

**ASX Announcement - Mosaic Brands Limited (MOZ)**

26 April 2024

**Quarterly Activities Report – Q3 FY2024**

**Principal activities**

Mosaic Brands (Mosaic Brands or the Group) owns and operates nine retail clothing brands, predominately within women's apparel and accessories across Australia and New Zealand. It operates a network of circa 730 stores and a number of online digital department platforms.

**Commentary and Update**

Operating Cash inflows of circa \$11.8 million this quarter improved significantly compared to the previous corresponding period amount of \$17.6 million outflow.

Due to the seasonality of fashion purchasing in retail, typically the end of each of the March and September quarters deliver net cash outflows and the December and June quarters deliver net cash inflows.

**Trading Update**

On April 12 CBA debt was repaid and all security interests released by way of refinancing with Hilco Capital (via HUK 137 Limited). The Hilco Capital loan is a secured asset backed lend of up to \$45,000,000 (9.25% for drawn / 3.5% undrawn rate above BBSY) until March 2026.

The Group remains focussed and well stocked for the key Mother's Day period trading.

**Related party payments made during the quarter.**

During the quarter MOZ made rental payments of \$111,000 and Board Fees of \$20,000. Rental costs paid were at normal commercial terms and conditions.

**Use of Funds Statement**

The Company confirms that the quarter is not included in a period covered by a "use of funds" statement or expenditure program in a prospectus, PDS or information memorandum previously lodged under ASX Listing Rule 1.1.

All financial figures in this release are preliminary in nature and are subject to finalisation and review by the company's auditors.

– END –

**For further information, please contact:**

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Notes:

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Mosaic Brands Limited

**ABN**

96 003 321 579

**Quarter ended ("current quarter")**

March 2024

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>\$A'000</b> |
|---|------------------------------------|---------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                 |
| 1.1 Receipts from customers                               | 105,072                            | 383,505                         |
| 1.2 Payments for  |                                    |                                 |
| (a) research and development                              | -                                  | -                               |
| (b) product manufacturing and operating costs             | (34,412)                           | (105,748)                       |
| (c) advertising and marketing                             | (1,960)                            | (7,642)                         |
| (d) leased assets   | (22,655)                           | (67,890)                        |
| (e) staff costs   | (29,553)                           | (95,393)                        |
| (f) administration and corporate costs                    | (4,102)                            | (28,748)                        |
| 1.3 Dividends received (see note 3)                       | -                                  | -                               |
| 1.4 Interest received                                     | 44                                 | 160                             |
| 1.5 Interest and other costs of finance paid              | (632)                              | (1,705)                         |
| 1.6 Income taxes (paid) / received                        | -                                  | (1)                             |
| 1.7 Government grants and tax incentives                  | -                                  | -                               |
| 1.8 Other (provide details if material)                   | -                                  | -                               |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>11,802</b>                      | <b>76,538</b>                   |
| <b>2. Cash flows from investing activities</b>            |                                    |                                 |
| 2.1 Payments to acquire or for:                           |                                    |                                 |
| (a) entities  | -                                  | -                               |
| (b) businesses  | -                                  | -                               |
| (c) property, plant and equipment                         | (1,010)                            | (3,542)                         |
| (d) investments   | -                                  | -                               |
| (e) intellectual property                                 | (120)                              | (2,341)                         |
| (f) other non-current assets                              | -                                  | -                               |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>\$A'000 |
|--------------------------------------|---|----------------------------|-------------------------|
| 2.2                                  | Proceeds from disposal of:                            |                            |                         |
|                                      | (a) entities  | -                          | -                       |
|                                      | (b) businesses  | -                          | -                       |
|                                      | (c) property, plant and equipment                     | -                          | -                       |
|                                      | (d) investments                                       | -                          | -                       |
|                                      | (e) intellectual property                             | -                          | -                       |
|                                      | (f) other non-current assets                          | -                          | -                       |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                       |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                       |
| 2.5                                  | Other (provide details if material)                   | -                          | -                       |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(1,130)</b>             | <b>(5,883)</b>          |

|  |   |                 |                 |
|--|---|-----------------|-----------------|
| <b>3.</b>  | <b>Cash flows from financing activities</b>   |                 |                 |
| 3.1  | Proceeds from issues of equity securities (excluding convertible debt securities)       | -               | -               |
| 3.2  | Proceeds from issue of convertible debt securities                                      | -               | -               |
| 3.3  | Proceeds from exercise of options   | -               | -               |
| 3.4  | Transaction costs related to issues of equity securities or convertible debt securities | -               | -               |
| 3.5  | Proceeds from borrowings  | 17,880          | 70,330          |
| 3.6  | Repayment of borrowings   | (17,380)        | (75,882)        |
| 3.7  | Transaction costs related to loans and borrowings                                       | -               | -               |
| 3.8  | Dividends paid  | -               | -               |
| 3.9  | Other (provide details if material)   | (30,978)        | (72,043)        |
| <b>3.10</b>  | <b>Net cash from / (used in) financing activities</b>                                   | <b>(30,478)</b> | <b>(77,595)</b> |
| Detail: Other outflow consist of the payments of lease liabilities |   |                 |                 |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 24,687  | 11,821  |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | 11,802  | 76,538  |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | (1,130) | (5,883) |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>\$A'000</b> |
|---|--|------------------------------------|---------------------------------|
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above) | (30,478)                           | (77,595)                        |
| 4.5   | Effect of movement in exchange rates on cash held                | -                                  | -                               |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                | <b>4,881</b>                       | <b>4,881</b>                    |

| <b>5.</b>   | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|---|---|------------------------------------|-------------------------------------|
| 5.1   | Bank balances   | 1,261                              | 20,492                              |
| 5.2   | Call deposits   | 313                                | 317                                 |
| 5.3   | Bank overdrafts   | -                                  | -                                   |
| 5.4   | Other (provide details)   | 3,307                              | 3,878                               |
| <b>5.5</b>  | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>4,881</b>                       | <b>24,687</b>                       |
| Detail: Other consist of cash floats and cash in transit. |   |                                    |                                     |

| <b>6.</b>  | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
|--|---|------------------------------------|
| 6.1  | Aggregate amount of payments to related parties and their associates included in item 1 | 126                                |
| 6.2  | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |
| <p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Detail: Rental payments - \$111,000, Board Fees - \$15,000 was paid to related parties. Rental paid was on normal commercial terms and conditions.</p> |   |                                    |

| 7. <b>Financing facilities</b>  | <b>Total facility amount at quarter end<br/>\$A'000</b>   | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> |   |  |
| 7.1 Loan facilities   | 39,000  | 33,750   |
| 7.2 Credit standby arrangements   | 4,000   | 1,390  |
| 7.3 Other (please specify)  | -   | -  |
| 7.4 <b>Total financing facilities</b>   | 43,000  | 35,140   |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | 7,860  |
| 7.6   | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.   |  |
|   | <p><u>CBA Bank:</u><br/> Trade Finance Facility - \$19,000,000. This is a secured facility (6.11%) till August 2024<br/> Working Capital Facility - \$20,000,000 (6.33%) till August 2024<br/> Guarantee and credit facility - \$4,000,000 till August 2024<br/> On April 12 CBA debt was repaid and all security interests released by way of refinancing with Hilco Capital (via HUK 137 Limited). The Hilco Capital loan is a secured asset backed lend of up to \$45,000,000 (9.25% for drawn / 3.5% undrawn rate above BBSY) until March 2026.</p> |  |

| 8. <b>Estimated cash available for future operating activities</b>   | <b>\$A'000</b>   |
|--|--|
| 8.1 Net cash from / (used in) operating activities (item 1.9)  | 11,802   |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 4,881  |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | 7,860  |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 12,741   |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | N/A  |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> |  |
| 8.6  | If item 8.5 is less than 2 quarters, please provide answers to the following questions:  |
| 8.6.1  | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?  |
|  | Answer: N/A  |
| 8.6.2  | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |
|  | Answer: N/A  |
| 8.6.3  | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?  |
|  | Answer: N/A  |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>   |  |

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2024

Authorised by: Luke Softa, Chief Financial Officer and Company Secretary  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.