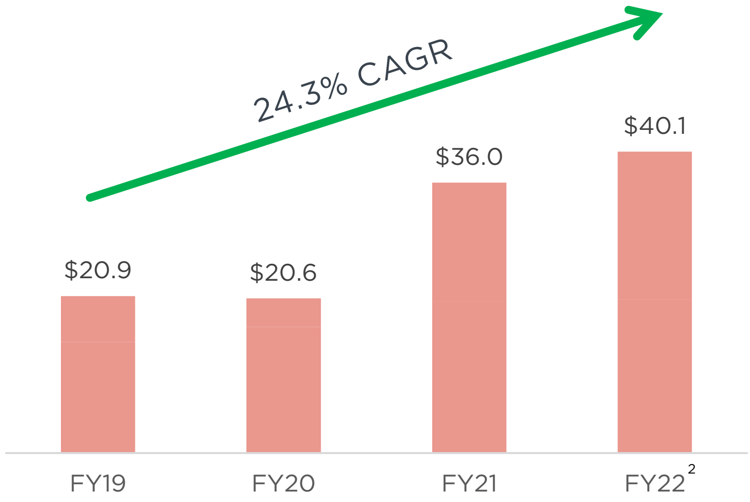
SALES $m



Underlying EBITDA[1] $m



Underlying EBIT[1] $m



- Sustained revenue growth across all regions
- Only truly global plus size only business
- Delivered strong revenue and profit CAGR through period of disruptions to store trading and supply chain

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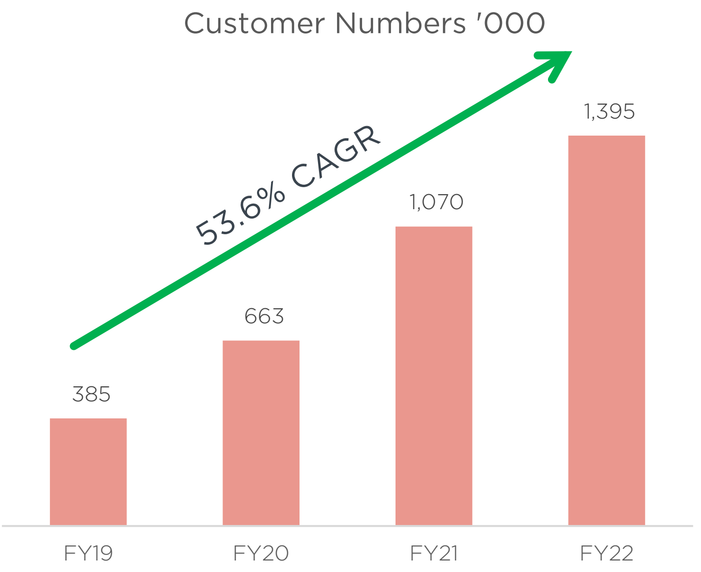
1. Underlying excludes non-recurring costs (e.g. relating to acquisitions and equity raise) and is presented on a pre-AASB16 basis
2. Week 53 impact in FY22 of $5.4m of revenue

BUILDING A GLOBAL BUSINESS

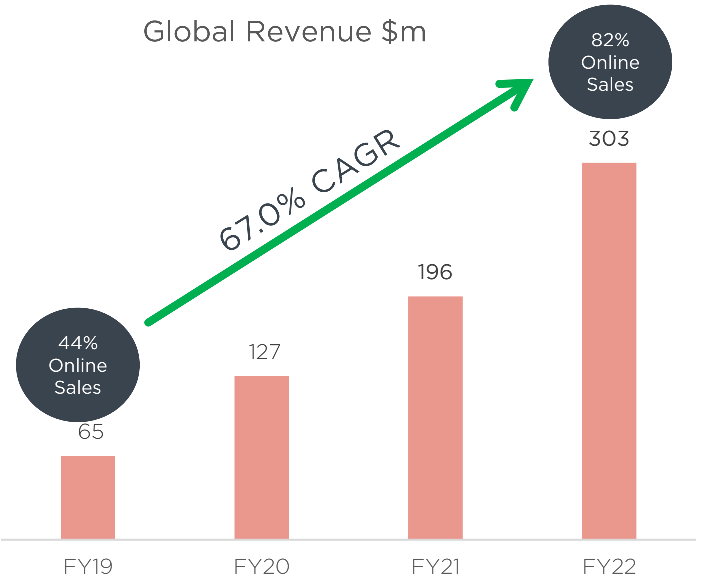
GROWING CUSTOMER NUMBERS

Category leader with strong execution of digital growth strategy

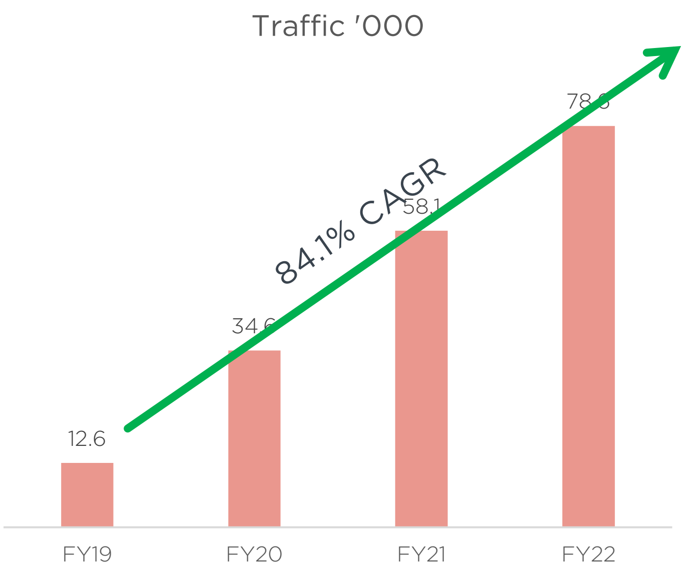
GLOBAL CUSTOMER BASE[1]



ONLINE PENETRATION[2]



ONLINE CUSTOMER ENGAGEMENT[3]



- Demonstrated ability to grow customers organically and inorganically, up 360% since FY19 (pre-COVID impacts)
- Transformation into true omni-channel business driving global revenue growth through all channels

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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
3. Traffic to Online excludes traffic to Online Marketplaces

FY22 RESULT HIGHLIGHTS

FOR THE 53 WEEKS[7] ENDING 3 JULY 2022

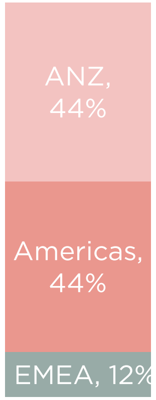
$369.2m

Global Sales

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

$369.2m

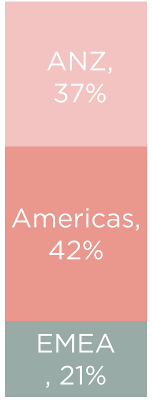
Global Sales[6]



1.4m

Active Customers[3,6]

30% YoY Growth



78.6m

Global Traffic[5,6]

35% YoY Growth

82%

Online Sales Penetration (LTM)[2]

39.0%

Top-line Sales Growth

25.5%

Comp Sales Growth[1]

$47.1m

Underlying EBITDA[4]

11.3% YoY Growth

12.8% Margin

$40.1m

Underlying EBIT[4]

11.4% YoY Growth

10.8% Margin

$28.5m

Underlying NPAT[4]

7.7% Margin

1. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Navabi; excludes period of extended store closures due to Government-directed lockdowns; excludes Evans for H1. 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 $5.7m, which include costs associated with the acquisition of Navabi and its integration into the business, costs associated with other acquisition opportunities, strategic review of Northern Hemisphere logistics 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). Underlying NPAT includes the impact on tax of the underlying adjustments. 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
7. FY22 comprised of a 53 week trading period. The revenue and financial information in this presentation reflects the group's statutory results inclusive of the 53rd week. See appendix for the impact on results

FY22 FINANCIAL HIGHLIGHTS

39.0% top line and 25.5% comparative sales growth driven by expansion of omni-channel offering with growth across all channels and regions (except stores impacted by closures in 1H)

FY22 included 53 weeks trading. The net impact of this is: Revenue $5.4m and EBITDA $1.2m

Geographic diversification with 56.2% of revenue now coming from the Northern Hemisphere

2H sales growth of 29.8%

Gross margin of 59.9% (FY21: 62.8%) reflects evolving geographic and channel mix in line with strategy

Underlying CODB of 47.2% flat on FY21 (FY21 included COVID-related austerity measures of $10m); ability to leverage fixed cost base

Underlying EBITDA of $47.1m with 2H ($23.6m) slightly above 1H

EMEA profitable in 2H with Evans performing well

Inventory position of $195.9m at balance date with a target of $125-135m in June FY23

FY22 OPERATIONAL & STRATEGIC HIGHLIGHTS

Continued global range expansion to over 8,000 styles and 15 lifestyle brands
Partnership strategy implemented globally with $30m global partner business
ANZ store network invested in with 12 Premium Flagship stores
Conservative product stream launched in Australia
Expansion into new growth markets in Europe, Canada and the Middle East
Strategic acquisitions of Navabi in July 2021 and CoEdition in December 2021
Diversified supply chain with shift to in-country sourcing to support global growth and offset future impacts of volatility
Expanded $60m, 3-year debt facility provides flexibility to drive growth

2.

CEO’s ADDRESS

Phil Ryan

city chic collective

BUILDING A GLOBAL BUSINESS

OUR VISION IS TO LEAD A WORLD OF CURVES

World of Curves

THE DESTINATION FOR HER EVERY LIFESTYLE NEED

EXECUTING OUR STRATEGY

Delivering our product range to the global plus-size market

GLOBAL PRODUCT RANGE

8k+ STYLES

15+ BRANDS[2]

GLOBAL DIGITAL STORE FRONTS

city chic avenue EVANS navabi

& Partners + Stores

GLOBAL PLUS-SIZE MARKET

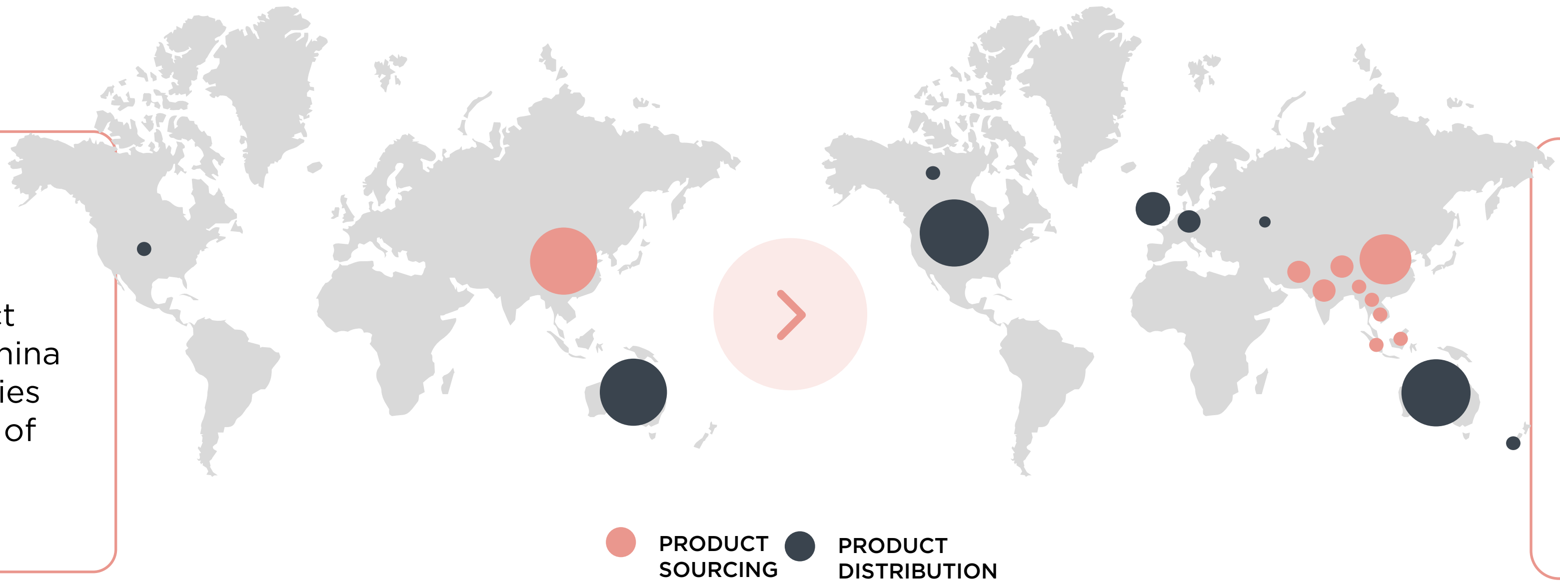
US$180b[1]

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

BUILDING A GLOBAL BUSINESS

FY20

- >99% of product sourced from China
- ~40 tier 1 factories controlling 75% of all logistics



FY22

- 75% of product sourced from China
- ~100 tier 1 factories with shift to in-country ownership

REVENUE BY REGION

FY22	Sales Revenue (A$m)	Sales Growth Reporting Currency	Comp Sales Growth[1]
ANZ	161.8	11.0%	13.9%
Americas	162.4	53.9%	40.8%
EMEA	45.1	214.0%	25.2%
Total	369.2	39.0%	25.5%

REVENUE BY CHANNEL

FY22	Sales Revenue (A$m)	Sales Growth Reporting Currency	Comp Sales Growth[1]
Online	278.2	44.8%	33.8%
Stores	61.0	-8.9%	-7.3%
Partners	30.0	401.6%	N/A
Total	369.2	39.0%	25.5%

- 56% revenue now in Northern Hemisphere
- Transformed from store-based retailer in Australia to true global omni-channel business
- Shipping from 6 sourcing origins to 7 destination ports and expanded factory network

1. Comparable sales exclude Wholesale and Online Marketplaces and the recent acquisition of Navabi; excludes period of extended store closures due to Government-directed lockdowns; excludes Evans in H1. Calculated on a constant currency basis (prior year re-stated at current year FX rate)

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 FY22 HIGHLIGHTS

SOCIAL RESPONSIBILITY

- Continued to make progress against our Modern Slavery Act roadmap
- Strengthened bans on high-risk cotton regions
- Piloted DNA / fingerprint testing on cotton product
- Continued tracing of all tiers of our supply chain

ENVIRONMENTAL SUSTAINABILITY

- Introduced preferred fibres into product
- Developed more sustainable packaging options
- Continued to build knowledge & capacity for future climate strategies

3.

FY23 UPDATE AND OUTLOOK

Phil Ryan

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FY23 CURRENT TRADE UPDATE(1)

REVENUE PERFORMANCE DEMONSTRATES STRENGTH OF OMNI-CHANNEL AND REGIONALLY DIVERSE BUSINESS MODEL

Trading Update(1)

Revenue by Region (A$'m)	FY23 YTD	FY22 Var %	FY21 Var %
ANZ	60.4	10.0%	19%
Americas	52.6	(12%)	44%
EMEA	15.6	(5%)	N/a
Total	128.6	(2%)	48%

Revenue by Channel (A$'m)	FY23 YTD	FY22 Var %	FY21 Var %
Online	87.8	(19%)	43%
Stores	27.7	56%	17%
Partners	13.2	133%	573%
Total	128.6	(2%)	48%

Revenue Stability

- Revenue 2% down on FY22 and up 48% versus FY21
- Customer engagement with brands remains strong:
  - Online traffic robust at 78.5m on an annualised basis (flat versus June 22 and 34% versus June 21)
  - MAT(2) active customers 1.38m (-1% versus June 22 and 29% versus June 21)
- Double-digit revenue growth in ANZ against a flat broader consumer environment
  - Stores uplift due to return to store spending compared to COVID-driven store closures in comparative period, which reopened for the balance of FY22
  - MAT(2) active customers in ANZ +8% since June 22 and +32% versus June 21
- In Northern Hemisphere macroeconomic conditions have impacted customer and competitor behaviours requiring deeper promotional activity to drive demand
  - USA revenue strong in Partners and City Chic brand, however, Avenue.com impacted by Black Friday style promotions starting in October
  - Evans revenue growth below expectations with market wide promotions and higher returns
  - EU revenue down with return rates well above historical levels
- Unwind of online revenue versus FY22, +43% versus YTD FY21
- Partners have delivered growth
- Brand strength continues to resonate in all markets

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1. For the 20 weeks to 20 Nov 2022. Sales inclusive of Freight recoveries in current and prior years
2. MAT refers to the Moving Annual Total

FY23 CURRENT TRADE UPDATE (CONT'D) (1)

CONSOLIDATING INFRASTRUCTURE TO PROVIDE SCALABLE PLATFORM FOR GROWTH WHEN MARKET CONDITIONS NORMALISE

COMPETITIVE IMPACTS ON MARGIN

Gross trading margin down c.4% of revenue driven by the Northern Hemisphere:

- Promotional activity responding to competition and customer behaviour in current market conditions
- Southern Hemisphere margin flat with increased store mix offset by online promotional activity

Plan to return to historical levels of gross margin over time as present cost, consumer behaviour and macro pressures ease:

- Normalised competitor and market promotional activity will result in selling price increases
- Reviewing global retail pricing structure to drive increased selling prices
- Input cost inflation is reducing as global demand slows allowing purchasing benefits of new factory base to be realised

TRANSITORY COST PRESSURE IN FULFILLMENT

Planned transitioning from legacy Northern Hemisphere logistics structures which are driving cost inefficiencies.

Fulfilment costs increased by c.5% of revenue due to:

- Lower selling prices and transaction values leading to more activity for sales dollars
- Rate card increases from 3PL providers
- Increased storage rates
- Increased return percentage in UK and EU

In line with strategy, building long term scalable logistics operation globally to return to historical fulfilment cost ratios and improve customer experience:

- New logistics leadership team in place with global experience
- Moving to new automated 3PL provider to service Northern America
- Consolidating Canada distribution into our new Northern America facility
- Consolidating and rationalising 3PL facilities in the UK and Europe
- Review returns process, cost and customer experience

1. Margin and fulfillment costs are unaudited as at YTD October 2022. Rate variances are versus the comparable period as % of total revenue in FY 22

OUTLOOK

ON TRACK TO MEET INVENTORY REDUCTION TARGET AND DELIVER POSITIVE NET CASH BY THE END OF FY23

- Inventory reduction in line with full year target of $125m to $135m
  - At 31 Dec 22 inventory is expected to be $168m-$172m subject to key sale period and FX fluctuations
  - Purchases in H2 remain flexible to demand fluctuations
- Balance sheet sound, on track to deliver a positive net cash position by end of financial year
- Well positioned for Black Friday, Cyber Monday and Christmas with full ranges in stock in all markets
  - H1 results will be significantly influenced by this trading period
- Consumer pressures expected to continue into 2H FY23 although cycling softer comparative period in the USA
- Continue to leverage the strong base of 1.38m active customers
- Ongoing focus on cost management

Business well positioned to accelerate when macroeconomic conditions stabilise underpinned by a strong customer base and improved logistics

4.
Proxy Summary

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2022 AGM PROXY SUMMARY
- AS AT PROXY CLOSE

Resolution	For	Open	Against	Abstain
1. Adoption of Remuneration Report	120,997,424 89.88%	368,369 0.27%	13,256,561 9.85%	444,715
2. Re-election of Director – Ms Megan Quinn	133,360,879 99.06%	395,428 0.29%	869,619 0.65%	442,143
3. Appointment of Auditor	134,173,639 99.68%	393,750 0.29%	43,274 0.03%	457,406
4. Issue of performance rights under the Company's equity incentive plan to the CEO and Managing Director, Mr Phil Ryan	127,367,230 94.63%	586,494 0.44%	6,644,525 4.94%	469,820

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