

# city chic collective

***Not for release to US wire services or distribution in the United States***

28 June 2024

## **CCX Despatches Retail Entitlement Offer Booklet**

**City Chic Collective** (ASX: CCX) (**CCX** or the **Company**) confirms that details of instructions on how to access the retail entitlement offer booklet (**Retail Entitlement Offer Booklet**) and the personalised entitlement and acceptance form in connection with the 1 for 2.04 partially underwritten non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares as announced to ASX on Friday 21 June 2024, has been despatched to eligible shareholders today.

A letter to ineligible shareholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

Copies of the letter to all eligible shareholders, the Retail Entitlement Offer Booklet and the letter to ineligible shareholders are attached to this announcement.

The Entitlement Offer opens today, Friday 28 June 2024 and is scheduled to close at 5.00 pm (Sydney time) on Wednesday, 10 July 2024. Eligible shareholders should carefully read the Retail Entitlement Offer Booklet for further details relating to the Entitlement Offer.

Shareholders with questions should contact their financial or other professional adviser before making an investment decision. For further information on the Entitlement Offer, shareholders may contact the Entitlement Offer Information Line on **1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia)**.

**End**

Authorised by the Board of Directors of City Chic Collective Limited.

## **About City Chic Collective**

City Chic Collective is a global omni-channel retailer specialising in better dressing plus-size women's apparel, footwear and accessories. Its omni-channel model comprises a network of 77 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the USA, and third-party marketplace and wholesale partners in Australia, New Zealand and the USA.

## **Investor and Media Enquiries**

Matthew Gregorowski +61 422 534 755  
Saskia West +61 452 120 192  
Morrow Sodali

# city chic collective

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

28 June 2024

Dear Shareholder,

### Entitlement Offer – Notification to Eligible Shareholders

On 21 June 2024, City Chic Collective Limited ACN 057 569 169 (“**City Chic**” or the “**Company**”) announced on ASX its intention to raise approximately \$23 million through a placement to institutional investors (**Placement**), and the Entitlement Offer comprises the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the retail component of the Entitlement Offer (**Retail Entitlement Offer**) (together, the **Capital Raising**). The Institutional Entitlement Offer and the Placement were successfully completed before trading in our Shares recommenced on Monday, 24 June 2024.

The net proceeds received from the Capital Raising will be largely applied to working capital requirements of City Chic, to restructuring costs to right size the business and to strengthen the balance sheet of City Chic via a reduction in debt.

In conjunction with City Chic's divestment of Avenue, change in US fulfilment providers, restructure of its current debt facility and other business right-sizing initiatives, the Capital Raising will assist to strengthen City Chic's balance sheet to support future growth.

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Placement and Institutional Entitlement Offer, being \$0.15 per New Share. The number of New Shares for which you are entitled to apply under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form which can be accessed at <https://events.miracle.com/ccx-offer>.

The Retail Entitlement Offer closes at **5.00pm (Sydney time) on Wednesday, 10 July 2024**.

This letter is to inform you about the Retail Entitlement Offer and to explain that, as an Eligible Retail Shareholder, you are entitled to subscribe for 1 New Share for every 2.04 Shares held on the Record Date (i.e. 7.00pm (Sydney time) on Tuesday, 25 June 2024). In the event that any fractions of Shares occur as a result of the subscription under this Entitlement Offer, your Entitlements will be rounded up to the nearest whole number.

You may subscribe for some or all of your Entitlement under this Entitlement Offer.

If you take up your full Entitlement, You also have the opportunity to apply for additional New Shares in excess of your Entitlement under the Top Up Facility for up to 50% of your existing Entitlement, at the Offer Price (“**Top Up Facility**”). Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. City Chic and the Lead Manager retain the flexibility to scale back Applications for additional New Shares at their discretion.

The Entitlement Offer is non-renounceable and, therefore, your Entitlement will not be tradeable on ASX and is not otherwise transferable. If Eligible Retail Shareholders take no action, they will not be allocated New Shares or receive any value in respect of the Entitlements they do not take up and their Entitlements will lapse.

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City Chic does not intend to extend the Retail Entitlement Offer to jurisdictions outside of Australia and New Zealand.

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Further details on the Retail Entitlement Offer are found in the Retail Entitlement Offer Booklet that was lodged on ASX on 28 June 2024. You should read the Retail Entitlement Offer Booklet in full before making any Application for New Shares.

## **How to Access the Retail Entitlement Offer and Retail Entitlement Offer Booklet**

You can access a copy of the Retail Entitlement Offer Booklet and Apply for the Retail Entitlement Offer in the following ways:

ONLINE (BPAY) – You can apply for the offer and access your payment details (including the BPAY® payment details) via the following <https://events.miracle.com/ccx-offer>. Please make sure you use the specific Biller Code and your unique Customer Reference Number on your personalised Entitlement and Acceptance Form.

ONLINE (EFT) – EFT payment can only be used by entitled New Zealand holders; details can be accessed via the following <https://events.miracle.com/ccx-offer>. When submitting an application via EFT, you must quote your HIN/SRN as your payment reference/description and return your completed personalised Entitlement and Acceptance Form to the Share Registry at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au) otherwise your application will not be accepted.

Your application and Application Money must be received by City Chic by no later than **5.00pm (Sydney time) on Wednesday, 10 July 2024**, unless this date is otherwise extended by the Board at its sole discretion.

## **Further Information**

For further information regarding the Retail Entitlement Offer, call the City Chic Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (from outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period.

For any other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

On behalf of the Directors and management team of City Chic, I invite you to consider this opportunity and thank you for your ongoing support of City Chic.

Yours faithfully

**Michael Kay**  
**Chairman**  
**City Chic Collective Limited**

# city chic collective

## **DISCLAIMER**

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in City Chic in any jurisdiction.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”). Accordingly, the Entitlements under the Retail Entitlement Offer may not be taken up or exercised by, and the New Shares in the Retail Entitlement Offer may not be offered or sold to any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Entitlements and New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The Lead Managers has not authorised or caused the issue of this letter or made or authorised the making of any statement that is included in this letter or any statement on which a statement in this letter is based. To the maximum extent permitted by law, the Lead Managers, and their respective related bodies corporate and affiliates and the directors, officers, employees or advisers and representatives of any of them expressly disclaim and take no responsibility for any statements in or omissions from this letter.

**IMPORTANT NOTICE TO NOMINEES:** Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or to any person in any other jurisdiction outside of Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities.

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## City Chic Collective Limited

### Retail Entitlement Offer Booklet

For a partially underwritten accelerated non-renounceable pro-rata entitlement offer of 1 New Share for every 2.04 Shares held by Eligible Retail Shareholders at the Record Date (i.e. 7.00pm (Sydney time) on Tuesday, 25 June 2024) at an issue price of \$0.15 per New Share.

The retail entitlement offer opens on Friday, 28 June 2024 and closes at 5.00 pm (Sydney time) on Wednesday, 10 July 2024. Valid acceptances must be received before that time.

**Please read the instructions in this Retail Entitlement Offer Booklet and the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement under the Entitlement Offer.**

**This is an important document that requires your immediate attention and should be read in its entirety. If you are in doubt about what to do, you should consult your stockbroker, accountant, lawyer or other professional adviser.**

**This Retail Entitlement Offer Booklet is not a prospectus. It does not contain all of the information that an investor would find in a prospectus and has not been lodged with ASIC.**

**This Retail Entitlement Offer Booklet may not be released into the United States or to US persons where this documentation does not comply with the relevant regulations.**

## Important notice

This Retail Entitlement Offer Booklet has been issued by City Chic Collective Limited ACN 057 569 169 (**City Chic**).

This Retail Entitlement Offer Booklet is dated 28 June 2024 and relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by City Chic. Capitalised terms in this section have the meaning given to them in this Retail Entitlement Offer Booklet.

The Retail Entitlement Offer is made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) for the offer of New Shares without disclosure to investors under a prospectus.

This Retail Entitlement Offer Booklet is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Retail Entitlement Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information in relation to City Chic and the Entitlement Offer (e.g. the information available on City Chic's website at [www.citychiccollective.com.au/investors](http://www.citychiccollective.com.au/investors) or on ASX's website at [www.asx.com.au](http://www.asx.com.au)) prior to deciding whether to accept your Entitlement and apply for New Shares. The information in this Retail Entitlement Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

**Please contact your professional adviser or the City Chic Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday if you have any questions.**

This Retail Entitlement Offer Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Retail Entitlement Offer. In particular, the Investor Presentation in Section 9 of this Retail Entitlement Offer Booklet details important factors and risks that could affect the financial and operating performance of City Chic. Please refer to the 'Key risks' section of the Investor Presentation for details. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 7 of this Retail Entitlement Offer Booklet).

In addition to reading this Retail Entitlement Offer Booklet in conjunction with City Chic's other periodic and continuous disclosure announcements including the Investor Presentation and City Chic's announcements to ASX and on its website, you should conduct your own independent review, investigations and analysis of City Chic and the New Shares and obtain any professional advice you require to evaluate the merits and risks of an investment in City Chic before making any investment decision.

By paying for your New Shares through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Entitlement Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Entitlement Offer Booklet.

### Entitlement and Acceptance Form

The Entitlement and Acceptance Form accompanying this Retail Entitlement Offer Booklet is important. To participate in the Entitlement Offer, you must complete the Entitlement and Acceptance Form and pay the Application Money before 5.00pm (Sydney time) on Wednesday, 10 July 2024.

Please refer to the instructions in Section 4 regarding the acceptance of your Entitlement.

### No overseas offering

This Retail Entitlement Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Entitlement Offer Booklet does not constitute an offer to Ineligible Retail Shareholders.

This Retail Entitlement Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Entitlement Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Entitlement Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for City Chic to lawfully receive your Application Moneys.

### New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of City Chic with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### United States disclaimer

None of the information in this Retail Entitlement Offer Booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Retail Entitlement Offer Booklet (or any part of it), the accompanying ASX Announcements and Investor Presentation nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The Entitlements and the New Shares have not been, and will not be, registered under the *U.S. Securities Act of 1933*, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up or exercised by persons in the United States, and the New Shares may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the *U.S. Securities Act* and applicable securities laws of any state or other jurisdiction of the United States.

### Definitions

Defined terms used in this Retail Entitlement Offer Booklet are contained in Section 8.

### Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 7 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Australian Eligible Retail Shareholders.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. City Chic recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

### Privacy

City Chic collects information about each Applicant for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in City Chic.

By paying for your New Shares through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form, you will be providing personal information to City Chic (directly or through the Share Registry). City Chic collects, holds and will use that information to assess your Application. City Chic collects your personal information to process and administer your shareholding in City Chic and to provide related services to you. City Chic may disclose your personal information for purposes related to your shareholding in City Chic, including to the Share Registry, City Chic's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can

obtain access to personal information that City Chic holds about you. To make a request for access to your personal information held by (or on behalf of) City Chic, please contact City Chic through the Share Registry.

#### **Governing law**

This Retail Entitlement Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

#### **No representations**

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer that is not contained in this Retail Entitlement Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Entitlement Offer Booklet may not be relied upon as having been authorised by City Chic or any of its officers.

#### **Past performance**

Investors should note that City Chic's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) City Chic's future performance including City Chic's future financial position or share price performance.

#### **Future performance**

This Retail Entitlement Offer Booklet contains certain forward-looking statements with respect to the financial performance and position, results of operations, projects and business of City Chic and certain plans and objectives of the management of City Chic. Forward-looking statements include those containing words such as 'anticipate', 'believe', 'expect', 'estimate', 'should', 'will', 'plan', 'could', 'may', 'intends', 'guidance', 'project', 'forecast', 'target', 'likely' and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Retail Entitlement Offer. Any forward-looking statements, opinions and estimates provided in this Retail Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of City Chic and the Lead Manager Parties (as defined in Section 8). This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include projections, guidance on future revenues, earnings, dividends and estimates.

These forward-looking statements contained in this Retail Entitlement Offer Booklet involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

#### ***You are strongly cautioned not to place undue reliance on forward-looking statements.***

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither City Chic, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of City Chic. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Retail Entitlement Offer Booklet in light of those disclosures.

The forward-looking statements are based on information available to City Chic as at the date of this Retail Entitlement Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), City Chic is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

The Lead Manager has not authorised, approved or verified any forward-looking statements.

#### **Lead Manager**

Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Lead Manager**) are acting as lead manager and underwriter of the Capital Raising. Neither the Lead Manager, nor any of its affiliates or

related bodies corporate (as that term is defined in the Corporations Act), nor any of their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Lead Manager Parties**), nor the advisers to City Chic or any other person, has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Entitlement Offer Booklet (or any other materials released by City Chic) and none of them makes or purports to make any statement in this Retail Entitlement Offer Booklet and there is no statement in this Retail Entitlement Offer Booklet which is based on any statement by any of them. The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from, City Chic.

#### **Disclaimer**

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of City Chic and the Lead Manager. To the maximum extent permitted by law, City Chic and the Lead Manager Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

To the maximum extent permitted by law, the Lead Manager Parties disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Retail Entitlement Offer Booklet being inaccurate or due to information being omitted from this Retail Entitlement Offer Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Retail Entitlement Offer Booklet.

The Lead Manager Parties take no responsibility for any part of this Retail Entitlement Offer Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Retail Entitlement Offer Booklet or otherwise arising in connection with it.

The Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by paying for your New Shares through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

The Lead Manager is a full-service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses. The Lead Manager is acting for and providing services to City Chic in relation to the Capital Raising and is not, and will not be, acting for or providing services to City Chic Shareholders or potential investors. The engagement of the Lead Manager is not intended to create any fiduciary obligations, agency or other relationship between the Lead Manager, City Chic, City Chic's Shareholders or potential investors.

#### **Risks**

Refer to the 'Key risks' section of the Investor Presentation included in Section 9 of this Retail Entitlement Offer Booklet for a summary of general and specific risk factors that may affect City Chic. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

#### **No cooling off**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an Application once it has been accepted.

#### **Times and dates**

Times and dates in this Retail Entitlement Offer Booklet are indicative only and subject to change. All times and dates refer to Sydney time. Refer to the timetable in Section 1 of this Retail Entitlement Offer Booklet for more details.

#### **Currency**

Unless otherwise stated, all dollar values in this Retail Entitlement Offer Booklet are in Australian dollars (\$ or A\$).

### **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Retail Entitlement Offer Booklet are due to rounding.

### **Trading New Shares**

City Chic will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by City Chic or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

### **No Entitlements trading**

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

### **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Entitlement Offer Booklet.

Any information or representation that is not in this Retail Entitlement Offer Booklet may not be relied on as having been authorised by City Chic, its officers or its related bodies corporate in connection with the Retail Entitlement Offer.

If you are in any doubt as to these matters, you should first consult with your stockbroker, lawyer, accountant or other professional adviser.

### **Electronic communications**

If you are accessing your personalised Entitlement and Acceptance Form and this Retail Entitlement Offer Booklet on an internet website, you understand that you are responsible for protecting against viruses and other destructive items which might compromise confidentiality and your details. Your use of an online Retail Entitlement Offer Booklet is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses, items of a destructive nature or items which might compromise confidentiality.

If you are receiving this Retail Entitlement Offer Booklet in an electronic form, you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently City Chic does not accept any liability or responsibility whatsoever (including for any fault or negligence) in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Share Registry.

## Chairman's letter

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28 June 2024

Dear Shareholder,

On behalf of City Chic Collective Limited ACN 057 569 169 (**City Chic**), I am pleased to invite you to participate in a 1 for 2.04 accelerated non-renounceable pro rata entitlement offer of new ordinary shares in City Chic (**New Shares**) at an offer price of \$0.15 per New Share (**Offer Price**) (**Entitlement Offer**).

### Purpose of the Capital Raising

On Friday, 21 June 2024, City Chic announced its intention to raise approximately \$23 million through a placement to institutional investors (**Placement**) and the Entitlement Offer (together, the **Capital Raising**).

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Placement were successfully completed before trading in our Shares recommenced on Monday, 24 June 2024.

This Retail Entitlement Offer Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

The net proceeds received from the Capital Raising will be largely applied to working capital requirements of City Chic, to restructuring costs to right size the business and to strengthen the balance sheet of City Chic via a reduction in debt.

In conjunction with City Chic's divestment of Avenue, change in US fulfilment providers, restructure of its current debt facility and other business right-sizing initiatives, the Capital Raising will assist to strengthen City Chic's balance sheet to support future growth.

Please refer to the Investor Presentation included in Section 9 of this Retail Entitlement Offer Booklet for further information on the sale of Avenue, City Chic's change in its US warehousing arrangements, the restructure of City Chic's current debt facility, City Chic's cost reduction initiatives and the Capital Raising.

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Placement and Institutional Entitlement Offer, being \$0.15 per New Share. The number of New Shares for which you are entitled to apply under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that accompanies this Retail Entitlement Offer Booklet.

You also have the opportunity to apply for additional New Shares in excess of your Entitlement under the Top Up Facility for up to 50% of your existing Entitlement. Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. City Chic and the Lead Manager retain the flexibility to scale back Applications for additional New Shares at their discretion (refer to Section 4.2 of this Retail Entitlement Offer Booklet for more information).

The Entitlement Offer is non-renounceable and, therefore, your Entitlement will not be tradeable on ASX and is not otherwise transferable.

### Information included in this Retail Entitlement Offer Booklet

This Retail Entitlement Offer Booklet contains important information, including:

- City Chic's ASX announcements relating to the Capital Raising, including the Investor Presentation announced on Friday, 21 June 2024, which provides information about City Chic, the Capital Raising and key risks for you to consider;

- instructions on how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement and instructions on how to complete the Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement, and additional New Shares in excess of your Entitlement under the Top Up Facility, via BPAY® or EFT.

The Retail Entitlement Offer closes at **5.00pm (Sydney time) on Wednesday, 10 July 2024**.

Instructions on how to apply are set out in this Retail Entitlement Offer Booklet and your Entitlement and Acceptance Form. For further information regarding the Retail Entitlement Offer, call the City Chic Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (from outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, lawyer, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Directors and management team of City Chic, I invite you to consider this opportunity and thank you for your ongoing support of City Chic.

Yours faithfully

**Michael Kay**  
**Chairman**  
**City Chic Collective Limited**

## 1 Summary and key dates

### 1.1 Summary of the Capital Raising

Placement	
Offer Price	\$0.15 per New Share
Number of Shares	Approximately 35.9 million New Shares
Gross proceeds	Approximately \$5.4 million
Entitlement Offer	
Ratio	1 New Share for every 2.04 Existing Shares
Offer Price	\$0.15 per New Share
Number of Shares	Approximately 61.12 million New Shares under the Institutional Entitlement Offer and approximately 56.21 million New Shares under the Retail Entitlement Offer
Gross proceeds	Approximately \$17.6 million, comprising approximately \$9.2 million under the Institutional Entitlement Offer and approximately \$8.4 million under the Retail Entitlement Offer

### 1.2 Key dates

Activity	Date
Announcement of Entitlement Offer and Placement	Friday, 21 June 2024
Institutional Entitlement Offer and Placement opens	Friday, 21 June 2024
Institutional Entitlement Offer and Placement closes	5:00pm (Sydney time) Friday, 21 June 2024
Announcement of results of Institutional Entitlement Offer and Placement Shares recommence trading	Monday, 24 June 2024
Record Date for Entitlement Offer	7.00pm (Sydney time) Tuesday, 25 June 2024
<b>Retail Entitlement Offer opens</b>	<b>Friday, 28 June 2024</b>
<b>Retail Entitlement Offer Booklet and Entitlement and Acceptance Form dispatched</b>	<b>Friday, 28 June 2024</b>
Allotment of New Shares under the Institutional Entitlement Offer and Placement	Tuesday, 2 July 2024
Commencement of trading of New Shares issued under the Institutional Entitlement Offer and Placement	Tuesday, 2 July 2024
<b>Retail Entitlement Offer closes</b>	<b>5.00pm (Sydney time) Wednesday, 10 July 2024</b>
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 16 July 2024
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 17 July 2024

This timetable is indicative only and may change. City Chic reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, City Chic reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares. City Chic also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Money (without interest) will be returned in full to Applicants.

### **1.3 Enquiries**

City Chic Offer Information Line: 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) between 8.30am and 5.30pm (Sydney time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 10 July 2024. Alternatively, contact your stockbroker, lawyer, accountant or other professional adviser.

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## 2 Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement only;
- (b) take up all of your Entitlement and also apply for additional New Shares under the Top Up Facility;
- (c) take up part of your Entitlement and allow the balance to lapse; or
- (d) do nothing, in which case your entire Entitlement will lapse and you will receive no value for those lapsed Entitlements.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 10 July 2024.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an '**Ineligible Retail Shareholder**'. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
1 Take up all of your Entitlement	<ul style="list-style-type: none"> <li>You may elect to purchase New Shares at the Offer Price for your full Entitlement (see Section 4 for instructions on how to take up your Entitlement).</li> <li>The New Shares will rank equally in all respects with Existing Shares.</li> </ul>
2 Take up all of your Entitlement and also apply for additional New Shares in excess of your Entitlement under the Top Up Facility	If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility at the Offer Price, for up to an additional 50% of your Entitlement (see Section 4.2 for instructions on how to apply for additional New Shares). There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.
3 Take up part of your Entitlement	<p>You may elect to purchase some New Shares at the Offer Price, being less than your full Entitlement. If you do not take up your Entitlement in full:</p> <ul style="list-style-type: none"> <li>those Entitlements not taken up will lapse and you will not receive any payment or value for them. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements that are not taken up are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred;</li> <li>you will not be entitled to apply for additional New Shares under the Top Up Facility; and</li> <li>you will have your percentage holding in City Chic reduced as a result of not participating in the Retail Entitlement Offer to the fullest allowable extent.</li> </ul> <p>Sections 4.3 and 4.5 for further information, including instructions on how to apply for part of your Entitlement.</p>
4 Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<p>If you do not take up your Entitlement:</p> <ul style="list-style-type: none"> <li>you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold,</li> </ul>

Options available to you	Key considerations
	<p>traded on ASX or any other exchange, nor can they be privately transferred; and</p> <ul style="list-style-type: none"> <li>• you will have your percentage holding in City Chic reduced as a result of not participating in the Capital Raising.</li> </ul> <p>See Sections 4.4 and 4.5 for further information.</p>

Please also note that if you are an Eligible Retail Shareholder who is a 'related party' in relation to City Chic (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full without Shareholder approval being required, but may not apply for any additional New Shares under the Top Up Facility.

## 3 Overview of the Capital Raising

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### 3.1 Overview

City Chic intends to raise approximately \$23 million by undertaking the Capital Raising. The Capital Raising comprises:

- (a) the **Entitlement Offer**, pursuant to which City Chic is offering Eligible Shareholders the opportunity to apply for 1 New Share for every 2.04 Existing Shares held on the relevant record date. The Offer Price per New Share is \$0.15. The Entitlement Offer is intended to raise approximately \$17.6 million, comprising approximately:
  - (i) \$9.2 million under the Institutional Entitlement Offer; and
  - (ii) \$8.4 million under the Retail Entitlement Offer; and
- (b) the **Placement** which was undertaken in conjunction with the Institutional Entitlement Offer. The Placement raised approximately \$5.4 million at the same Offer Price per New Share as the Entitlement Offer.

This Retail Entitlement Offer Booklet relates to the Retail Entitlement Offer to raise up to approximately \$8.4 million, of which \$2.9 million is underwritten by the Lead Manager.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcements and the Investor Presentation<sup>1</sup> included in Section 9 of this Retail Entitlement Offer Booklet for information on the rationale for the Capital Raising, the use of proceeds of the Capital Raising and the key risks associated with an investment in City Chic.

### 3.2 Institutional Entitlement Offer

Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlements under the Institutional Entitlement Offer at the Offer Price of \$0.15 per New Share.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, as well as Entitlements of certain Ineligible Institutional Shareholders, were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement, as well as to certain other institutional investors.

The Institutional Entitlement Offer was successfully undertaken on Friday, 21 June 2024 and raised approximately \$9.2 million. Please see City Chic's ASX announcement dated Monday, 24 June 2024 for further information about the outcome of the Institutional Entitlement Offer.

New Shares not applied for under the Institutional Entitlement Offer by Eligible Institutional Shareholders are to be taken up by the Lead Manager (as underwriter) subject to the terms and conditions of the Underwriting Agreement, described further in Section 6.4 of this Retail Entitlement Offer Booklet.

New Shares are expected to be issued under the Institutional Entitlement Offer on Tuesday, 2 July 2024.

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<sup>1</sup> The ASX Announcements and the Investor Presentation are current as at the date of their release. There may be other announcements that are made by City Chic after Friday, 21 June 2024 and before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 10 July 2024 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, you should check whether any further announcements have been made by City Chic before submitting an Application.

### 3.3 Placement

Institutional investors were invited to bid for New Shares under the Placement at the Offer Price of \$0.15 per New Share.

The Placement was successfully undertaken on Friday, 21 June 2024 and raised approximately \$5.4 million. Please see City Chic's ASX announcement dated Monday, 24 June 2024 further information about the outcome of the Placement.

New Shares are expected to be issued under the Placement on Tuesday, 2 July 2024.

### 3.4 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

Eligible Retail Shareholders are being invited to apply for all or part of their Entitlement and are being sent this Retail Entitlement Offer Booklet with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders who take up all of their Entitlement may also apply for additional New Shares in excess of their Entitlement, up to an additional 50% of their Entitlement, under the Top Up Facility.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Shareholders, being:

- (a) Shareholders on the Record Date who have an address on the City Chic register in Australia or New Zealand; and
- (b) are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer.

A person in the United States or acting for the account or benefit of a person in the United States is not entitled to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements, logistical and registry constraints, and the discretion of City Chic. City Chic and the Lead Manager disclaim any liability in respect of the exercise or otherwise of that determination and discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer seeks to raise approximately \$8.4 million. The Offer Price under the Retail Entitlement Offer is the same as the Offer Price under the Institutional Entitlement Offer and the Placement.

The Retail Entitlement Offer opens on Friday, 28 June 2024 and is expected to close at 5.00pm (Sydney time) on Wednesday, 10 July 2024.

The Retail Entitlement Offer is partially underwritten by the Lead Manager (for up to \$2.9 million), subject to the terms of the Underwriting Agreement described further in Section 6.4.

### 3.5 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date (i.e. 7.00pm (Sydney time) on Tuesday, 25 June 2024) who:

- (a) have an address on the City Chic register in Australia or New Zealand;

- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (c) are not Eligible Institutional Shareholders and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

City Chic has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

### **3.6 Your Entitlement**

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 2.04 Shares held on the Record Date (i.e. 7.00pm (Sydney time) on Tuesday, 25 June 2024) with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Entitlement Offer Booklet. Eligible Retail Shareholders may apply for all or part of their Entitlement.

Eligible Retail Shareholders who take up all of their Entitlement in full may also apply for additional New Shares, up to an additional 50% of their Entitlement, under the Top Up Facility.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Eligible Retail Shareholders should be aware that an investment in City Chic involves risks. The key risks identified by City Chic are set out in the section entitled 'Key risks' from page 29 of the Investor Presentation (enclosed in Section 9).

### **3.7 Allocation of any shortfall following the close of the Retail Entitlement Offer**

If, following the close of the Retail Entitlement Offer, there is a shortfall, the Directors reserve the right to issue all or any part of that shortfall in the 3 months after the close of the Retail Entitlement Offer.

This will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders (including under the Top Up Facility) and the number of Shares proposed to be issued under the Retail Entitlement Offer.

If there is a shortfall, the Directors propose to allocate Shares, at their discretion, to a particular applicant or applicants in order to maximise the total funds raised by City Chic in a manner which is fair and where the Directors consider it is in the best interests of City Chic to do so. Any Shares issued in this regard will be issued at a price that is not less than the Offer Price of \$0.15 per Share.

The Directors will not allocate or issue Shares in the event of a shortfall where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other law.

## **4 How to apply**

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### **4.1 Options available to you**

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may also apply for additional New Shares up to an additional 50% of their Entitlement under the Top Up Facility (refer to Section 4.2);
- (b) take up part of their Entitlement, in which case the part of the Entitlement not taken up would lapse (refer to Section 4.3); or
- (c) do nothing and allow their entire Entitlement to lapse (refer to Section 4.4).

Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

City Chic reserves the right to reject any Application that is received after the Closing Date. The Directors reserve the right to issue any shortfall under the Entitlement Offer at their discretion.

The Closing Date for acceptance of the Retail Entitlement Offer is 5.00pm (Sydney time) on Wednesday, 10 July 2024.

### **4.2 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility**

If you wish to take up all of your Entitlement, you must complete the Entitlement and Acceptance Form which can be obtained online at <https://events.miracle.com/ccx-offer> and pay the Application Money by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Wednesday, 10 July 2024.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. Any Application Money received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full, up to an additional 50% of your Entitlement.

If you apply for additional New Shares under the Top Up Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Any New Shares referable to Entitlements not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility, up to an additional 50% of their Entitlement.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available and then up to 50% of their Entitlement, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If Eligible Retail Shareholders apply for more additional New Shares than available under the Top Up Facility, City Chic will scale back applications for additional New Shares in its absolute discretion, which may include having regard to the pro rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares.

No interest will be paid to Applicants on any Application Money received or refunded. Refund amounts (greater than \$2.00), if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

#### 4.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, you must complete the Entitlement and Acceptance Form which can be obtained online at <https://events.miracle.com/ccx-offer> and pay the Application Money by following the instructions set out on the personalised Entitlement and Acceptance Form.

If you wish to take up part of your Entitlement, you will not be entitled to apply for additional New Shares under the Top Up Facility.

If City Chic receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Money will pay for in full.

#### 4.4 Allowing your Entitlement to lapse

If you do not wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

#### 4.5 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, your Entitlement will lapse and those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been taken up) will not be issued to you and may be acquired by Eligible Retail Shareholders under the Top Up Facility.

By allowing your Entitlement to lapse, you will forego any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in City Chic will also be diluted to the extent that New Shares are issued under the Capital Raising.

Subject to the terms of the Underwriting Agreement, the Directors reserve the right to issue any New Shares not issued in the Entitlement Offer (**Shortfall Shares**) to new investors or existing Shareholders within 3 months of close of the Entitlement Offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of City Chic, having regard to factors such as:

- (a) City Chic's desire for an informed and active trading market;
- (b) City Chic's desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors;
- (c) the likelihood that particular investors will be long-term shareholders; and
- (d) any other factors City Chic considers appropriate and will be subject to the terms of the Underwriting Agreement.

#### 4.6 Payment

You can pay in the following ways:

- by BPAY® in accordance with the Entitlement and Acceptance Form; or
- EFT.

Cash payments will not be accepted. Additionally, payments by cheque, bank draft or money order will not be accepted. Receipts for payment will not be issued.

City Chic will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement, and in respect of any excess amount applying for as many additional New Shares under the Top Up Facility as it will pay for in full, up to an additional 50% of your Entitlement.

Any Application Money (greater than \$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Money received or refunded.

(a) **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form which can be obtained online at <https://events.miracle.com/ccx-offer>. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

When paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (i) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 4.7;
- (ii) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Moneys; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for additional New Shares (if any) under the Top Up Facility, to the extent of the excess (up to the maximum of an additional 50% of your Entitlement).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 10 July 2024. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

(b) **Payment by EFT**

City Chic encourages payments by BPAY® if possible. If however you are completing a payment by EFT, it is your responsibility to ensure that your EFT payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 10 July 2024. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

In addition, if you make payment by EFT, you must quote your HIN/SRN as your payment reference/description and return your completed personalised Entitlement and Acceptance Form to the Share Registry by contacting the Share Registry at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au). Further details are set out on your personalised Entitlement and Acceptance Form which can be accessed online at <https://events.miracle.com/ccx-offer>.

#### **4.7 Entitlement and Acceptance Form is binding**

A payment made through BPAY® or EFT or a completed and lodged Entitlement and Acceptance Form together with the payment of the requisite Application Money constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Entitlement

Offer Booklet and, once lodged or paid, cannot be withdrawn. City Chic's decision on whether to treat an acceptance as valid is final.

By making a payment by BPAY® or EFT or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have received and read, and understand this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Entitlement Offer Booklet, and City Chic's constitution;
- (c) you authorise City Chic to register you as the holder(s) of New Shares issued to you under the Retail Entitlement Offer;
- (d) all details and statements in the personalised Entitlement and Acceptance Form are complete, accurate and up to date;
- (e) if you are a natural person, you are 18 years of age or over and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you accept that there is no cooling off period under the Retail Entitlement Offer and that once City Chic receives any payment of Application Money via BPAY® or EFT, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money via BPAY® or EFT, at the Offer Price per Share;
- (h) if you apply for additional New Shares under the Top Up Facility, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;
- (i) you authorise City Chic, the Lead Manager, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (j) you acknowledge and agree that:
  - (i) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of City Chic and the Lead Manager; and
  - (ii) each of City Chic and the Lead Manager, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (k) you represent and warrant (for the benefit of City Chic, the Lead Manager and each of their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;
- (l) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;

- (m) the information contained in this Retail Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (n) this Retail Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in City Chic and is given in the context of City Chic's past and ongoing continuous disclosure announcements to ASX;
- (o) you have read and acknowledge the statement of risks in the 'Key risks' section of the Investor Presentation included in Section 9 of this Retail Entitlement Offer Booklet, and that an investment in City Chic is subject to risks;
- (p) none of City Chic, the Lead Manager, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of City Chic, nor do they guarantee the repayment of capital from City Chic;
- (q) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (r) you authorise City Chic to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (s) the law of any place does not prohibit you from being given this Retail Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) you are an Eligible Retail Shareholder;
- (u) you acknowledge that the Entitlement and the New Shares have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly the Entitlements may not be taken up or exercised by a person in the United States and the New Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- (v) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any country outside Australia and New Zealand;
- (w) if you decide to sell or otherwise transfer the New Shares in the future, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in regular way transactions on ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (x) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an Application is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any information or materials relating to the Retail Entitlement Offer to any such person; and
- (y) you make all other representations and warranties set out in this Retail Entitlement Offer Booklet.

#### **4.8 Brokerage and Australian stamp duty**

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No Australian stamp duty should be payable for the grant of the Entitlement, or for exercising the Entitlement in order to apply for New Shares under the Retail Entitlement Offer or for additional New Shares under the Top Up Facility.

#### **4.9 Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from City Chic. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

City Chic is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. City Chic is not able to advise on foreign laws.

#### **4.10 Withdrawal of the Entitlement Offer**

Subject to applicable law, City Chic reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case City Chic will refund any Application Money already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Money paid by you to City Chic will not entitle you to receive any interest and that any interest earned in respect of Application Money will belong to City Chic.

#### **4.11 Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the City Chic Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 10 July 2024. If you have any further questions, you should contact your stockbroker, lawyer, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in City Chic involves risks. The key risks identified by City Chic are set out from page 29 of the Investor Presentation (in Section 9).

## 5 Control implications and capital structure

### 5.1 Effect on Control

Shareholders should note that their holding will be diluted by approximately 13.04% on account of the Placement.

Shareholders should also note that if they do not participate in the Entitlement Offer and the Entitlement Offer is fully subscribed, their holdings are likely to be diluted by a further 29.89% (approximate).

The issue of Shares under the Entitlement Offer and the Top Up Facility does not satisfy the requirements of exception 10 of section 611 of the Corporations Act. As such, no person will be entitled to acquire Shares pursuant to the Entitlement Offer and the Top Up Facility if, in the view of the Directors, to do so would increase that Shareholder's voting power in City Chic from 20% or below to more than 20% unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

Accordingly:

- (a) as there are currently no exceptions to the restrictions contained in section 606 of the Corporations Act;
- (b) given that no Shareholder has a relevant interest in excess of 20%; and
- (c) in light of the size of the Entitlement Offer,

the Entitlement Offer is not expected to have any material effect or consequence on the control of City Chic.

### 5.2 Potential Dilution Effect

As noted above, on account of the Placement, your holding in City Chic will be diluted by approximately 13.04%.

You should also note that if you do not participate in the Entitlement Offer, your holdings may be diluted by as much as an additional 29.89% (approximate).

The following are examples of how any dilution may affect you if you do not participate in the Entitlement Offer, assuming the maximum number of New Shares are issued, and assuming completion of the Institutional Entitlement Offer and the Placement:

Example Shareholder	Holdings as at Record Date	% as at Record Date	Entitlements Under the Entitlement Offer	Holdings if entitlement not taken up	% following allotment of New Shares (if entitlement not taken up)
Shareholder 1	10,000,000	4.1778%	4,901,961	10,000,000	2.5471%
Shareholder 2	5,000,000	2.0889%	2,450,981	5,000,000	1.2736%
Shareholder 3	1,000,000	0.4178%	490,197	1,000,000	0.2547%
Shareholder 4	100,000	0.0418%	49,020	100,000	0.0255%
Shareholder 5	10,000	0.0042%	4,902	10,000	0.0025%

**Note:**

The dilution in the above table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Top Up Facility or in accordance with the Underwriting Agreement. If the maximum number of New Shares are not placed, the dilution to each Shareholder not accepting their Entitlement will be less than in the above table.

### 5.3 Substantial Shareholders and Directors' interests in Securities

As at 21 June 2024, City Chic had the following substantial Shareholders:

Substantial Shareholder	Number of Shares	Voting Power (%)
Spheria Asset Management Pty Ltd ACN 611 081 326	39,262,677	16.4%
Brett Blundy and associated entities	27,069,026	11.3%
Pinnacle Investment Management Group Limited (and its subsidiaries)	18,957,353	7.9%

As at 21 June 2024, the Directors' interests in City Chic are detailed below:

Director	Shares	Options	Performance Rights
Michael Kay	1,250,000	–	–
Phil Ryan	2,540,191	–	3,540,000
Natalie McLean	10,900	–	–
Megan Quinn	–	–	–
Neil Thompson	150,000	–	–

### 5.4 Capital structure on completion of the Entitlement Offer

On the basis that City Chic completes the Entitlement Offer and raises the full amount sought from Shareholders, City Chic's capital structure will be as follows:

	Number of Shares	Number of City Chic Options	Number of Performance Rights
<b>Balance as at the date of announcement of the Capital Raising</b>	239,360,583	-	3,540,000
<b>Placement</b>	35,904,087	-	-
<b>Entitlement Offer</b>	117,333,620 <sup>1</sup>	-	-
<b>TOTAL</b>	<b>392,598,290<sup>1</sup></b>	<b>Nil</b>	<b>3,540,000</b>

**Notes:**

1. Approximate. The final number of New Shares issued under the Entitlement Offer will be subject to Shareholder reconciliation and rounding. Further, the above table assumes the total amount sought to be raised under the

Entitlement Offer is raised. It is important to note that the Entitlement Offer is only partially underwritten and there can be no assurance that the total amount sought to be raised will in fact be raised.

## **6 Additional information**

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### **6.1 Ranking of New Shares**

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

### **6.2 Allotment**

City Chic will apply for quotation of the New Shares on ASX in accordance with ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, City Chic will repay all Application Money (without interest) to Applicants.

Trading of New Shares will, subject to ASX approval, occur shortly after issue and allotment. It is expected that issue and allotment of the New Shares under the Retail Entitlement Offer will take place on Tuesday, 16 July 2024. Application Money will be held by City Chic on trust for Applicants until the New Shares are issued and allotted. No interest will be paid on Application Moneys.

Subject to approval being granted, it is expected that the New Shares issued and allotted under the Retail Entitlement Offer will commence trading on a normal basis on Wednesday, 17 July 2024.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk and the Lead Manager disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by City Chic or the Share Registry or otherwise.

### **6.3 Reconciliation**

In any entitlement offer, investors may believe that they own more Existing Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

City Chic may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

City Chic also reserves the right to reduce the number of an Entitlement or New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

### **6.4 Underwriting Arrangement**

The Lead Manager is acting as lead manager and partial underwriter to the Capital Raising.

City Chic has entered into an Underwriting Agreement with the Lead Manager in respect of the Capital Raising pursuant to which the Lead Manager has been appointed as lead manager and partial underwriter to the Capital Raising.

The Underwriting Agreement contains representations, warranties and indemnities in favour of the Lead Manager.

The Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events. Please see pages 36 to 37 of the Investor Presentation set out in Section 9 of this Retail Entitlement Offer Booklet for an outline of the termination events under the Underwriting Agreement.

## **6.5 Lead Manager**

None of the Lead Manager Parties have authorised, permitted or caused the issue, despatch or provision of this Retail Entitlement Offer Booklet and they do not take responsibility for any statements made in this Retail Entitlement Offer Booklet or any action taken by you on the basis of such information. The Lead Manager has not authorised, approved or verified any part of this Retail Entitlement Offer Booklet. To the maximum extent permitted by law, each Lead Manager Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Retail Entitlement Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and makes no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Retail Entitlement Offer Booklet.

The Lead Manager Parties take no responsibility for any part of the Retail Entitlement Offer Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of the Retail Entitlement Offer Booklet or otherwise arising in connection with it.

None of the Lead Manager Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties, express or implied, to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

## **6.6 Continuous disclosure**

City Chic is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

City Chic is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, City Chic has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of City Chic shares. That information is available to the public from ASX.

## 7 Australian taxation consequences

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### 7.1 General

This Section 7 does not constitute financial product advice as defined in the Corporations Act and is confined to Australian taxation issues and is only one of the matters you need to consider when making a decision about your investments.

Below is a general and high level summary of the Australian income tax (including capital gains tax (**CGT**)), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders being individuals, complying superannuation entities, trusts and corporate investors, who are Australian tax residents and hold their Existing Shares and New Shares, or additional New Shares acquired under the Top Up Facility on capital account for Australian income tax purposes.

This summary is based upon the provisions of taxation laws including the *Income Tax Assessment Act 1936* (Cth) (**ITAA 1936**), the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) and the *Taxation Administration Act 1953* (Cth) (**TAA 53**) as at the date of this Retail Entitlement Offer Booklet. We note that taxation laws are complex in nature and often change, both prospectively and, on some occasions, retrospectively. Further, the application of taxation laws is subject to interpretation by the courts and tax authorities, which can change over time.

The comments in this Section 7 do not apply to Eligible Retail Shareholders who:

- (a) are not a resident for Australian income tax purposes;
- (b) are engaged in a business of trading shares or investment in shares;
- (c) are partnerships or individuals who are partners of such partnerships;
- (d) are a temporary resident for Australian income tax purposes;
- (e) hold their Existing Shares and New Shares as an asset in a business carried on through a permanent establishment in Australia for Australian income tax purposes;
- (f) are under a legal disability or are exempt from Australian income tax;
- (g) are subject to the Controlled Foreign Company rules contained in Part X of the ITAA 1936;
- (h) hold their Existing Shares and New Shares, or additional New Shares acquired under the Top Up Facility on revenue account or as trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- (i) are subject to the "taxation of financial arrangements" rules in Division 230 of the ITAA 1997 in relation to the Existing Shares or New Shares, or additional New Shares acquired under the Top Up Facility (except as otherwise noted in Section 4.2); or
- (j) acquired the New Shares in respect of which the Entitlements are issued under any employee share, options or rights plan or where the New Shares are acquired pursuant to any employee share, options or rights plan.

This summary is general and high level in nature and is not intended to be an authoritative, exhaustive or complete statement of all potential Australian tax implications for any Eligible Retail Shareholder or relied upon as tax advice. This summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice and should not be relied upon as such. The precise Australian taxation implications of ownership or disposal will depend upon each Eligible Retail Shareholder's specific circumstances. Eligible Retail Shareholders should seek advice from an appropriate professional adviser in relation to the tax implications of the Retail Entitlement Offer based on their own individual and specific circumstances.

The general and high level comments below are based on the Australian taxation legislation and the current published administrative policies of the Australian Taxation Office (**ATO**) in force as at 9.00am (Sydney time) on the date of this Retail Entitlement Offer Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law or any changes in the administrative policies of the ATO after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

City Chic and its officers, employees, taxation advisers or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

## **7.2 Issue of Entitlement**

In broad terms, the issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder for Australian income tax purposes.

## **7.3 Exercise of Entitlement and applying for additional New Shares**

New Shares will be acquired where an Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer. Additional New Shares will be acquired where the Eligible Retail Shareholder acquires additional New Shares under the Top Up Facility.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss at the time of exercising its Entitlement under the Retail Entitlement Offer.

For Australian CGT purposes, New Shares should generally be taken to have been acquired on the day that an Eligible Retail Shareholder exercises its Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder under the Top Up Facility. The cost base of each New Share should generally be equal to the Offer Price (plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares).

## **7.4 Lapse of Entitlement**

If an Eligible Retail Shareholder does not accept all or part of its Entitlement in accordance with the instructions set out in Sections 4.3 and 4.4, then that Entitlement (in whole or in part) will lapse. The Eligible Retail Shareholder will not receive any consideration for an Entitlement that is not taken up. There should be no Australian taxation implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

## **7.5 Taxation in respect of dividends on New Shares**

In broad terms, any future dividends or other distributions made in respect of New Shares and additional New Shares acquired under the Top Up Facility should generally be subject to the same Australian income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances by Eligible Retail Shareholders.

It is possible for a dividend to be fully franked, partly franked or unfranked. Franking credits broadly represent the extent to which Australian corporate tax has been attributed to the dividend. Eligible Retail Shareholders are generally required to have held their New Shares and additional New Shares acquired under the Top Up Facility 'at risk' for 45 days (not including the day of the relevant share's acquisition or disposal) in order to be eligible for the franking benefits referred to above (though this can vary depending on the particular Australian tax profile of an Eligible Retail Shareholder). Eligible Retail Shareholders should obtain independent professional advice on the application of these rules to their particular circumstances.

## **7.6 Disposal of New Shares or additional New Shares**

The disposal of New Shares or additional New Shares acquired under the Top Up Facility should generally constitute a disposal for Australian CGT purposes (i.e. "CGT event") for Eligible Retail Shareholders.

On disposal of a New Share or additional New Shares acquired under the Top Up Facility, an Eligible Retail Shareholder should generally make a capital gain if the capital proceeds in respect of the disposal for Australian income tax purposes exceed the total cost base of the New Share or additional New Shares for Australian income tax purposes. Conversely, an Eligible Retail Shareholder should make a capital loss if the capital proceeds are less than the total reduced cost base of the New Share or additional New Shares for Australian income tax purposes. In the case of an arm's length on-market sale, the capital proceeds for Australian income tax purposes should generally equal the cash proceeds from the sale. The CGT cost base of the New Shares and additional New Shares for Australian income tax purposes broadly comprise the amount paid to acquire the New Shares or additional New Shares plus any transaction/incidental costs for which no tax deduction is allowable.

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where the Eligible Retail Shareholder which realises the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the New Shares or additional New Shares acquired under the Top Up Facility have been held by the Eligible Retail Shareholder for at least 12 months (not including the date of acquisition and disposal for CGT purposes) and certain other requirements have been satisfied.

Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses. For a complying superannuation entity where the CGT discount applies, any capital gain may be reduced by one third, after offsetting any applicable current year or prior year capital losses.

If the Eligible Retail Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may generally be available to the beneficiaries of the trust who are assessed on the trust's capital gain, other than a beneficiary that is a company. Where the beneficiary is the trustee of a complying superannuation entity, the discount rate of one third would apply. Eligible Retail Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

There is no CGT discount for Eligible Retail Shareholders who are companies (or treated like companies for Australian income tax purposes).

Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

## **7.7 Australian GST**

The rights received under the Entitlement as well as the taking up of the New Shares and additional New Shares acquired under the Top Up Facility should be classified as an 'input taxed financial supply' for Australian GST purposes. Accordingly, GST should not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares acquired under the Top Up Facility.

No GST should be payable in respect of any dividends paid to Eligible Retail Shareholders in respect of their New Shares or additional New Shares acquired under the Top Up Facility.

An Eligible Retail Shareholder registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the New Shares or additional New Shares (e.g. lawyers' and accountants' fees).

Eligible Retail Shareholders should seek their own tax advice on the impact of GST in their own particular circumstances.

#### **7.8 Australian Stamp duty**

Australian stamp duty should not be payable by Eligible Retail Shareholders in respect of receiving rights under the Entitlement, the taking up of New Shares under the Retail Entitlement Offer or additional New Shares acquired under the Top Up Facility on the assumption that all acquisitions occur when all of the securities in City Chic are quoted on the market operated by ASX and no Shareholder (together with interests of associated persons and interests acquired under associated transactions) holds an interest of 90% or more in City Chic. Eligible Retail Shareholders should seek their own advice as to the impact of Australian stamp duty in their own particular circumstances

#### **7.9 Australian 'tax file numbers'**

An Eligible Retail Shareholder is not required to quote their tax file number (**TFN**) to City Chic. However, if a TFN (or certain exemption details) is not provided, Australian withholding tax may be required to be deducted by City Chic from any dividends in respect of the New Shares or additional New Shares at the relevant specified rate and remitted to the ATO. An Eligible Retail Shareholder who holds their New Shares or additional New Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

## 8 Definitions

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**\$ or cents** means Australian dollars or cents.

**Applicant** means an Eligible Retail Shareholder who has submitted a valid Application.

**Application** means the arranging for payment of the relevant Application Money through BPAY<sup>®</sup> or EFT in accordance with the instructions on the Entitlement and Acceptance Form.

**Application Money** means the aggregate amount payable for the New Shares applied for through BPAY<sup>®</sup> or EFT.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and the securities exchange operated by it.

**ASX Announcements** means the initial announcement in relation to the Capital Raising released to ASX on Friday, 21 June 2024 and the announcement in relation to the completion of the Institutional Entitlement Offer and Placement released to ASX on Monday, 24 June 2024, incorporated in Section 9 of this Retail Entitlement Offer Booklet.

**ASX Listing Rules** means the official listing rules of ASX.

**BPAY<sup>®</sup>** means BPAY Pty Ltd (ABN 69 079 137 518).

**Business Day** has the same meaning as in the ASX Listing Rules.

**Capital Raising** means the Placement and the Entitlement Offer.

**City Chic** means City Chic Collective Limited ACN 057 569 169.

**CGT** means capital gains tax.

**Closing Date** means 5.00pm (Sydney time) on Wednesday, 10 July 2024, the day the Retail Entitlement Offer closes.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CRN** means the unique Customer Reference Number on the personalised Entitlement and Acceptance Form.

**CY** mean calendar year.

**Directors** means the directors of City Chic.

**EFT** means electronic funds transfer.

**Eligible Institutional Shareholder** means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date who:

- (a) is not an Ineligible Institutional Shareholder;
- (b) successfully received an invitation from the Lead Manager to participate in the Institutional Entitlement Offer (either directly or through a nominee); and
- (c) is not in the United States.

**Eligible Retail Shareholder** has the meaning given in Section 3.5.

**Entitlement** means the right to apply for 1 New Share for every 2.04 Existing Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Retail Entitlement Offer Booklet.

**Entitlement Offer** means the Institutional Entitlement Offer and the Retail Entitlement Offer.

**Existing Shares** means the Shares already on issue on the Record Date.

**GST** means goods and services tax, as defined in the GST Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Ineligible Institutional Shareholder** means a Shareholder who is an institutional or sophisticated Shareholder on the Record Date with an address on the City Chic share register outside the Permitted Jurisdictions or to whom ASX Listing Rule 7.7.1(a) applies.

**Ineligible Retail Shareholder** means a Shareholder (or beneficial holder of Shares) other than an Eligible Institutional Shareholder, Ineligible Institutional Shareholder or Eligible Retail Shareholder.

**Institutional Entitlement Offer** means the pro rata accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders.

**Investor Presentation** means the presentation to investors released to ASX on Friday, 21 June 2024, incorporated in Section 9 of this Retail Entitlement Offer Booklet.

**Lead Manager** means Canaccord Genuity (Australia) Limited ACN 075 071 466.

**Lead Manager Parties** means the Lead Manager's affiliates, related bodies corporate (as that term is defined in the Corporations Act), and their respective directors, employees, officers, representatives, agents, partners, consultants and advisers.

**New Shares** means Shares to be allotted and issued under the Placement and Entitlement Offer.

**Offer Information Line** means 1300 369 266 (within Australia) or +61 1300 369 266 (outside Australia). The Offer Information Line will be answered live and operate between 8.30am and 5.30pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer period.

**Offer Price** means \$0.15 per New Share.

**Permitted Jurisdictions** means Australia and New Zealand and any other jurisdiction as agreed between the Lead Manager and City Chic.

**Placement** means the institutional placement to institutional investors announced to ASX on Monday, 24 June 2024 that raised approximately \$5.4 million at the Offer Price.

**Record Date** means 7.00pm (Sydney time) on Tuesday, 25 June 2024.

**Retail Entitlement Offer** means the pro rata non-renounceable offer to Eligible Retail Shareholders to apply for 1 New Share for every 2.04 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.15 per New Share pursuant to this Retail Entitlement Offer Booklet.

**Retail Entitlement Offer Booklet** means this document.

**Share** means a fully paid ordinary share in the capital of City Chic.

**Share Registry** means Link Market Services Limited ACN 083 214 537.

**Shareholder** means a holder of Shares.

**Timetable** means the indicative timetable set out in the 'Key dates' section of this Retail Entitlement Offer Booklet.

**Top Up Facility** means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for additional New Shares in excess of their Entitlement, up to an additional 50% of their Entitlement.

**Underwriting Agreement** means the underwriting agreement dated 21 June 2024 between City Chic and the Lead Manager in connection with the Capital Raising.

**U.S. Securities Act** means the *U.S. Securities Act of 1933*, as amended.

## **9 ASX Announcement & Investor Presentation**

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See page over.

# city chic collective

***Not for release to US wire services or distribution in the United States***

21 June 2024

## **Sale of Avenue, Business Transformation and Equity Raising**

### **Key Points**

- Divestment of Avenue for US\$12 million<sup>1</sup> (~A\$18 million) to create a dedicated single brand offering focused on the higher value City Chic customer in ANZ and the US
- Rebased platform unlocking additional cost savings leading into FY25F
- Reduced and extended debt facility to provide additional balance sheet strength
- \$23.0 million equity raising to provide working capital, support the Group's growth strategy and fund one-off restructuring costs
- FY24 forecast Proforma Adjusted EBITDA post-AASB16 from Continuing Operations loss<sup>2</sup> of \$9.3 million, includes \$8.8 million of realised cost savings. Further cost savings of \$11.5 million are expected to be achieved in FY25F from actions already taken and implementation of other identified initiatives following the sale of Avenue
- Positive trends in Average Sell Price (**ASP**) and margin through strategic product and marketing initiatives, although trading conditions in FY24 have remained challenging

**City Chic Collective Limited** (ASX: CCX) ("City Chic", or the "Group") today announces it has signed a definitive agreement to divest its US based Avenue business to FullBeauty Brands (**FBB**) for US\$12 million<sup>1</sup> (approximately A\$18 million) as part of a broader business transformation and a \$23.0 million equity raising comprising an accelerated non-renounceable entitlement offer (**Entitlement Offer**) and institutional placement (**Placement**) (together the **Equity Raising**). It also provides an update on trading.

Phil Ryan, CEO, said "A huge amount of work has gone into ensuring our business can return to a position of strength. Through listening to our customers, we have implemented strategic marketing and product initiatives which have resulted in positive momentum going into FY25F in the key measures of gross margin and sell price. With the sale of Avenue, we are focusing on our core City Chic customer in ANZ and the US where we have grown the customer base to over 500,000, up 32% from 2019<sup>3</sup>.

The sale also facilitates further restructuring actions which will result in a focused single brand and simplified operating model that allows us to respond quickly to her changing needs. We have aligned our cost base to the current economic environment and with our revised debt arrangements, Equity Raising and return to more normalised inventory patterns, I am confident we have the right platform in place to return to profitable and sustainable trading."

### **Business Transformation**

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<sup>1</sup> Subject to working capital conditions and adjustments on completion. The cash proceeds of the divestment will be the \$18m less the expected working capital adjustments of c.\$3.5m which will be confirmed on completion. Residual Avenue Accounts Payable/Accruals of \$0.6m relating to inventory sold that remain with continuing operations will be settled by City Chic

<sup>2</sup> Excludes the trading results of Avenue and Evans which will be treated as discontinued businesses and also excludes restructuring and other non-operating costs

<sup>3</sup> Residual business excludes Avenue. 2019 pre-Avenue Active Customers 385k

City Chic has undertaken a significant business transformation during FY24 including a brand refresh as part of its product and marketing initiatives and right sizing its cost base to create a more streamlined operation under a single brand in ANZ and the US through its City Chic stores, websites and partnership agreements. This incorporates the divestment of Evans (completed earlier this year) and Avenue, a major cost reduction program and the strengthening of its balance sheet through a debt restructure and Equity Raising.

### Avenue Divestment

City Chic has agreed to divest the Avenue brand to Full Beauty Brands (**FBB**) for total cash consideration of US\$12 million<sup>1</sup> (approximately A\$18 million), subject to working capital adjustments at completion. The divestment aligns with the Group's strategy of focusing on the core City Chic customer in ANZ and the US. Completion is scheduled to occur in early July 2024.

Post completion, City Chic will continue to utilise the Avenue.com platform via an ongoing commercial relationship with FBB whereby FBB will sell the core City Chic brand products in the US on the Avenue.com website and through other existing FBB businesses.

### Cost Reduction Initiatives

Total planned annualised cost savings from actions already undertaken to right-size the business and additional cost savings that will occur following the sale of Avenue total \$20.3 million. This includes \$8.8 million in cost savings already achieved and included in the FY24 Proforma EBITDA that are expected to deliver additional incremental savings of \$4.3 million in FY25F, and \$7.2 million related to the sale of Avenue and the move to a new fulfilment provider under a variable cost base contract. Total additional cost savings in FY25F are therefore expected to be \$11.5 million.

### Trading Update and Outlook

Trading conditions have remained uncertain, with forecast Group sales for FY24<sup>3</sup> down ~30% to \$187 million (including Avenue) compared to FY23 (PCP). However, City Chic is experiencing positive trends in ASP supported by its new seasonal product and marketing initiatives. This has resulted in margin improvement across the board, with overall Q4 gross margins up 15% on PCP, and heading back to FY22 levels.

Revenue by Region (A\$M)	FY24 Forecast <sup>3</sup>	Vs FY23 Actual	Revenue by Channel (A\$M)	FY24 Forecast <sup>3</sup>	Vs FY23 Actual
ANZ	97.0 – 98.0	(32%) - (31%)	Stores	47.5 - 48.0	(21%) - (20%)
Americas	89.0 – 90.0	(30%) - (29%)	Online	114.5 - 115.5	(38%) - (37%)
<b>Total (including Avenue)</b>	<b>186.0 – 188.0</b>	<b>(31%) - (30%)</b>	Partners	24.0 - 24.5	(2%) – 0%
<b>Discontinued Avenue Revenue</b>	<b>(55.0)</b>	<b>(34%)</b>	<b>Total (including Avenue)</b>	<b>186.0 – 188.0</b>	<b>(31%) - (30%)</b>

Active customers excluding Avenue are up 32% from 2019<sup>4</sup> levels, although average annual spend has been impacted by ongoing cost-of-living pressures. The Group's focus on its higher value aspirational customer is expected to deliver further ASP and gross margin improvements in FY25F with its marketing program focused on enhancing brand engagement in ANZ and increasing its target customer base in the USA.

Inventory is back to a normalised level (excluding Avenue) with a return to regular purchasing cycles.

### Debt Restructure

<sup>3</sup> Based on 10 months of actuals and 2 months of forecast. Revenue by Region and by channel includes Avenue. We note the revenue assumed for the Stat forecast is \$187.2m, which is \$1.5m lower than the upper range forecast and does not assume significant downside sensitivities to recent ASP and volumes

<sup>4</sup> Residual business excludes Avenue. 2019 pre-Avenue Active Customers 385k

City Chic's lender has agreed to reduce and extend its current debt facility. The extended facility will mature in December 2026 and will step down to a limit of \$10 million (from \$20 million) on 2<sup>nd</sup> September 2024.

Under the terms of the agreed facility, current covenants will be replaced with a requirement to complete cleandowns (which requires City Chic to repay all drawn down amounts under the facility to nil for at least seven consecutive days) twice per annum.

### Details of the Equity Raising

City Chic is undertaking a \$23.0 million Equity Raising comprising a fully underwritten institutional placement to raise \$5.4 million (**Placement**) and a 1 for 2.04 accelerated non-renounceable entitlement offer to raise \$17.6 million (**Entitlement Offer**), comprising a fully underwritten institutional entitlement offer to raise \$10.0 million, and a partially underwritten retail entitlement offer to raise \$7.6 million (the **Retail Entitlement Offer**) (together, the **Offer**). The Retail Entitlement Offer is underwritten up to \$2.1 million.

Approximately 153.3 million new fully paid ordinary shares (**New Shares**) will be issued under the Equity Raising, which represents 64.1% of City Chic's current ordinary shares on issue. New Shares will rank equally with existing City Chic shares and City Chic will seek quotation of the New Shares on ASX.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 2.04 existing City Chic ordinary shares held on the record date of 7.00pm (Sydney Time) Tuesday, 25 June 2024 (**Entitlement**).

New Shares under the Equity Raising will be issued at a price of \$0.15 per New Share (**Offer Price**), which represents a:

- 50.0% discount to the last close of \$0.30 on 17 June 2024
- 37.9% discount to TERP<sup>5</sup> of \$0.24

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

Some members of the Board intend to participate in the Entitlement Offer.

### Placement

The fully underwritten Placement of ~\$5.4 million will be offered to sophisticated and institutional investors in Australia and certain overseas jurisdictions at the Offer Price. The Placement is being conducted today, Friday 21 June 2024. Approximately 35.9 million New Shares will be issued as part of the Placement. No shareholder approval is required in connection with the Placement, as the Placement is being undertaken within City Chic's available Listing Rule 7.1 capacity.

New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

### Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place today, Friday, 21 June 2024. Eligible institutional shareholders may opt to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors who bid into the Placement being conducted concurrently with the Institutional Entitlement Offer.

City Chic shares will be in trading halt until completion of the Institutional Entitlement Offer and Placement.

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<sup>5</sup> The Theoretical Ex-Rights Price ('TERP') is the theoretical price at which City Chic shares should trade immediately after the ex-date of the Entitlement Offer and includes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which City Chic shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

## Retail Entitlement Offer

Eligible retail shareholders registered as a shareholder of City Chic in Australia and New Zealand as 7.00pm (Sydney Time) Tuesday, 25 June 2024 will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 28 June 2024 and close at 5:00pm on Wednesday, 10 July 2024.

Eligible retail shareholders will be sent an information booklet (**Retail Entitlement Offer Booklet**) including a personalised entitlement and acceptance form on Friday, 28 June 2024. The Retail Entitlement Offer Booklet will provide the details of how to participate in the Retail Entitlement Offer.

A copy of the Retail Entitlement Offer Booklet will also be lodged with the ASX on Friday, 28 June 2024. Eligible retail shareholders may opt to take up all, part or none of their entitlement.

City Chic may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to, but was not invited to participate in, the Institutional Entitlement Offer (subject to compliance with relevant laws).

## Indicative Timetable

The timetable below is indicative only and subject to change. City Chic reserves the right to alter the below dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act. All times below are Sydney, Australia time.

Event	Date
Announcement of Entitlement Offer and Placement	Friday, 21 June 2024
Institutional Offer Opening Date	Friday, 21 June 2024
Institutional Offer and Institutional Placement Closing Date	Friday, 21 June 2024
Trading Halt lifted and announcement to ASX of results of the Institutional Offer	Monday, 24 June 2024
Record Date	Tuesday, 25 June 2024
Retail Entitlement Offer Opening Date	Friday, 28 June 2024
Dispatch Date for retail offer booklet	Friday, 28 June 2024
Institutional Offer Settlement Date	Friday, 28 June 2024
Institutional Offer Allotment Date	Tuesday, 2 July 2024
Normal trading of New Securities issued under the Institutional Offer	
Retail Entitlement Offer Closing Date	Wednesday, 10 July 2024
Results of the Retail Entitlement Offer announced to ASX	Thursday, 11 July 2024
Retail Entitlement Offer Settlement Date	Monday, 15 July 2024
Retail Entitlement Offer Allotment Date	Tuesday, 16 July 2024
Normal trading of New Securities issued under the Retail Entitlement Offer	Wednesday, 17 July 2024

Canaccord Genuity is acting as lead manager and underwriter in respect of the Equity Raising. Thomson Geer acted as Australian legal adviser to City Chic in respect of the Offer. Luminis Partners acted as financial advisor to the Equity Raising and the divestment of Avenue and Thomson Geer acted as Australian legal counsel in respect to the divestment of Avenue.

The release of this announcement was authorised by the Board.

All amounts are in Australian dollars unless otherwise indicated.

**Not an offer in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

**About City Chic Collective**

City Chic Collective is a global omni-channel retailer specialising in better dressing plus-size women's apparel, footwear and accessories. Its omni-channel model comprises a network of 77 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the USA, and third-party marketplace and wholesale partners in Australia, New Zealand and the USA.

**Investor and Media Enquiries**

Matthew Gregorowski +61 422 534 755

Saskia West +61 452 120 192

Morrow Sodali

# city chic collective

***Not for release to US wire services or distribution in the United States***

24 June 2024

## **Successful Completion of Institutional Entitlement Offer and Placement**

**City Chic Collective Limited** (ASX: CCX) ("City Chic", or the "Group") today announces the successful completion of its institutional placement (**Placement**) and the institutional component (**Institutional Entitlement Offer**) of its 1 for 2.04 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in City Chic (**New Shares**) (**Entitlement Offer**).

In total, the Placement and Institutional Entitlement Offer will raise proceeds of \$14.6 million (before costs).

Under the Placement, \$5.4 million will be raised through the issue of 35.9 million New Shares at an offer price of \$0.15 (**Offer Price**) per New Share, and the Institutional Entitlement Offer will raise a total of \$9.2 million through the issue of 61.12 million New Shares at the Offer Price.

The Placement and Institutional Entitlement Offer attracted strong demand from existing institutional shareholders of City Chic, and also introduced a number of new investors to City Chic's institutional shareholder base.

Phil Ryan, CEO, said "We are delighted with the exceptional level of support received from our existing institutional shareholders and very pleased to obtain the support of some new institutions. Their collective support positions us to build on the positive momentum our recent initiatives are generating going into FY25."

New Shares applied for under the Placement and Institutional Entitlement Offer are expected to be settled on 28 June 2024 and issued on 2 July 2024. New Shares issued under the Placement and Institutional Entitlement Offer will rank equally with existing fully paid ordinary shares in City Chic as at the date of their issue.

The Placement and Institutional Entitlement Offer are fully underwritten by Canaccord Genuity (Australia) Limited (**Lead Manager**).

### **Retail Entitlement Offer**

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) seeks to raise \$8.4 million, of which \$2.9 million is underwritten by the Lead Manager.

Eligible retail shareholders registered as a shareholder of City Chic in Australia and New Zealand as 7.00pm (Sydney time) Tuesday, 25 June 2024 will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as under the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 28 June 2024 and close at 5:00pm (Sydney time) on Wednesday, 10 July 2024.

Eligible retail shareholders will be sent an information booklet (**Retail Entitlement Offer Booklet**), which will have further details of the Retail Entitlement Offer and include a personalised entitlement and acceptance form, on Friday, 28 June 2024. The Retail Entitlement Offer Booklet will also provide the details of how to participate in the Retail Entitlement Offer.

## Equity Raising Timetable

Event	Date
Announcement of Entitlement Offer and Placement	Friday, 21 June 2024
Institutional Entitlement Offer Opening Date	Friday, 21 June 2024
Institutional Entitlement Offer and Placement Closing Date	Friday, 21 June 2024
Trading Halt lifted and announcement to ASX of results of the Institutional Entitlement Offer and Placement	Monday, 24 June 2024
Record Date	Tuesday, 25 June 2024
Retail Entitlement Offer Opening Date	Friday, 28 June 2024
Dispatch Date for retail offer booklet	Friday, 28 June 2024
Institutional Entitlement Offer Settlement Date	Friday, 28 June 2024
Institutional Entitlement Offer Allotment Date	Tuesday, 2 July 2024
Normal trading of New Securities issued under the Institutional Offer	
Retail Entitlement Offer Closing Date	Wednesday, 10 July 2024
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Retail Entitlement Offer Settlement Date	Monday, 15 July 2024
Retail Entitlement Offer Allotment Date	Tuesday, 16 July 2024
Normal trading of New Securities issued under the Retail Entitlement Offer	Wednesday, 17 July 2024

The timetable below is indicative only and subject to change. City Chic reserves the right to alter the below dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act. All times below are Sydney, Australia time.

The release of this announcement was authorised by the Board.

All amounts are in Australian dollars unless otherwise indicated.

### Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in better dressing plus-size women's apparel, footwear and accessories. Its omni-channel model comprises a network of 77 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the USA, and third-party marketplace and wholesale partners in Australia, New Zealand and the USA.

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Matthew Gregorowski +61 422 534 755  
Saskia West +61 452 120 192  
Morrow Sodali

*Not for release to US wire services or distribution in the United States*



# SALE OF AVENUE, BUSINESS TRANSFORMATION & EQUITY RAISING

June 2024

city chic collective

# 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 18 June 2024 (**Presentation**). This Presentation has been prepared in relation to a proposed institutional placement of new fully paid ordinary shares in City Chic (**New Shares**) (**Placement**) and an accelerated pro rata non-renounceable entitlement offer of New Shares (**Entitlement Offer**) (together, the **Equity Raising**) to be made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Corporations Instruments 2016/73 and 2016/84) and section 708A of the Corporations Act. The Entitlement Offer will be made to eligible institutional shareholders and eligible retail shareholders. The purpose of the Equity Raising is to support City Chic's business transformation and to provide balance sheet enhancements. Specifically, the funds raised in the Equity Raising will be used to fund the costs associated with the change in US fulfilment provider, to reduce City Chic's debt profile, to fund City Chic's ongoing working capital requirements and pay the transaction costs associated with the sale of Avenue, the restructuring of City Chic's debt facility and the Equity Raising. By accepting or receiving this Presentation, you acknowledge and agree to the terms set out below.

## 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. Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, City Chic does not have any obligation to correct or update the content of this Presentation.

## Not an offer

This Presentation is not a prospectus or other disclosure document under the Corporations Act or any other law, and will not be lodged with the Australian Securities and Investments Commission (**ASIC**) (or any other foreign regulator). This Presentation is for information purposes only. This Presentation is not, and does not constitute, an invitation or offer of securities for application, subscription, purchase or sale in any jurisdiction.

## Retail entitlement offer

The retail entitlement offer booklet for the retail entitlement offer will be made available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the retail entitlement offer should consider the retail offer booklet in deciding whether to apply under that offer and apply in accordance with the instruments in that document and the entitlement and acceptance form.

This Presentation does not constitute financial product advice and does not and will not form part of any contract for the acquisition of New Shares.

## Not an offer in the United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This Presentation may not be distributed in the United States or released to US wire services. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which City Chic has no obligation to do or procure) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

## Not financial product advice

The information contained in this Presentation is not investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire New Shares. This Presentation does not and will not form any part of any contract or commitment for the acquisition of New Shares. Any references to, or explanations of, legislation, regulatory issues or any other legal commentary (if any) are indicative only, do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the information in this Presentation.

This Presentation has been prepared without taking into account your 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. Cooling off rights do not apply to the acquisition of New Shares.

## Financial information

All financial information in this Presentation is in Australian dollars unless otherwise stated.

The Presentation includes certain pro forma financial information. Any pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not recognised as being indicative of City Chic's views on its, nor anyone else's future financial position or performance. Any pro forma historical financial information has been prepared by City Chic in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (**AAS**). In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should refer to slides 40 and 41 for an outline of the basis of preparation of the pro forma financial information in this Presentation and of the key assumptions that underpin this information.

Investors should be aware that certain financial measures included in this Presentation are 'non-IFRS information' under *ASIC Regulatory Guide 230: Disclosing non-IFRS financial information* published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Act and are not recognised under AAS and the International Financial Reporting Standards (**IFRS**). Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. While City Chic believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

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.

# IMPORTANT NOTICE & DISCLAIMER (CONT.)

## 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, City Chic's expectations about the performance of its business, the timetable and outcome of the Placement and Entitlement Offer and the proceeds to be raised from the Placement and Entitlement Offer. 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 40 and 41 for an outline of the basis of preparation of the forecast financial information that appears in this Presentation and 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.

## Disclaimer

Canaccord Genuity (Australia) Limited ACN 075 071 466 will be the lead manager (**Lead Manager**) for the Placement and Entitlement Offer, and will fully underwrite the Equity Raising. A summary of the key terms of the underwriting agreement between City Chic and the Lead Manager (as underwriter) is included with this Presentation (refer to the "Summary of Underwriting Agreement" section of this Presentation).

To the maximum extent permitted by law, City Chic and the Lead Manager and their respective related bodies corporate and affiliates, and their respective officers, directors, partners, employees, agents and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss, expense, damage or cost arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumption; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this Presentation or that this Presentation contains all material information about City Chic or all information that a prospective investor or purchaser may require in evaluating a possible investment in City Chic or acquisition of shares in City Chic, or the likelihood of fulfilment of any forward-looking statement of any event or results expressed or implied in any forward-looking statement.

Neither the Lead Manager nor any of its related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers (together, the **Lead Manager Parties**) accept any fiduciary obligations to or relationship with you, any investor or any potential investor in connection with the Placement or the Equity Raising. Neither the Lead Manager nor the Lead Manager Parties have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except for references to their name, none of them makes or purports to make any statement in this Presentation, and there is no statement in this Presentation which is based on any statement by any of them. Recipients agree that, to the maximum extent permitted by law, they will not seek to sue or hold the Lead Manager Parties liable in any respect in connection with this Presentation or the Equity Raising.

The information in this Presentation remains subject to change without notice. City Chic reserves the right to withdraw either or both of the Placement and Entitlement Offer or vary the timetable for either or both of the Placement and Entitlement Offer without notice. The determination of eligibility of investors for the purposes of the Placement and Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of City Chic and the Lead Manager. Each of City Chic and the Lead Manager (and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

## Disclosure

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**1**

**Business transformation through divestment of Avenue to focus on the core CCX customer base through a single brand in both ANZ and US**

**2**

**Rebased business unlocking additional cost savings with positive sell price and gross margin momentum leading into FY25F**

**3**

**Amended debt facility, equity raise and additional cash from sale of Avenue to accelerate the turnaround strategy and strengthen the balance sheet for future growth**



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- 1 Business Transformation
- 2 Financial Overview
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- 4 Equity Raising Summary
- 5 Key Risks
- 6 Foreign Jurisdictions & Summary Underwriting Terms
- 7 AASB16 Summary & Financials Basis of Preparation

Phil Ryan, CEO

Peter McClelland, CFO



# EXECUTIVE SUMMARY

Business transformation initiatives to accelerate City Chic's strategy: Sale of Avenue, further material right-sizing and simplification of the cost base plus balance sheet enhancements

## Avenue Divestment

- Divestment of Avenue assets for US\$12m (~A\$18m), to be paid on completion in all cash<sup>1</sup>
- Enables business simplification through creation of a dedicated single brand offering focused on the core City Chic customer in ANZ and the US
- Unlocks material cost savings
- Delivers immediate margin improvement and sell price increase

## Business Transformation

- Further right-sizing and business simplification to support return to profitability
  - Change in US fulfilment arrangements enabled by the Avenue divestment
  - Further cost reductions to be implemented in FY25 unlocked by the Avenue divestment
- Business restructure undertaken throughout FY24 and into FY25 with further benefits to be realised in FY25 and beyond
- Strategic redefining and refresh of brand through product and marketing initiatives
- Total planned cost savings of \$20.3m with \$8.8m in savings already achieved in FY24F, with a further \$11.5m expected to be achieved in FY25<sup>2</sup>

## Balance Sheet & Capital Structure

- Reduction of multi-currency debt facility size to \$10.0m, with an extension of the facility to December 2026, provides additional balance sheet strength
- Inventory normalisation initiatives now complete post the COVID inventory build and a return to typical purchasing cycles
- Equity raising of \$23.0m via an Institutional Placement (Placement) and Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer), together (the Offer)<sup>6</sup>
- Amended debt facility, equity raise and additional cash from sale of Avenue to accelerate the turnaround strategy and strengthen the balance sheet for future growth

## Trading Update

- Trading conditions have remained challenging with forecast Group sales including Avenue for FY24F<sup>3</sup> down ~30% compared to FY23 PCP to \$187m
- FY24 forecast Proforma Adjusted EBITDA post-AASB16 from Continuing Operations<sup>4</sup> loss of \$9.3m which includes \$8.8m of realised cost savings. Incremental cost savings of \$11.5m are expected to be achieved in FY25 from actions already taken and implementation of other identified initiatives following the sale of Avenue<sup>2</sup>
- Active customers in the continuing business<sup>5</sup> is 32% higher than 2019 however lower frequency and conversion reflecting current cost-of-living pressures
- Continued positive trends in web traffic supported by new seasonal product and marketing programs with higher Average Sale Price (ASP) resulting in margin improvements

1. Subject to working capital conditions and adjustments on completion. The cash proceeds of the divestment will be the \$18m less the expected working capital adjustments of c.\$3.5m which will be confirmed on completion. Residual Avenue Accounts Payable/Accruals of \$0.6m relating to inventory sold that remain with continuing operations will be settled by City Chic

2. See slide 9 and 14 for more detail on cost savings

3. Based on 10 months of Actuals and 2 months of forecast

4. Excludes the trading results of Avenue and EMEA which will be treated as discontinued businesses and also excludes restructuring and other non-operating costs. See page 13

5. Residual business excludes Avenue. 2019 pre-Avenue Active Customers 385k

6. The Equity Raising is underwritten up to \$17.5m

# BUSINESS TRANSFORMATION

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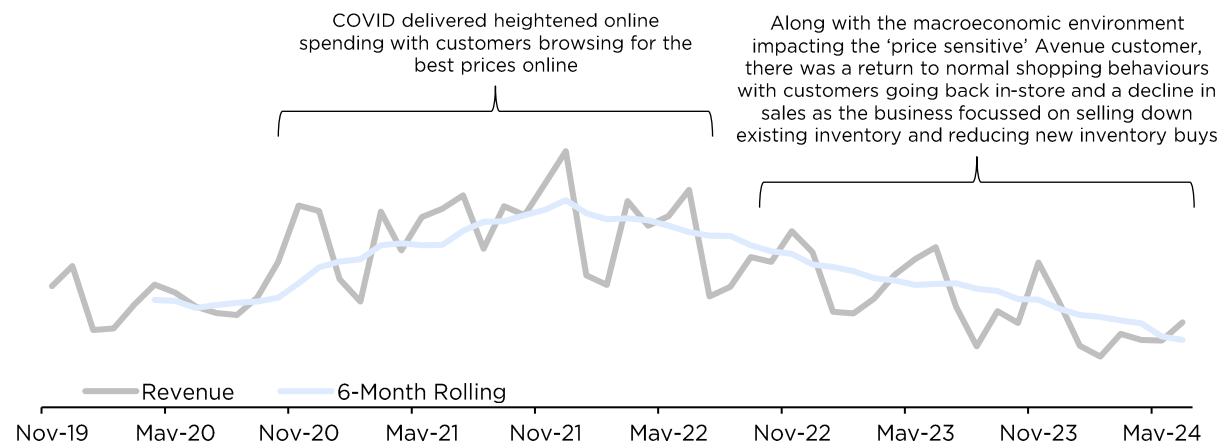
# AVENUE DIVESTMENT SUMMARY

1

The divestment of Avenue allows City Chic to focus on its core customer in ANZ and the US

- City Chic has agreed to divest Avenue assets to FullBeauty Brands (FBB) for total consideration of US\$12m (~A\$18m), to be paid on completion in all cash<sup>1</sup>. City Chic will continue trading the City Chic website and partner business in the US
- Ongoing commercial relationship with FBB ensures that Avenue.com platform remains a channel for sale of City Chic product in addition to other existing FBB businesses
- Divestment is effected via an asset sale (including Avenue trademarks, inventory, customer lists), subject to customary completion conditions, with completion expected to occur in early July 2024
- Short term transitional services agreement to be implemented to provide an orderly transition

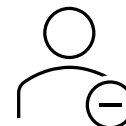
## Avenue Historical Revenue Trend



## Delivers an Acceleration of City Chic's Current Strategy



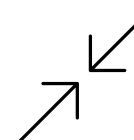
Single brand focus and strategic refresh of brand through product and marketing initiatives strengthens appeal to the City Chic customer in ANZ and the US. The Avenue customer has a lower average retail price and basket size than City Chic customers in the US



Product, marketing and planning to align to the core City Chic customer



Delivers immediate sell price and margin improvement to the business



Further cost reduction initiatives unlocked with the divestment of Avenue, reduces supply chain complexity and a return to historical factory partners



Enables full focus on growing the City Chic brand in ANZ and the US

<sup>1</sup>. Subject to working capital conditions and adjustments on completion. The cash proceeds of the divestment will be the \$18m less the expected working capital adjustments of c.\$3.5m which will be confirmed on completion. Residual Avenue Accounts Payable/Accruals of \$0.6m relating to inventory sold that remain with continuing operations will be settled by City Chic

# COST REDUCTION INITIATIVES

Total planned cost savings of \$20.3m with \$8.8m<sup>1</sup> in savings already achieved in FY24F with a further \$11.5m to be achieved in FY25F<sup>2</sup> simplifying the business for improved operating leverage

		Commentary	Realised Savings <sup>1</sup>	Incremental Expected Savings <sup>2</sup>
Lower operating expense initiatives	→	<ul style="list-style-type: none"> <li>Business restructure and cost out initiatives completed through FY24F realised savings of \$8.8m<sup>1,2</sup>, expected to realise further benefits in FY25F of \$4.3m<sup>3</sup></li> <li>Operating expense cost rationalisation focused on head count reduction, marketing expenses, and other operating expenses</li> </ul>	\$8.8m	\$4.3m
Avenue divestment impact	→	<ul style="list-style-type: none"> <li>Unlocks cost reduction opportunities through right-sizing the business</li> <li>A head count reduction directly related to Avenue of \$1.6m which is included in the cost base of Avenue and reflected in the pro forma adjustments (not included in Realised Savings, see page 13 for P&amp;L adjustments)</li> <li>A further reduction in back-office head count of \$1.1m and other cost rationalisation of \$4.0m<sup>4</sup> to be implemented</li> </ul>	-	\$5.1m
Change in US fulfilment provider	→	<ul style="list-style-type: none"> <li>Move to new fulfilment provider that supports a more agile business model, enabled by the Avenue divestment. Future savings to the residual City Chic US business<sup>5,6</sup></li> <li>More streamlined and variable cost base will deliver operating efficiencies and greater flexibility with changing demand</li> </ul>	-	\$2.1m
Total Savings <sup>1,2</sup>			\$8.8m	\$11.5m

## Further Margin Improvement Initiatives

Supply chain simplification	→	<ul style="list-style-type: none"> <li>Return to narrower supply base will drive sustained margin improvement</li> <li>Return to DDP providers lower logistics cost and working capital benefits</li> </ul>	Margin Improvement	
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1. Savings from existing initiatives and realised in the FY24F pro forma adjusted EBITDA

2. Incremental savings are based on a comparison with the FY24F cost structure and do not factor in inflation that may occur in FY25F

3. The \$4.3m is based on the annualisation impact of initiatives that were yet to have their full 12 months of benefits in FY24

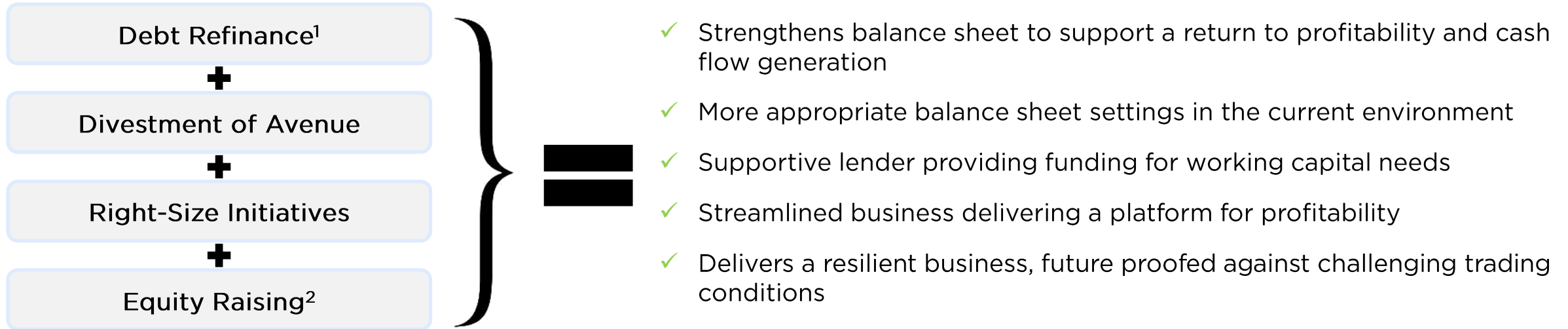
4. The \$4.0m anticipated savings and benefits the company expects to realise in FY25 are based on current

5. expectations and estimates in which the company will operate with a materially reduced size following the sale of Avenue and will be less likely to require the same level of spend in IT, insurance and other operating expenses.

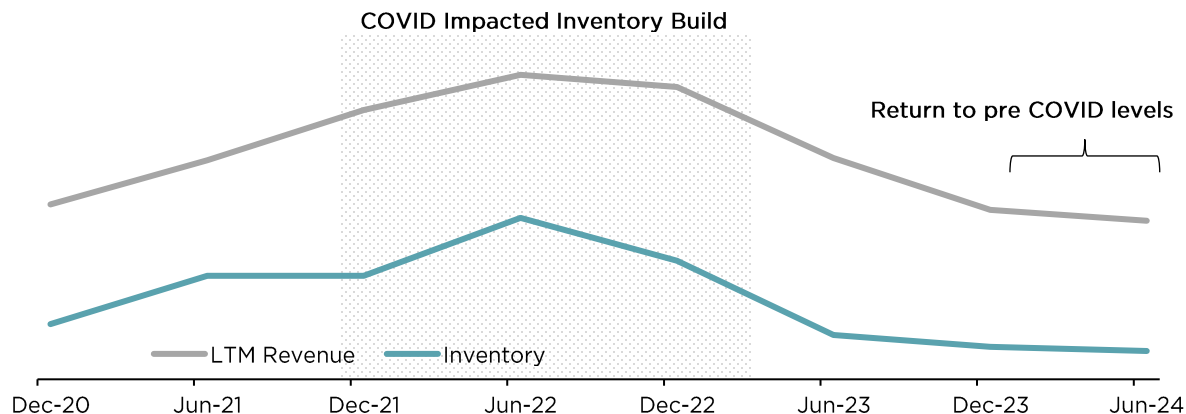
6. Given the reduced fixed cost nature of the new agreement Fulfilment cost savings reported at the FY24 half year results have been excluded as these were largely related to the US fulfilment costs which are excluded as part of the Avenue cost base now excluded as a discontinued business

# BALANCE SHEET & CAPITAL STRUCTURE

Equity raising combined with key initiatives to strengthen the balance sheet, creating a resilient platform to deliver sustainable growth



## Returned to a Normalised Inventory Position



Inventory now back to a normalised level and a return to normal purchasing cycles post stock unwind during FY24F

Inventory wind down focused on aged product, with inventory on hand now comprising newer and higher value product

1. Summary of the debt refinance terms found in slide 25  
2. Summary of the equity raising found in slide 24

# FINANCIAL OVERVIEW

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# FY24F TRADING UPDATE

Continued challenging trading conditions, with signs of positivity starting to show

- Trading conditions have remained challenging with forecast Group sales for FY24F<sup>1</sup> down ~30% compared to FY23 PCP to \$187 million
- ANZ Stores have stabilised with rolling LTM sales broadly flat in the 6 months to May-24
- City Chic Channels (ie excluding Avenue) have seen continued positive trends in ASP driven by new seasonal product and marketing programs (see page 15)
- This has resulted in further margin improvement, with overall Q4 gross margins forecast to be up 15% points on PCP (see page 15)
- However, lower frequency and conversion rates due to cost-of-living pressures have resulted in lower trading volumes
  - 507k Active Customers in continuing business up 32% from 2019<sup>2</sup> however lower frequency and conversion lower reflecting current cost-of-living pressures
- Benefits of cost reduction programs has reduced employee costs 2H vs 1H and lowered the total CODB with run rate improvements expected into FY25F
- Inventory levels have normalised excluding Avenue where continued strategic reduction of inventory has impacted margin

Revenue by Region (A\$M)	FY24 Forecast <sup>1</sup>	Vs FY23 Actual
ANZ	97.0 – 98.0	(32%) - (31%)
Americas	89.0 – 90.0	(30%) - (29%)
Total (including Avenue)	186.0 – 188.0	(31%) - (30%)
Discontinued Avenue Revenue	(55.0)	(34%)

Revenue by Channel (A\$M)	FY24 Forecast <sup>1</sup>	Vs FY23 Actual
Stores	47.5 - 48.0	(21%) - (20%)
Online	114.5 - 115.5	(38%) - (37%)
Partners	24.0 - 24.5	(2%) - 0%
Total (including Avenue)	186.0 – 188.0	(31%) - (30%)

1. Based on 10 months of Actuals and 2 months of Forecast. Revenue by Region and by channel includes Avenue. We note the revenue assumed for the Stat forecast is \$187.52m (on the following page), which is lower than the upper range forecast and does not assume significant downside sensitivities to recent ASP and volumes

2. Residual business excludes Avenue. 2019 pre-Avenue Active Customers 385k

# FORECAST FY24 STATUTORY & PRO FORMA P&L<sup>1</sup>

Forecasted pro forma EBITDA (post-AASB16)<sup>4</sup> of \$(9.3)m excluding the impact of Avenue and other one-off items

	Stat. P&L View			Adjustments			Pro Forma
	Stat. P&L	Gross up of Avenue Trading (Discon. Ops)	Stat P&L <sup>3</sup> Incl. Discon. Ops	1 Removal of Avenue Trading / Warehouse Exit	2 Avenue impairment / disposal loss	3 Other Rest. Costs & Discon. Business	Pro Forma Adjusted
<i>AUD \$m</i>							
Revenue	132.2	55.0	187.2	(55.0)	-	-	132.2
Cost of Sales	(57.8)	(30.6)	(88.3)	30.6	-	-	(57.8)
Gross Margin	74.4	24.5	98.9	(24.5)	-	-	74.4
Gross Margin %	56.3%	44.5%	52.8%				56.3%
Fulfilment Costs	(21.0)	(20.4)	(41.4)	25.1	-	-	(16.3)
Employee benefits expense	(37.7)	(1.6)	(39.4)	1.6	-	2.2	(35.5)
Rental-related Recoveries, Concessions and Expenses	(4.7)	-	(4.7)	-	-	-	(4.7)
Other Expenses	(31.3)	(8.1)	(39.4)	12.2	-	-	(27.2)
Total Cost of Doing Business (CODB)	(94.8)	(30.1)	(124.9)	38.9	-	2.2	(83.7)
EBITDA post-AASB16 from Continuing Operations	(20.4)	(5.6)	(26.0)	14.4	-	2.2	(9.3)
Depreciation, Amortisation and Impairment Expenses	(18.2)	(0.3)	(18.4)	0.3	-	-	(18.2)
Finance Costs	(4.0)	-	(4.0)	-	-	0.5	(3.5)
Loss Before Income Taxes from Cont. Operations	(42.6)	(5.8)	(48.4)	14.7	-	2.7	(31.0)
Income Tax Benefit / (Expense)	0.1	-	0.1	-	-	-	0.1
Loss After Income Taxes from Cont. Operations	(42.5)	(5.8)	(48.4)	14.7	-	2.7	(30.9)
Loss After Income Taxes from Discont. Operations <sup>2</sup>	(49.0)	5.8	(43.2)	-	40.1	3.1	-
Profit / (Loss) After Income Taxes	(91.5)	-	(91.5)	14.7	40.1	5.8	(30.9)

## Commentary

- Forecasted revenue for FY24 of \$132.2m after removing the impact of Avenue
  - Impacted by inventory clearance initiatives, which are now complete and not expected to continue
  - ASP improvements in continuing business in H2 driven by mix of new product and heading back to higher levels achieved historically
- Pro Forma gross margins of 56.3% when removing the impact of Avenue
  - GM strengthening in H2 with new product arrivals and increased mix of new product
- Pro forma fulfilment costs in FY24 (12.4% of revenue) exclusive of Avenue
  - Further savings to be achieved with the move to the new fulfilment service provider due to a lower fixed cost structure
- Pro forma adjusted EBITDA (post-AASB16) of \$(9.3)m excludes the full year benefit of initiatives already completed in FY24F to be realised in FY25 (\$4.3m) as well as additional cost reductions in fulfilment and from right-sizing of back office wages and costs of \$7.2m, which are also expected to be realised in FY25 (see table on page 9)

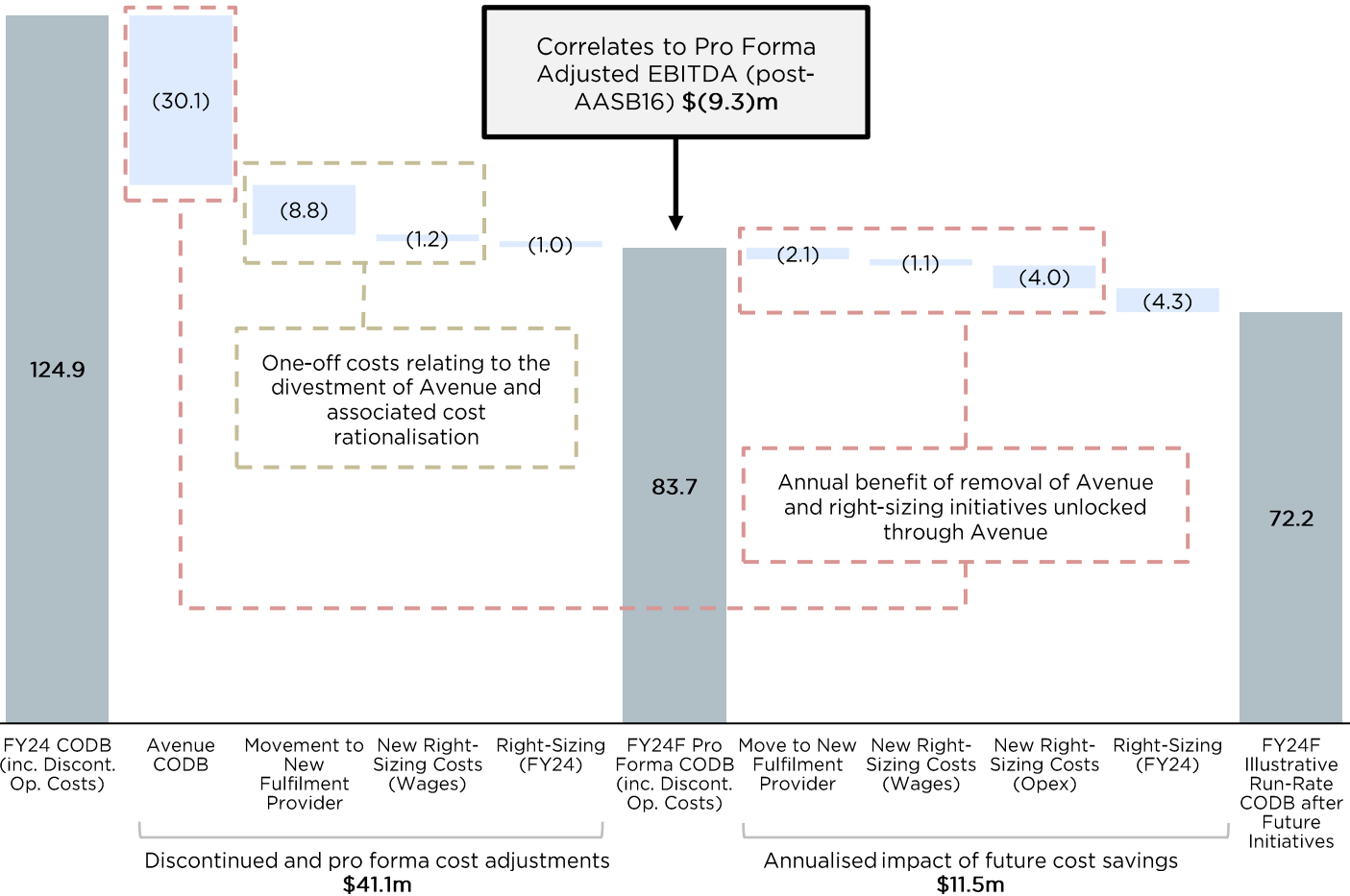
### Pro Forma Adjustments

- Removal of Avenue includes the trading P&L and direct support costs of Avenue as disclosed in the Discontinued Ops (loss of \$5.6m<sup>4</sup>); plus \$8.8m of one off costs to exit the existing warehouse contract, inventory move costs and the write down of AASB16 balances associated with the previous warehouse contract
- Avenue impairment / disposal loss of \$40.1m to be recognised upon the disposal of Avenue based on the proceeds less the carrying value of the assets with a significant portion of the balance relating to Avenue intangibles and goodwill, which is written down
- Represents one off costs associated with restructuring programs implemented in FY24 to date and redundancies for resizing the business post the sale of Avenue and costs associated with the amended debt facility. \$3.1m of discontinued operations relates to the EMEA business, which has been discontinued with the majority of the revenue and trading relating to Jul-23 and Aug-23 prior to the completion of the sale

# RUN RATE COST SAVINGS IN THE REBASED BUSINESS

Incremental cost savings of \$11.5m are expected to be achieved in FY25 (of which \$6.4m have already been implemented<sup>1</sup>), and have been illustrated below showing the impact on the FY24F CODB if the initiatives had been implemented from 1 July 2023

Cost of Doing Business (CODB) Illustrative Cost Savings Based on FY24F Costs



## Commentary

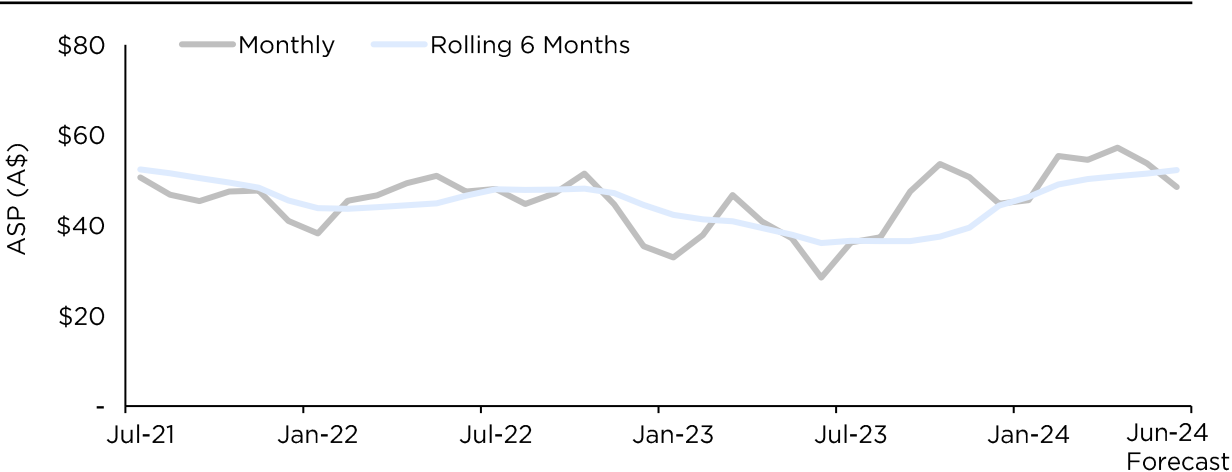
- Avenue CODB** – Removal of the Avenue’s associated fulfilment costs and other SG&A costs for FY24, which total to \$30.1m<sup>2,3</sup>
- Movement to new fulfilment provider** – One-off cost associated with breaking the current contract and moving to a new US fulfilment provider of \$8.8m, including \$3.7m non-cash cost relating to AASB-16 lease write-down. Breaking current contract enabled the Avenue divestment in addition to delivering ongoing annual savings for the remaining CC USA business of \$2.1m
- New right-sizing costs – Wages** – Restructuring as a consequence of the sale of Avenue results in one off costs of \$1.2m, which have been adjusted in the Pro Forma position. This will translate into cost savings of \$2.7m relating to group cost rationalisation unlocked from divesting Avenue (\$1.6m already included in Avenue CODB) and a further \$1.1m in the residual business
- New right-sizing costs – Opex** – Further cost rationalisation programs to deliver \$4.0m of annual savings in non-staff back office costs
- Right-sizing (FY24)** – One-off redundancy costs of \$1.0m. Full year impact of cost rationalisation program already implemented in FY24 delivering \$4.3m (\$3.8m of labour and \$0.5m of other cost savings) in FY24 with the full year benefit still yet to be realised

1. Comprising Right-Sizing (FY24) and Move to New Fulfilment Provider  
2. \$1.1m shown in New Right-Sizing Costs – Wages (Avenue Related) and \$1.6m included in the Avenue Trading loss (not included in savings items, see slide 13 for P&L adjustments)  
3. Whilst Avenue has a greater amount of employee costs, the adjustment only considers related staff that will no longer be retained. Some of the Avenue employees have been redeployed to fill vacancies in other parts of the business and are not included as part of this adjustment

# CURRENT TRADING METRICS (EXCLUDING AVENUE)

Strong momentum in key business metrics underpinning future growth

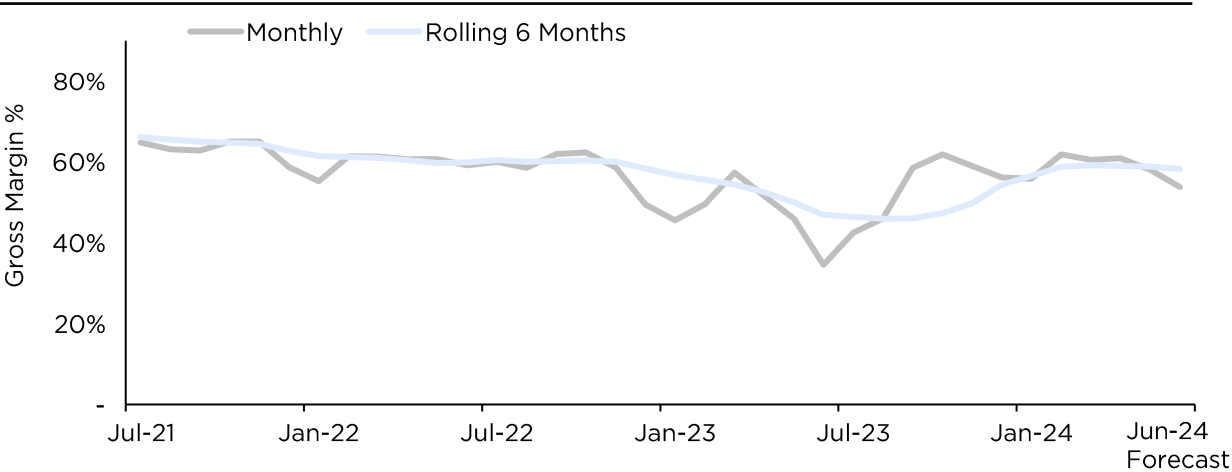
## Group ASP (exc. Avenue)



## Commentary – ASP now exceeding historical levels

- ASP increasing with product mix and move back to elevated essentials and new lifestyle ranges
- ASP also increasing post completion of stock clearance with inventory back to normalised levels
- Continued increases expected as the business returns the focus on the core City Chic customer. This will impact customer volumes
- Price sensitivity and propensity to spend remains uncertain in current economic environment

## Trading Margin % (exc. Avenue)

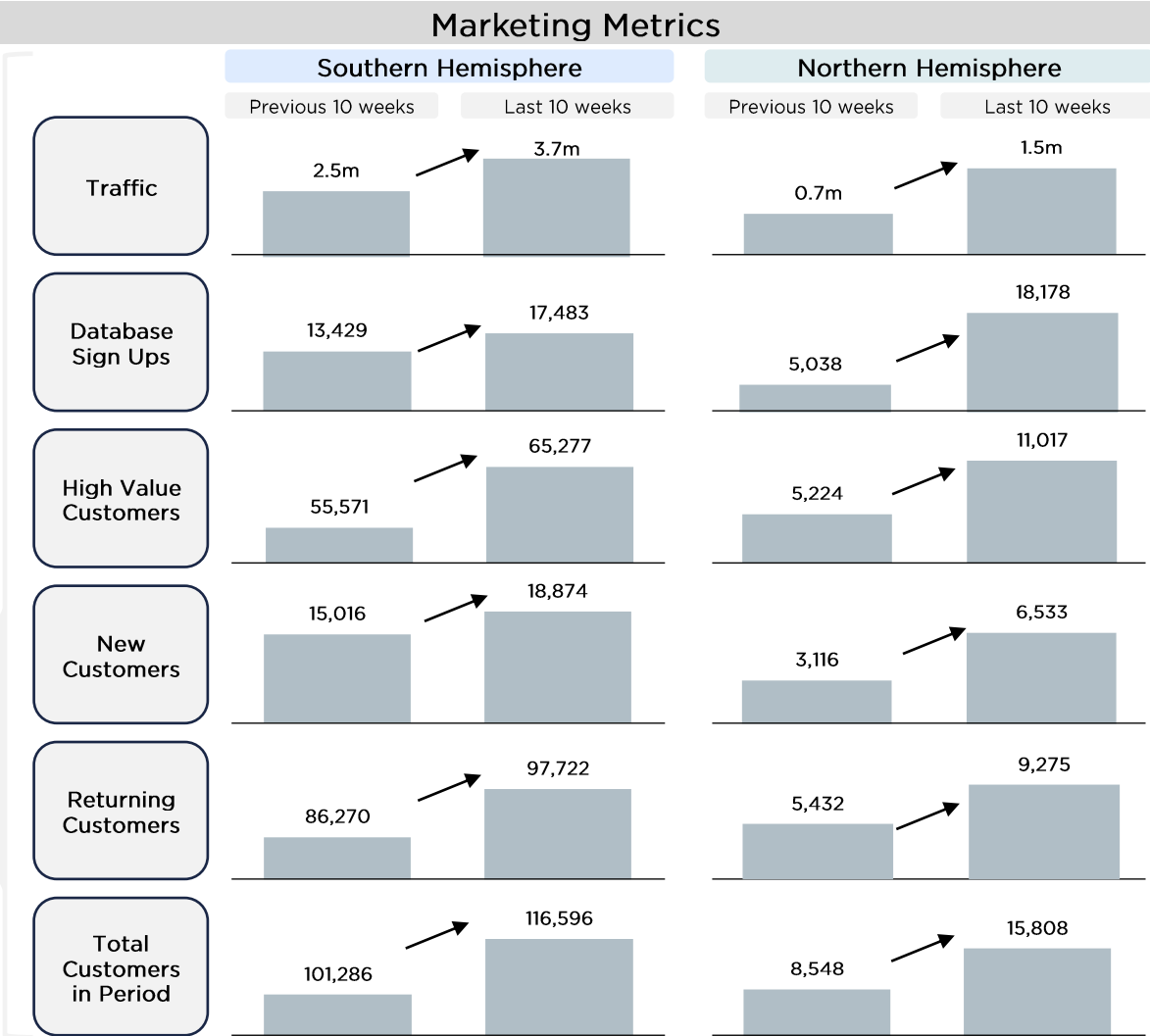
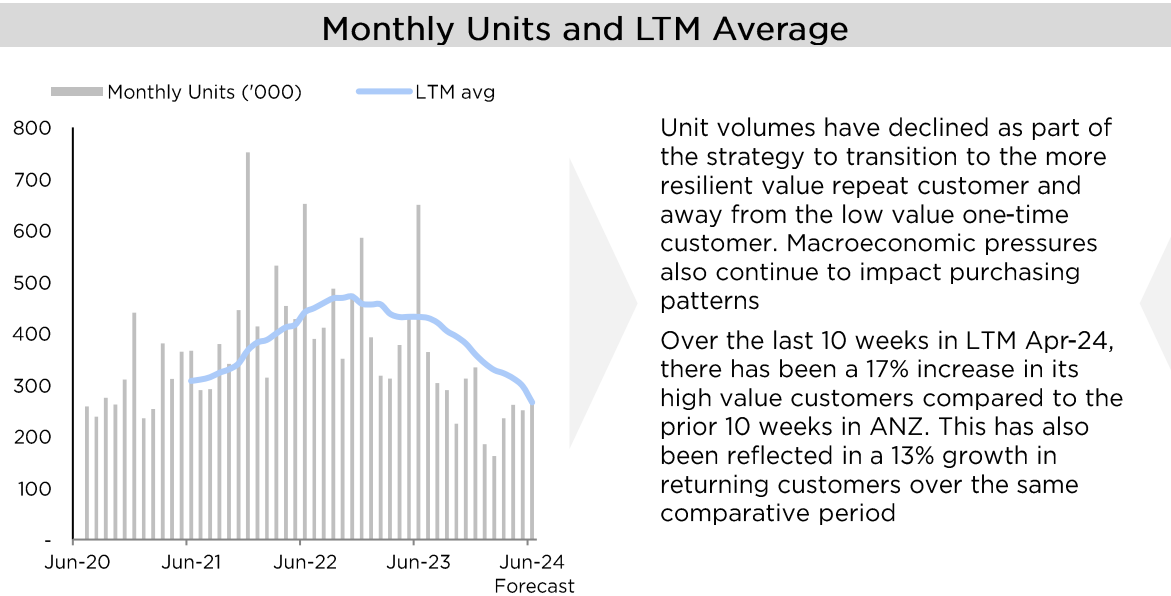
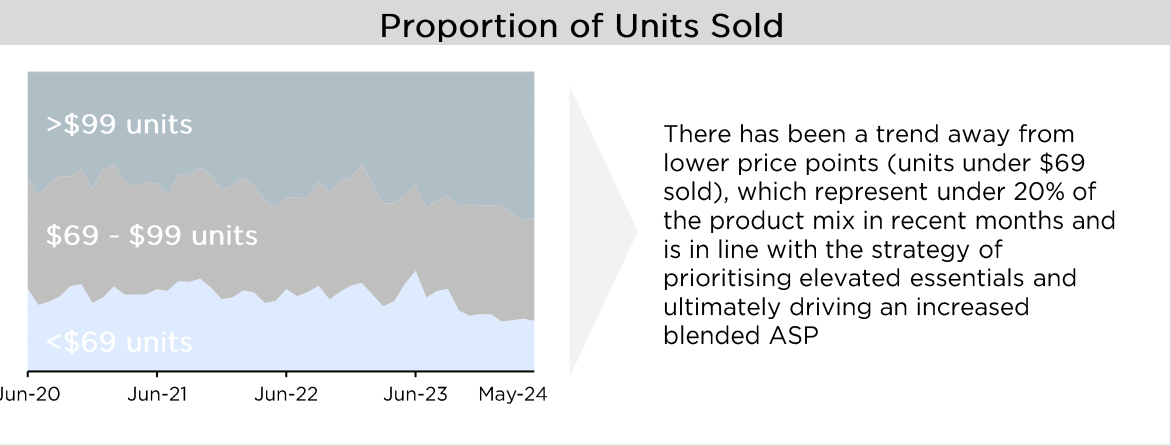


## Commentary – GM heading back to target levels

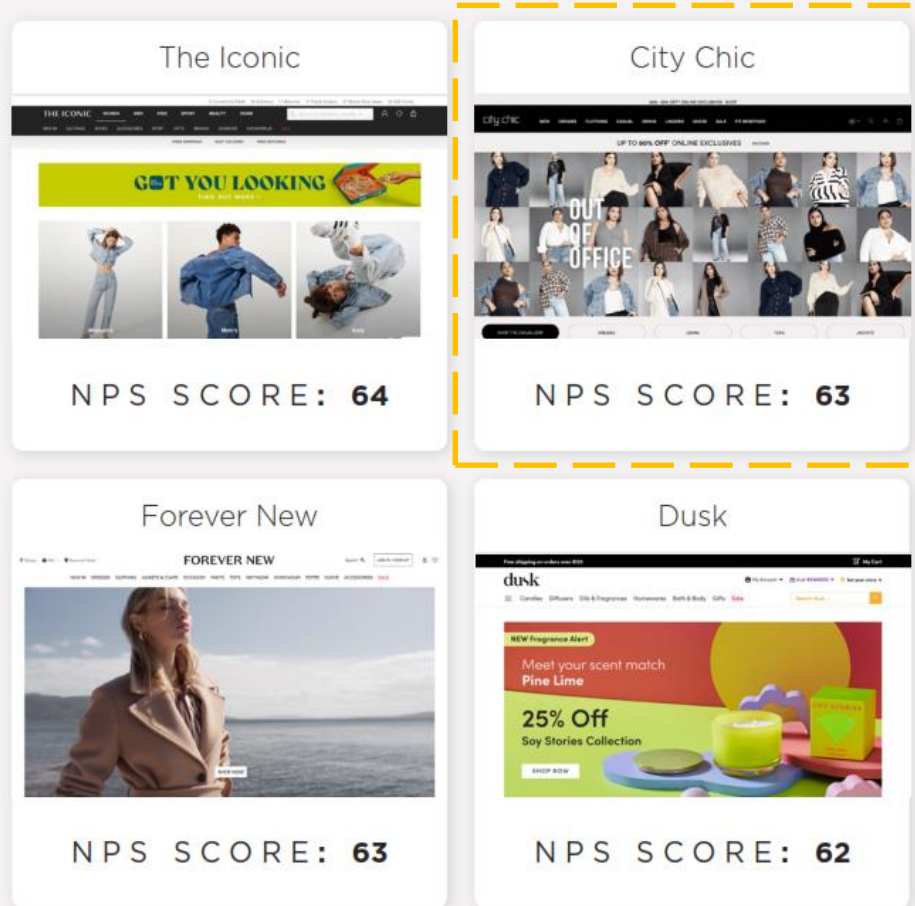
- Margin improvement with new ranges. FY24 H2 proforma adjusted margin of 59%
- Inventory shifting with a revitalised product range, focusing on elevated essentials, which are higher value products that are not in competition with discount operators
- Cost price improvements expected to continue as City Chic moves to leverage volumes with fewer third party factories. This operating model also facilitates business simplification and associated cost restructuring initiatives
- May and June 2024 impacted by clearance ahead of warehouse move and sale of Avenue

# CURRENT CUSTOMER METRICS (EXCLUDING AVENUE)

Growth in high value customers and returning customers in the last 10 weeks (to 26 May 2024) is an early indication of the top-of-funnel marketing strategy and product mix working



# TOP RANKED MOST LOVED RETAILERS



CITY CHIC HAS BEEN RANKED **IN THE TOP 4 MOST LOVED RETAILERS** OUT OF 100 OF AUSTRALIA'S BEST RETAILERS BY NPS SCORE

# GROWTH STRATEGY

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# A BUSINESS DEDICATED TO HER

Streamlined business with a return to a single brand focus and a strong omnichannel presence



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

507k Active Customers up 32% from 2019<sup>6</sup>

Distribution Channels<sup>5</sup>



77 owned stores across ANZ

36% of revenue





City Chic website in ANZ and US

47% of revenue



US partner network

17% of revenue

FY24F Pro Forma Revenue and Customer Metrics by Region <sup>5</sup>		
AUSTRALIA & NEW ZEALAND (ANZ)	AMERICAS	CITY CHIC COLLECTIVE
<div><div>Online 51%</div><div><div>\$97.7m Revenue</div></div><div>Stores 49%</div></div> <div><ul style="list-style-type: none"><li>450k Active Customers<sup>1</sup></li><li>17.2m Annual Traffic<sup>2</sup></li><li>A\$223 Avg. Annual Spend<sup>3</sup></li><li>Market Size: USD\$740m<sup>4</sup></li></ul></div>	<div><div>Partners 63%</div><div><div>\$34.4m Revenue</div></div><div>Online 37%</div></div> <div><ul style="list-style-type: none"><li>57k Active Customers<sup>1</sup></li><li>5.6m Annual Traffic<sup>2</sup></li><li>A\$234 Avg. Annual Spend<sup>3</sup></li><li>Market Size: USD\$54b<sup>4</sup></li></ul></div>	<div><div>city chic collective</div><div><div>USA 26%</div><div><div>\$132.2m Revenue</div></div><div>ANZ 74%</div></div></div> <div><ul style="list-style-type: none"><li>507k Active Customers<sup>1</sup></li><li>22.8m Annual Traffic<sup>2</sup></li><li>A\$224 Avg. Annual Spend<sup>3</sup></li></ul></div>

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 May 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

# GROWTH STRATEGY – FOCUS ON CORE

The transformation initiatives accelerate City Chic's strategy

## Key Strategic Pillars

**Amplify our focus on Her, forging genuine emotional connections**

Increase ASP, retention and profitability  
Focused marketing investment

**Revitalise product assortments, focusing on higher value product**

Targeting 62% gross margin

**Simplify the business and drive down costs**

Targeting CODB 50%<sup>1,2</sup>

## Delivered Through Initiatives Undertaken

✓ **Avenue Divestment** – provides a dedicated focus on the core City Chic customer

- Retreat from high volume and low value Avenue customer increases AOV<sup>3</sup> and refocus on the core customer
- Refined and targeted marketing efforts
- Rationalised supply chain

✓ **Brand Refresh** – fresh imagery and website update to focus on the higher value City Chic customer

- Supported in new above the line campaigns in ANZ, and more targeted online campaigns

✓ **Avenue Divestment** – allows resources to be allocated exclusively to the City Chic brand offering

- Focus on optimising the product mix to maximise profitability per sale
- A narrowed focus allows a deeper understanding on key market trends

✓ **Brand Refresh** – new season styles to mix changes and elevated essentials and better dressing

✓ **Avenue Divestment** – returns to a single brand focus

✓ **Restructure of US Fulfilment** – provides strong platform for future growth. Targeting Fulfilment costs of 12%

✓ **Cost Reduction Initiatives** – streamlines the business to execute on strategy

✓ **Balance Sheet Enhancements** – provides strong platform for future growth

1. See slide 13 for breakdown of CODB  
2. CODB target of 50% includes the impact of Fulfilment Costs  
3. AOV: Average order value

# OUTLOOK

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

## Financial Outlook

- Trading conditions expected to remain uncertain
- Expecting the higher ASP and gross margin trends from H2 FY24F to continue
- Marketing focus on brand engagement in ANZ and targeted customers in USA
- Business restructure and cost out program completed in FY24 or in the process of implementation with the sales of Avenue delivering incremental cost savings, estimated to be realised in FY25 of \$11.5 million
- Inventory now returned to a normalised level and a return to the typical purchasing cycle

## Additional Commentary

- Long term thematic in global plus size fashion market remains strong with no structural change and continued long term growth expected in the industry<sup>1</sup>
- All channels focused on the higher value aspirational City Chic customer, with greater customer numbers in this segment than FY19, the focus is on increasing her annual spend to historical levels.
- Review store portfolio with a view to 120 store chain in 3 to 5 years

1. Source: Plus Size Women's Clothing Market (Credence Research 2023)



# INVESTMENT HIGHLIGHTS

Returning to a proven model with a dedicated focus on Her and a strong platform for profitability



Refocus on growing the core business, targeting a higher value customer broadening reach through brand refresh and product and marketing initiatives

Clean and simplified business with a single brand focus and streamlined supply chain, delivering margin improvement

Cost base “right sized” and positioned for profitability

Attractive plus size sector with strong annual growth rates (projected to double by 2030<sup>1</sup>)

Balance sheet strengthened to support future growth and business de-risked to navigate challenging consumer conditions

1. Source: Plus Size Women's Clothing Market (Credence Research 2023)

# EQUITY RAISING SUMMARY

city chic collective



# DETAILS OF THE OFFER

Offer Size and Structure	<ul style="list-style-type: none"> <li>• A\$23.0m equity raising (Equity Raising) consisting of: <ul style="list-style-type: none"> <li>- An underwritten institutional placement (Placement) to raise approximately A\$5.4m</li> <li>- A 1 for 2.04 pro-rata accelerated non-renounceable entitlement offer (Entitlement Offer) to existing shareholders to raise approximately A\$17.6m <ul style="list-style-type: none"> <li>- Comprises an underwritten institutional entitlement offer to raise approximately A\$10.0m (Institutional Entitlement Offer) and a partially underwritten retail entitlement offer to raise approximately A\$7.6m (Retail Entitlement Offer)</li> <li>- The Retail Entitlement Offer will be underwritten up to A\$2.1m</li> <li>- Eligible shareholders will be invited to subscribe for 1 new City Chic share (New Share) for every 2.04 existing City Chic shares held as at 7.00pm (Sydney time) on Monday, 24 June 2024 (Record Date)</li> <li>- The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable</li> </ul> </li> </ul> </li> <li>• Approximately 153.2m New Shares to be issued under the Equity Raising representing approximately 64.0% of current shares on issue</li> </ul>
Offer Price	<ul style="list-style-type: none"> <li>• The Equity Raising will be offered at a price of A\$0.15 per New Share (Offer Price) <ul style="list-style-type: none"> <li>- 50.0% discount to the last closing price of A\$0.30 on 17 June 2024; and</li> <li>- 37.9% discount to the Theoretical Ex-Rights Price (TERP<sup>1</sup>) of A\$0.24</li> </ul> </li> </ul>
Use of Proceeds	<ul style="list-style-type: none"> <li>• The proceeds will be applied to costs associated with the change in US fulfilment provider, paydown of debt, working capital and transaction costs</li> </ul>
Institutional Entitlement Offer and Placement	<ul style="list-style-type: none"> <li>• The Institutional Entitlement Offer, and the Placement, will open on Friday, 21 June 2024 and close on Friday, 21 June 2024</li> <li>• Institutional entitlements not taken up and those of ineligible institutional shareholders will be placed into an institutional bookbuild to be conducted on Friday, 21 June 2024</li> </ul>
Retail Entitlement Offer	<ul style="list-style-type: none"> <li>• The Retail Entitlement Offer to open on Friday, 28 June 2024 and close at 5.00pm (Sydney time) on Wednesday, 10 July 2024</li> <li>• Only eligible shareholders with a registered address in Australia or New Zealand as at the Record Date may participate</li> </ul>
Director Participation	<ul style="list-style-type: none"> <li>• Some members of the Board intend to participate in the Entitlement Offer</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>• New Shares will rank equally with existing City Chic shares on issue</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>• The Equity Raising is underwritten by Canaccord Genuity<sup>2</sup></li> </ul>

1. The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which City Chic shares should trade immediately after the ex-date of the Entitlement Offer and includes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which City Chic shares will trade on the ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP

2. The Equity Raising is underwritten up to \$17.5m

# SOURCES AND USES OF FUNDS AND DEBT FUNDING

Providing a solid foundation through strengthening the balance sheet

Sources and Uses of Funds		
Sources	A\$m	%
Equity Raising (underwritten component) <sup>1</sup>	17.5	54.7%
Divestment of Avenue <sup>3</sup>	14.5	45.3%
Total Source of Funds	32.0	100.0%
Uses	A\$m	%
Repayment of existing NAB Facility and Associated Fees	18.0	56.3%
Working Capital <sup>4</sup>	3.4	10.6%
Costs of change in US fulfilment provider <sup>2</sup>	4.7	14.7%
Transaction Costs	4.1	12.8%
Restructuring Costs	1.8	5.6%
Total Use of Funds	32.0	100.0%

Debt Refinance
<ul style="list-style-type: none"><li>Current lender has agreed to provide an extension to the current debt in the form of an updated facility</li><li>Facility size being reduced from \$20m to \$10m on 2<sup>nd</sup> September 2024</li><li>Extension until 31 December 2026, covenants replaced with a requirement to complete a clean down, which requires City Chic to repay all drawings under the facility for a period of at least 7 consecutive days twice in any financial year and no less than 3 months apart</li><li>This facility has been renegotiated as a variation to the current facility agreement in place</li><li>We expect to pay down the \$17.5m (as of May-24) NAB facility using a portion of the proceeds from the equity raise and the sale of Avenue. There will be a further \$0.5m relating to costs to refinance the debt</li></ul>

Use of Funds Commentary
<ul style="list-style-type: none"><li><b>Relates to the underwritten component of the Equity Raising being \$17.5m. Any additional funds raised via the non-underwritten portion of the Retail Entitlement Offer (\$5.5m) will be applied to working capital</b></li><li>Funds predominately applied to working capital requirements of the business including restructuring costs and transaction costs</li><li>Facilitate a reduction in the debt facility</li><li>One-off costs in nature required to fund the transition to the new US fulfilment centre, delivering sustainable cost savings on a go forward basis</li><li>Transaction costs associated with the sale of Avenue and the Equity Raising</li><li>Further restructuring costs incurred as part of resizing the cost base post the sale of Avenue</li></ul>

Availability of Funds		
<ul style="list-style-type: none"><li>Immediate use of funds to pay down debt facility, with the ability to redraw up to \$10.0m for working capital purposes</li></ul>	A\$m	Pro Forma
	Cash (as at 31 May 2024) <sup>5</sup>	7.1
	Undeployed working capital <sup>6</sup>	3.4
	Available Debt Facility	10.0
	<b>Estimated Available Funds</b>	<b>20.5</b>

1. Relates to the underwritten component to the Equity Raising. Any additional funds raised under the Retail Entitlement Offer will be applied to working capital  
2. Change in US fulfilment provider delivers annualized cost savings of \$2.1m via a variable cost model. See slide 14 for more detail  
3. Reflects the cash proceeds of the divestment being the purchase price of \$18m less the expected working capital adjustments of \$3.5m which will be confirmed on completion  
4. There will be Residual Avenue Accounts Payable/Accruals of \$0.6m relating to inventory sold that remain with continuing operations will be settled by City Chic  
5. See slide 27 for pro forma balance sheet items  
6. Relates to equity raising proceeds applied to working capital

# OFFER TIMETABLE

Event	Date <sup>1</sup>
Equity Raising announced and investor presentation lodged to the ASX	Friday, 21 June 2024
Institutional Entitlement Offer and Placement opens	Pre-Market, Friday, 21 June 2024
Institutional Entitlement Offer and Placement closes	5.00pm, Friday 21 June 2024
Results of Institutional Entitlement Offer and Placement announced and trading resumes on an ex-entitlement basis	Monday, 24 June 2024
Record Date for Retail Entitlement Offer (7pm AEST)	7.00pm, Tuesday, 25 June 2024
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Friday, 28 June 2024
Settlement of Institutional Entitlement Offer and Placement	Friday, 28 June 2024
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Tuesday, 2 July 2024
Despatch of holdings statements for New Shares under the Institutional Entitlement Offer and Placement	Tuesday, 2 July 2024
Retail Entitlement Offer closes	5.00pm, Wednesday, 10 July 2024
Results of Retail Entitlement Offer announced	Thursday, 11 July 2024
Settlement of Retail Entitlement Offer	Monday, 15 July 2024
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 16 July 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 17 July 2024
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Wednesday, 17 July 2024

1. These timings are indicative only and subject to variation. City Chic reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Eastern Standard Time (AEST)

# DEC-23 PRO FORMA BALANCE SHEET<sup>1</sup>

	Statutory Balance Sheet Dec-23	Pro Forma Adjustments				Pro Forma Adjusted <sup>2,3</sup>
		1	2	3	4	
		Net Equity Raise	Sale of Avenue	Net debt raise	Other Transaction Items	
<i>A\$m</i>						
Cash and cash equivalents	16.0	15.4	12.4	(13.0)	(6.5)	24.3
Trade and other receivables	7.6	-	-	-	-	7.6
Inventories	39.5	-	(14.4)	-	-	25.1
Income tax refund due	2.1	-	-	-	-	2.1
Other	2.3	-	-	-	-	2.3
<b>Current assets</b>	<b>67.5</b>	<b>15.4</b>	<b>(2.0)</b>	<b>(13.0)</b>	<b>(6.5)</b>	<b>61.4</b>
Plant and equipment	12.1	-	-	-	-	12.1
Right-of-use assets	45.7	-	-	-	(14.5)	31.3
Intangibles	62.9	-	(45.6)	-	-	17.3
Deferred tax	7.6	-	-	-	-	7.6
<b>Non-current assets</b>	<b>128.3</b>	<b>-</b>	<b>(45.6)</b>	<b>-</b>	<b>(14.5)</b>	<b>68.2</b>
<b>Total assets</b>	<b>195.8</b>	<b>15.4</b>	<b>(47.6)</b>	<b>(13.0)</b>	<b>(20.9)</b>	<b>129.6</b>
Trade and other payables	(38.1)	-	-	-	-	(38.1)
Lease liabilities	(11.8)	-	-	-	2.7	(9.1)
Borrowings	(12.5)	-	-	12.5	-	-
Provisions	(6.1)	-	0.8	-	0.2	(5.1)
Other	(2.7)	-	-	-	-	(2.7)
<b>Current liabilities</b>	<b>(71.2)</b>	<b>-</b>	<b>0.8</b>	<b>12.5</b>	<b>3.0</b>	<b>(55.0)</b>
Lease liabilities	(36.5)	-	-	-	7.9	(28.6)
Provisions	(0.9)	-	-	-	-	(0.9)
<b>Non-current liabilities</b>	<b>(37.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.9</b>	<b>(29.5)</b>
<b>Total liabilities</b>	<b>(108.7)</b>	<b>-</b>	<b>0.8</b>	<b>12.5</b>	<b>10.9</b>	<b>(84.5)</b>
<b>Net assets</b>	<b>87.1</b>	<b>15.4</b>	<b>(46.8)</b>	<b>(0.5)</b>	<b>(10.0)</b>	<b>45.1</b>
Issued capital	182.0	15.4	-	-	-	197.4
Reserves	(28.5)	-	-	-	-	(28.5)
Accumulated losses	(66.4)	-	(46.8)	(0.5)	(10.0)	(123.8)
<b>Total Equity</b>	<b>87.1</b>	<b>15.4</b>	<b>(46.8)</b>	<b>(0.5)</b>	<b>(10.0)</b>	<b>45.1</b>

## Commentary

- Adj #1 - Net Equity Raise** - This relates to the underwritten component of the proposed equity raise of \$17.5m, net of expected transaction costs amounting to \$2.1m
- Adj #2 - Sale of Avenue** - Reflects cash proceeds of \$14.5m less transactions costs of \$2.1m and removal of associated balances that are expected to be divested:
  - \$14.4m of inventory, net of provisions;
  - \$45.6m of Intangibles which relates to Impairment of goodwill on the sale of Avenue (\$32.4m) and removal of Avenue Brand (\$13.2m). The goodwill impairment is still provisional in nature and subject to the year-end audit.
  - \$0.8m of gift card provisions
- Adj #3 - Net Debt Raise** - This represents the restructuring of the existing \$20m NAB facility down to a \$10m facility (\$9m of debt facility available for use with \$1m held for bank guarantees). On completion of the transaction, a portion of the proceeds from the equity raise and the sale of Avenue will be utilised to repay its existing multi-currency debt facility debt (\$12.5m) and fund the new facility costs (\$0.5m). The table below reflect the actual positions as at Dec-23 and May-24.

A\$m	Dec-23	May-24
Cash	16.0	7.1
Debt Drawn	(12.5)	(17.5)
<b>Net cash/(debt)</b>	<b>3.5</b>	<b>(10.4)</b>
Undrawn facilities <sup>4</sup>	6.5	1.5
<b>Total facility</b>	<b>20.0</b>	<b>20.0</b>
Lease obligations	(48.3)	(34.9)
<b>Net debt with AASB16 lease obligations</b>	<b>(44.8)</b>	<b>(45.3)</b>

- Adj #4 - Other Transaction Items** -
  - \$6.5m of cash payments which \$4.7m relates to moving warehouse providers from Radial to Cart and \$1.8m for redundancy and leave entitlement payments
  - Removal of \$14.5m of ROU assets relating to the lease of the fulfilment facility
  - Removal of \$10.7m of lease liabilities for the fulfillment centre (\$2.7m current and \$7.9m non-current)
  - Removal \$0.2m of leave entitlement provisions settled as a part of the redundancies

## KEY RISKS

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# KEY RISKS

## RISK FACTORS

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, the industry in which it operates and the outcome of an investment in City Chic. 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 an investment in 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.

You should carefully consider these factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

## SPECIFIC RISK FACTORS

The Directors believe that there are a number of specific factors that should be taken into account before investors decide whether or not to apply for New Shares. Each of these factors could have a materially adverse impact on City Chic, its expansion plans, operating and product strategies and its financial performance and position. These include the following:

KEY RISKS ASSOCIATED WITH CITY CHIC'S BUSINESS	
Sales and revenue risk	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 heightened risk that consumer spending, and particularly discretionary consumer spending, will be negatively impacted by ongoing high inflation and interest rates.
Customer preferences or trading patterns	<p>There is a risk that City Chic fails to anticipate and adapt to changing consumer behaviour and preferences in a timely manner. If City Chic misjudges customer behaviour or fails to convert market trends into appealing product offerings on a timely basis, these may result in lower revenue and margins and 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.</p> <p>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).</p>
Supply chain risk	While sufficient levels of inventory are in currently in place for the forthcoming season, there remains 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 (as the case may be) 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 the event that City Chic's supply chain is disrupted, this may have a material adverse effect on City Chic's operating performance and earnings. If City Chic is unable to secure key supply inputs in a timely and economically acceptable manner, it could have a materially adverse effect on its ability to meet customer demand and sell products profitably.
Liquidity risk	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.
iCare Risk	City Chic is currently in the process of resolving a dispute with iCare (City Chic's workers' compensation insurer), relating to calculations made by iCare of historical insurance premiums payable by City Chic. The amount assessed by iCare over the two year period between 2016 and 2018 is approximately \$3.8 million. 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.
IT risk, privacy and cybersecurity	<p>City Chic relies heavily on its computer hardware, software and 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, cyber-attacks, power or telecommunication providers' failure, fire, natural disasters, terrorist acts, war or human error. These events may cause one or more of City Chic's systems to become unavailable. Should these not be adequately maintained, secured or updated or City Chic's disaster recovery processes not be adequate, system failures may negatively impact on its performance. Any interruptions to these operations would impact City Chic's ability to operate and could result in business interruption, 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.</p> <p>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. There is a risk that the measures taken by City Chic may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such 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.</p>

# KEY RISKS (CONT.)

<b>Changes in technology</b>	Technology plays an increasingly important role in the delivery of services to City Chic's customers. City Chic's ability to compete with other retailers may be impacted by its ability to maintain or develop appropriate technology platforms in the efficient delivery of its services. Maintaining or developing appropriate technologies may require significant capital investment by City Chic.
<b>Online channel risks</b>	City Chic's customers are increasingly using laptops, mobile phones and other devices to make purchases, making City Chic's online channel critically important to the success of the business. Maintaining and continuing to improve City Chic's online channel offering requires a significant capital investment and the operation of the online channel offering is subject to a number of risks, including the IT, privacy and cybersecurity risks referred to above. A failure by City Chic to successfully address these risks on an ongoing basis could have a material adverse effect on City Chic's business, operating and financial performance.
<b>Services provided by third party payment providers</b>	City Chic relies on the services provided by third party banking and payment providers such as credit card companies. City Chic is exposed to risks in relation to the methods of payment it currently accepts, including credit card, PayPal, Afterpay, ZipPay(AU) and vouchers. Several of these payment methods have associated rules and regulations. If City Chic fails to comply with the applicable rules and regulations (which may change over time), City Chic may become subject to higher transaction fees or fines or may face restrictions upon its ability to accept digital payments, which may have an adverse effect on City Chic's financial and operating performance. City Chic may also incur losses from fraud, erroneous transactions and customers who have insufficient funds to satisfy payments. This may lead to direct financial losses, as well as damage to City Chic's reputation, or may result in litigation or regulatory action.
<b>Landlord 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. There is a risk that new entrants in the market may disrupt City Chic's business and existing market share. Existing competitors and new competitors may engage in aggressive customer acquisition campaigns. Such competitive pressures may materially erode City Chic's market share and revenue, and may materially adversely impact City Chic's revenue and profitability. A general increase in competition may also require City Chic to increase marketing expenditure, offer discounts to customers or engage in other promotional activity, which would decrease profitability even if City Chic's market share does not decrease.
<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>Insurance risk</b>	Not all risks are insured or insurable. City Chic cannot be certain that its current insurance is adequate or that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially acceptable terms. If City Chic experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. These risks may have a material adverse effect on City Chic's future financial position and operating results and therefore the value of its securities.
<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>Maintenance of reputation</b>	City Chic's success is reliant on the maintenance of its reputation and any brand names. Any factors that damage the reputation of City Chic may potentially result in a failure to win new customers and impinge on the ability to maintain relationships with existing customers, as well as affect its ability to attract key employees. If any of these occur, this could materially adversely affect City Chic's business, operating and financial performance.
<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.
<b>Asset impairment risk</b>	Changes to the carrying amounts of City Chic's assets could have an adverse impact on the reported financial performance of City Chic in the period that any impairment provision is recorded and could increase volatility of reported earnings in cases where there is further impairment or a reversal of impairment provisions that were recorded in previous periods.
<b>Dividends</b>	There is no guarantee as to future earnings of City Chic or that City Chic will be profitable at any time in the future, and there is no guarantee that City Chic will be in a financial position to pay dividends at any time in the future.

# KEY RISKS (CONT.)

Regulatory and compliance risk	<p>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. This may prevent City Chic from accessing markets in certain jurisdictions.</p> <p>As an example, City Chic has a number of controls in place to ensure compliance with employment laws, however, there is a risk that underpayment of employees could occur in circumstances where employee rostering is mismanaged, employees are mischaracterised as casual or permanent or where payroll errors are made on a material scale. Any such underpayment could have a significant detrimental impact on City Chic's reputation and its financial performance.</p>
Completion risk for Avenue	<p>Completion of the sale of the Avenue business in the US (Avenue Sale) is subject to a number of conditions precedent as set out in the asset purchase agreement with respect to the Avenue Sale which signed on 17 June 2024 (Asset Purchase Agreement).</p> <p>If the conditions precedent are not satisfied and/or waived prior to the 'sunset date' of 1 September 2024, completion of the Avenue Sale may not occur on the current terms or at all. Similarly, if any of the completion deliverables are not delivered, completion of the Avenue Sale may be deferred or may not occur on the current terms or at all.</p> <p>If the counterparty to the Asset Purchase Agreement defaults in the performance of their obligations, it may be necessary for City Chic to approach a court to seek a legal remedy, which can be costly.</p> <p>If completion of the Avenue Sale is delayed, City Chic may incur additional costs and it may take longer than anticipated for City Chic to realise the benefits of the Avenue Sale. Any failure to complete, or delay in completing, the Avenue Sale may have a material adverse effect on City Chic's financial position and trading prices of City Chic's shares.</p> <p>If the Avenue Sale does not complete as a result of a failure to satisfy the conditions precedent (or otherwise), the cost savings outlined in slide 9 of this Presentation will not be realised in the timeframes anticipated and may not be realised at all. In these circumstances, City Chic will consider alternative methods to achieve the best possible outcome.</p> <p>Further, the Underwriter's obligation to underwrite the Equity Raising is conditional upon the Asset Purchase Agreement remaining valid and enforceable until the Retail Entitlement Offer settlement date. As noted below, termination of the underwriting agreement would have an adverse impact on the amount of proceeds raised under the Placement and the Entitlement Offer, and could materially adversely affect City Chic's business, cash flow, financial performance, financial condition and share price.</p>
Sovereign risk	<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>
Exchange rates	<p>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.</p>
Changes in interest rates	<p>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.</p>
Dilution risk	<p>If shareholders do not participate in the Entitlement Offer then their percentage shareholding in City Chic will be diluted as a result of the Placement and Entitlement Offer. Even if a shareholder does take up their full allocation under the Entitlement Offer, their percentage shareholding in City Chic may be diluted by the Placement.</p> <p>Further, as the Entitlement Offer is non-renounceable, entitlements under the Entitlement Offer cannot be traded on ASX or otherwise transferred. Therefore, non-participation in the Entitlement Offer by a shareholder will result in a dilution of their holding in City Chic without the opportunity to realise value for their renounced entitlements.</p>
Funding risk	<p>There is no guarantee that the monies raised under the Placement and the Entitlement Offer 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.</p>
Underwriting risk	<p>City Chic has entered into an underwriting agreement under which the Lead Manager has agreed to fully underwrite the Placement and the Entitlement Offer, subject to the terms and conditions of the underwriting agreement. The Lead Manager's obligation to underwrite the Placement and the Entitlement Offer is conditional on certain customary matters, including City Chic delivering certain certificates, sign-offs and opinions. Further, if certain events occur, some of which are beyond City Chic's control, the Lead Manager may terminate the underwriting agreement.</p> <p>Please refer to the summary of the underwriting agreement annexed to this Presentation, which among other things, sets out the key bases for which the Joint Lead Managers may terminate the underwriting agreement.</p> <p>Termination of the underwriting agreement would have an adverse impact on the amount of proceeds raised under the Placement and the Entitlement Offer, and could materially adversely affect City Chic's business, cash flow, financial performance, financial condition and share price.</p>

# KEY RISKS (CONT.)

GENERAL RISK FACTORS	
Forecast risk	The 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 40 for further drivers of the forecast.
Share market	<p>On completion of the Placement and the Entitlement Offer, the New Shares may trade on ASX at higher or lower prices than the issue price. Investors who decide to sell their New Shares after the Placement and the Entitlement Offer may not receive the amount of their original investment. The price at which the New Shares trade on ASX may be affected by the financial performance of City Chic and by external factors over which the Directors and City Chic have no control.</p> <p>These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.</p> <p>Investors should consider the historical volatility of Australian and overseas share markets.</p> <p>The Directors make no forecast in regard to the strength of the equity and share markets in Australia and throughout the world.</p>
Dependence on general economic conditions	<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>
Tax risk	Changes to the rate of taxes imposed on City Chic (including in overseas jurisdictions in which City Chic operates now or in the future) or tax legislation generally may affect City Chic and its Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to City Chic's interpretation may lead to an increase in City Chic's tax liabilities and a reduction in shareholder returns. In addition, any change in tax rules could have an adverse impact on the level of dividend imputation and franking. Personal tax liabilities are the responsibility of each individual investor. City Chic is not responsible either for tax or tax penalties incurred by investors.
Litigation risk	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.
Legislative and regulatory changes	<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>
Accounting standards	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.
Speculative investment	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 the securities offered under the Placement and the Entitlement Offer. Therefore, the shares to be issued pursuant to the Placement and the Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consider that an investment in City Chic is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to the Placement and the Entitlement Offer.

# FOREIGN JURISDICTIONS & SUMMARY OF UNDERWRITING TERMS

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# FOREIGN SELLING JURISDICTIONS

## International Offer Restrictions

This document does not constitute an offer of new fully paid ordinary shares in City Chic (“New Shares”) in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of City Chic with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# FOREIGN SELLING JURISDICTIONS (CONT)

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to City Chic.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares may be offered and sold in the United States only to:

- institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

# SUMMARY OF UNDERWRITING TERMS

City Chic has entered into an underwriting agreement with Canaccord Genuity (Australia) Limited (**Underwriter**), pursuant to which the Underwriter has been appointed as bookrunner, lead manager and underwriter to the Entitlement Offer and Placement (together, **Offer**) (**Underwriting Agreement**).

The Underwriting Agreement contains conditions precedent, representations, warranties, undertakings and indemnities in favour of the Underwriter.

The Underwriter may, at any time prior to 11.00am on Institutional Entitlement Offer settlement date and/or the Retail Entitlement Offer settlement date (as applicable), immediately terminate the agreement if any one or more of the following occurs:

- City Chic ceases to be admitted to the official list of ASX or its shares are suspended from trading on, or cease to be quoted on, ASX (or it is announced that either of these will occur);
- City Chic or a subsidiary representing 5% or more of the group's consolidated assets or earnings is likely to or becomes insolvent;
- City Chic withdraws all or part of the Offer;
- it becomes illegal for the Underwriter to satisfy its material obligations under the agreement or market or settle the Offer;
- City Chic is unable to issue any Offer shares by virtue of the ASX Listing Rules, applicable laws, or a government agency or court;
- any government agency commences any public enforcement action or investigation against City Chic (or any director, CEO or CFO), or announces its intention to do so, unless such action has been not become public and has been withdrawn or terminated by the earlier of: (a) the settlement date of the Institutional Entitlement Offer and Placement (**Institutional Offers**) or Retail Entitlement Offer (as applicable); or (b) 3 business days after the action is commenced;
- a director or the CEO or CFO of City Chic is charged with an indictable offence or fraud, or is disqualified under the Corporations Act from managing a corporation;
- there is a change in the CEO, CFO or chairman of City Chic (other than one disclosed prior to the agreement date);
- there is an alteration to the capital structure of City Chic without the Underwriter's prior consent (except as disclosed in the Offer documents lodged with ASX, or as expressly provided in the agreement);
- the S&P/ASX Small Ordinaries Index falls:
  - by 10% or more below the level at the close of trade on the business day before the agreement date, and closes at or below that level on any business day after the agreement date and on or before the business day prior to settlement of the Institutional Offers; or
  - by 12.5% or more below the level at the close of trade on the business day before the agreement date, and closes at or below that level: (a) on any two consecutive business days from the Institutional Offer settlement date to the business day before the Retail Entitlement Offer settlement date; or (b) at the close of trading on the business day before the Retail Entitlement Offer settlement date;
- ASIC takes certain actions in relation to the Offer, including making an application under Part 9.5 of the Corporations Act, holding an inquiry or investigation, or commencing proceedings against or prosecuting City Chic or its employees, officers or agents; unless the action has not become public and is withdrawn by the earlier of: (a) the settlement date of the Institutional Offers or Retail Entitlement Offer (as applicable); or (b) 3 business days after the action is commenced.
- there is an application to a government agency (including the Takeovers Panel) for an order or declaration in respect of the Offer, unless that application has not become public and is withdrawn by the earlier of: (a) the settlement date of the Institutional Offers or Retail Entitlement Offer (as applicable); or (b) 3 business days after the action is commenced or received.
- ASIC makes a determination under section 708A(2) or 708AA(3) of the Corporations Act;
- City Chic issues a defective cleansing notice in connection with the offer, is required to give a corrective notice under s708AA(10) or s708A(9) of the Corporations Act, and this, in the reasonable opinion of the Underwriter, has a materially adverse impact on the Offer;
- a certificate which is required to be furnished by City Chic under the agreement is not furnished when required or is materially untrue or misleading or deceptive;
- a new circumstances sign-off required under the agreement is not furnished by City Chic when required;
- approval by ASX for official quotation of the Offer shares is refused or not granted in time to issue the shares in accordance with the Offer timetable;

# SUMMARY OF UNDERWRITING TERMS (CONT'D)

- any event in the Offer timetable is delayed (unless a variation to the timetable is consented to by the Underwriter in accordance with the agreement);
- City Chic publicly states or notifies the underwriter that it does not intend to proceed with the Debt Refinance Agreement with NAB, that agreement is terminated or rendered void, or is breached in a materially adverse way (in the reasonable opinion of the Underwriter); or
- City Chic publicly states or notifies the underwriter that it does not intend to proceed with the Avenue sale agreement, that agreement is terminated or rendered void, or is breached in a materially adverse way (in the reasonable opinion of the Underwriter).

The Underwriter may at any time prior to 11.00am on the Institutional Entitlement Offer settlement date and/or the Retail Entitlement Offer settlement date (as applicable), immediately terminate the agreement if any one or more of the following events occurs, and the Underwriter has reasonable grounds to believe that the event has had or is likely to have a material adverse effect on (a) the financial position or performance of City Chic and its subsidiaries; (b) the success or outcome of the Offer; (c) the willingness of investors to subscribe for Offer shares; (d) the market price of the Offer shares or the ability to settle the Offer, or could otherwise give rise to a breach by, or liability of, the Underwriter under the Corporations Act or other applicable law:

- City Chic fails to perform or observe any obligations under the Underwriting Agreement;
- any of the due diligence documents (including the due diligence report) have been withdrawn or varied without the Underwriter's consent;
- the due diligence report or information provided by City Chic to the Underwriter in relation to the due diligence program or the Offer is false, misleading or deceptive;
- a representation or warranty given by City Chic under the agreement is or becomes untrue, incorrect, misleading or deceptive;
- after execution of the agreement, legal proceedings are commenced against City Chic or its subsidiaries or their directors, or a regulatory body commences any enquiry or public action against the City Chic or its subsidiaries;
- City Chic or any of its directors engage in misleading or deceptive conduct in connection with the Offer;
- a new circumstance arises which is adverse to Offer investors and would have been required to be included in the Entitlement Offer cleansing notice if it had arisen prior to lodgement of that notice;
- there is an adverse change (or the likelihood of an adverse change) in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospectus of City Chic or its subsidiaries;
- any expression of belief, expectation, intention or future statement in an Offer document or public information becomes incapable of being met, or the Underwriter reasonably believes it will not be met in the projected timeframe;
- any of the Offer documents contain a statement which is or becomes misleading or deceptive (or is likely to mislead or deceive), or do not contain information required to comply with applicable laws;
- City Chic issues, varies or withdraws an Offer document without the Underwriter's approval (which must not be unreasonably withheld);
- an Australian law or policy is introduced or a government announcement is made which is likely to or does prohibit or regulate the Offer or adversely affects City Chic or its subsidiaries;
- there is: (a) a general moratorium on commercial banking activities in Australia, New Zealand, the US, the UK, Singapore, China or Hong Kong, or a material disruption in commercial banking / security settlement or clearance services in those countries; (b) trading in all securities on the ASX or the London, New York, Singapore, or Hong Kong Stock Exchange is suspended or materially limited for at least one trading day; or (c) any other adverse change or disruption to the economic conditions and currency rates in the above mentioned countries;
- there is a commencement or escalation of hostilities or a declaration of emergency in Australia, New Zealand, the US, Japan, Singapore, Israel, Iran, Ukraine, Russia, the UK, an EU member state, China or Hong Kong, or a major terrorist threat is perpetrated anywhere in the world;
- City Chic breaches the Corporations Act, ASX Listing Rules, Constitution or other applicable laws.
- any material authorisation (including a licence, lease, or permit) of City Chic or its subsidiaries is (or is likely to be) revoked or invalid; or such authorisation is breached in a material respect; or
- an event specified in paragraphs (a) to (h) of s652C(1) of the Corporations Act occurs during the Offer period (other than as contemplated by the agreement, management questionnaire, Offer documents, or City Chic issuing securities upon conversion of securities, employee incentive scheme, or distribution plan).

AASB-16 SUMMARY  
& FINANCIALS  
BASIS OF  
PREPARATION

city chic collective



# IMPACT OF AASB16

EBITDA (pre and post AASB16) <sup>1</sup>				
AUD in \$m	Stat. P&L	Gross up of Avenue Trading (Discon. Ops)	Stat P&L Incl. Discon Ops	Pro Forma Adjusted
EBITDA (post AASB16)	(20.4)	(5.6)	(26.0)	(9.3)
AASB16 adjustments	(12.7)	-	(12.7)	(12.7)
EBITDA (pre AASB16)	(33.0)	(5.6)	(38.6)	(22.0)

1. AASB16 adjustments include \$11.6m depreciation of rights-of-use assets and \$2.3m interest on lease liabilities, with cash cost of rent amounting to \$12.7m

# BASIS OF PREPARATION & KEY ASSUMPTIONS – PRO FORMA PROFIT & LOSS

- City Chic prepares its financial statements in accordance with Australian Accounting Standards. The accounting policies upon which the pro-forma profit and loss statement and balance sheet has been prepared are set out in the City Chic Collective 2023 Annual Report – for the year ended 2 July 2023. A copy of this can be found at <https://www.citychiccollective.com.au/annual-reports>
- The statutory financial information has been extracted from the Consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2023, reviewed by EY in accordance with Australian Auditing Standards. EY issued an unmodified review report. A copy of this report can be found at: <https://www.asx.com.au/markets/trade-our-cash-market/announcements.ccx>
- The pro forma profit & loss is on slide 13 and has been prepared for illustrative purposes and reflects:
  1. The sale of the Avenue business
  2. Removal of one off restructuring costs; and
  3. Impairment of the business sold.
- The following key assumptions have been made:
  1. The Avenue sale is signed and completed by 30 June 2024, noting practically that the effective date of completion may occur subsequent to this date. The terms, cash proceeds and working capital completion adjustment are being worked through and yet to be finalised.
  2. The Radial Warehouse transition will be completed by 30 June 2024. Management are discussing the commercial arrangement of the costs (for the remaining 3 weeks in July) with the proposed purchaser of Avenue.
  3. No debt costs have been assumed to be capitalised.
  4. AASB16 adjustments have been estimated to 30 June, based on current lease agreements in place.
  5. The impairment write down is based on the current model estimates which are subject to audit and finalisation of the Jun-24 results.
  6. The tax impact of repatriation of cash back to Australia relating to the Avenue sale is expected to be nil.
  7. The size of the raise has been assumed at \$27.5m.
  8. A USD/AUD FX rate of 0.65 has been assumed

## Forecast Preparation

The Forecast Financial Information has been prepared based on an assessment of City Chic's existing ANZ and US business and head office functions. The Forecast Financial Information, reflects the year to date trading performance through to Apr-24 and 2 months of forecast.

## 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 elsewhere in this Key Risk Section, this may arise from, 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.

# BASIS OF PREPARATION & KEY ASSUMPTIONS – BALANCE SHEET

- City Chic prepares its financial statements in accordance with Australian Accounting Standards. The accounting policies upon which the pro-forma profit and loss statement and balance sheet has been prepared are set out in the City Chic Collective 2023 Annual Report – for the year ended 2 July 2023. A copy of this can be found at <https://www.citychiccollective.com.au/annual-reports>
- The statutory financial information has been extracted from the Statement of Financial Position as at 31 December 2023, reviewed by EY in accordance with Australian Auditing Standards. EY issued an unmodified review report. A copy of this report can be found at: <https://www.asx.com.au/markets/trade-our-cash-market/announcements.ccx>
- The pro-forma balance sheet is on slide 27 and has been prepared for illustrative purposes and reflects:
  1. The reviewed City Chic statement of financial position, as reported in the City Chic Interim Financial Reports – 31 December 2023.
  2. The impact of the equity raise, net of associated costs (The adjustment reflects the underwritten component of the Equity raise. Any additional funds raised would reflect an increase in cash and an increase in equity).
  3. The impact of the sale of Avenue.
  4. Impairment of the business sold.
  5. Impact of the debt repayment.
  6. One off items for the warehouse transition and one-off restructuring costs.

- The following key assumptions have been made:
  1. The equity raise is considered to be a 100% issuance of new equity, of which all advisor costs associated with the equity raised will be offset against equity.
  2. The Avenue sale is signed and completed, noting practically that the effective date of completion will occur subsequent to this date. No material net working capital peg adjustments are assumed to be paid on completion.
  3. The impairment write down is based on the current model estimates which are subject to audit and finalisation of the Jun-24 results.
  4. It is assumed all debt will be repaid on receipt of cash to satisfy “clean down” conditions in the debt agreement and not subsequently redrawn.
  5. The Avenue payables and provisions are currently assumed to be stranded liabilities as they are not being sold with the Avenue business. These have been retained on the balance sheet and will be settled in cash in due course.
  6. The Radial warehouse transition will be completed by 30 June 2024;
  7. Restructuring is assumed to have been implemented, with redundancy provisions paid.
- The pro-forma balance sheet is presented based on the assumption the above acquisition took place on 31 December 2023. It is not represented as being indicative of City Chic’s views on its future financial position.
- Balance sheet items are translated into Australian Dollars at the balance sheet date, with the exception of US dollar based transaction payments which will be hedged and are translated at the agreed rates being 1 AUD = 0.65 USD.

Thank you for your attendance and participation

[www.citychiccollective.com.au](http://www.citychiccollective.com.au)

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## 10 Corporate information

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### **City Chic**

City Chic Collective Limited ACN 057 569 169  
151–163 Wyndham Street  
Alexandra NSW 2015

Tel: +61 2 9059 4300

[www.citychiccollective.com.au](http://www.citychiccollective.com.au)

### **City Chic Offer Information Line & Website**

Australia: 1300 369 266

International: +61 1300 369 266

Open 8.30am to 5.30pm (Sydney time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 10 July 2024

Offer website: <https://events.miracle.com/ccx-offer>

### **Lead Manager**

Canaccord Genuity (Australia) Limited ACN 075 071 466  
Level 42, 101 Collins Street  
Melbourne VIC 3000

### **Australian Legal Adviser**

Thomson Geer  
Level 23, Rialto South Tower  
525 Collins Street  
Melbourne VIC 3000

### **Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

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28 June 2024

Dear Shareholder,

## Entitlement Offer – Notification to Ineligible Shareholders

On 21 June 2024, City Chic Collective Limited ACN 057 569 169 (“**City Chic**” or the “**Company**”) announced on ASX its intention to raise approximately \$23 million through a placement to institutional investors (**Placement**), and the Entitlement Offer comprises the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the retail component of the Entitlement Offer (**Retail Entitlement Offer**) (together, the **Capital Raising**). The Institutional Entitlement Offer and the Placement were successfully completed before trading in our Shares recommenced on Monday, 24 June 2024.

The net proceeds received from the Capital Raising will be largely applied to working capital requirements of City Chic, to restructuring costs to right size the business and to strengthen the balance sheet of City Chic via a reduction in debt.

In conjunction with City Chic's divestment of Avenue, change in US fulfilment providers, restructure of its current debt facility and other business right-sizing initiatives, the Capital Raising will assist to strengthen City Chic's balance sheet to support future growth.

### Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Placement and Institutional Entitlement Offer, being \$0.15 per New Share. The number of New Shares for which you are entitled to apply under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form. The Retail Entitlement Offer closes at **5.00pm (Sydney time) on Wednesday, 10 July 2024**.

### Why are we sending you this letter?

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue Entitlements or New Shares to you, nor an invitation for you to apply for Entitlements or New Shares. You are not required to do anything in response to this letter, but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

### Who is eligible?

“**Eligible Retail Shareholders**” are Shareholders on the Record Date (i.e. 7.00pm (Sydney time) on Tuesday, 25 June 2024) who:

- (a) have an address on the City Chic register in Australia or New Zealand;
- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (c) are not Eligible Institutional Shareholders and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

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City Chic has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

On behalf of the Company, we thank you for your continued support of City Chic.

Yours faithfully

**Michael Kay**  
**Chairman**  
**City Chic Collective Limited**

## **Further information**

For further information regarding the Retail Entitlement Offer, call the City Chic Offer Information Line on 1300 369 266 (within Australia) or +61 1300 369 266 (from outside Australia) between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period.

## **Disclaimer**

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in City Chic in any jurisdiction.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”). Accordingly, the Entitlements under the Retail Entitlement Offer may not be taken up or exercised by, and the New Shares in the Retail Entitlement Offer may not be offered or sold to any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The Lead Manager has not authorised or caused the issue of this letter or made or authorised the making of any statement that is included in this letter or any statement on which a statement in this letter is based. To the maximum extent permitted by law, the Lead Manager, and their respective related bodies corporate and affiliates and the directors, officers, employees or advisers and representatives of any of them expressly disclaim and take no responsibility for any statements in or omissions from this letter.