

city chic collective

ASX ANNOUNCEMENT

26 July 2021

Acquisition of European plus-size eCommerce retailer Navabi and Trading Update

City Chic Collective Limited (ASX: CCX) ("City Chic") is pleased to announce that on 23 July 2021¹ it signed and completed a share purchase agreement to acquire 100% of the shares in JPC United GmbH ("Navabi") for €6.0m (A\$9.6m) in cash, from the co-founders of Navabi.

In 2009 Navabi was established as an online marketplace selling hundreds of third-party women's plus-size brands. Navabi has also developed its own brands exclusively sold on the marketplace, which have grown to become the majority of sales in recent years. Navabi's loyal customer base are focused on size, fit and quality, and are based predominantly in Germany. Navabi's websites had 5.8m customer visits in 2020, generating €10.4m (A\$16.6m) in sales revenue. Along with the broader European apparel sector, Navabi was impacted by the pandemic in 2020, with traffic in prior years exceeding 10m visits. Whilst the business has traded profitably in 2021, traffic and revenue have not recovered to pre-pandemic levels.

Phil Ryan, Chief Executive Officer and Managing Director of City Chic said: "Navabi is an exciting strategic opportunity, giving us a great foothold in the €40 billion European plus-size market, which is the next key geography in driving towards our vision to lead a world of curves. Over the past decade we have followed Navabi as it has built a strong online marketplace for plus-size brands. The Navabi customer has the same emotional connection that has driven our success, and we are excited to introduce our brands to this European customer base. The acquisition is in line with our tried and tested strategy of increasing our global digital customer base and driving profitable revenue growth."

City Chic has acquired 100% of the shares in Navabi, including all assets and liabilities of the company. The company's assets include €2.1m of cash net of tax liabilities. Navabi's inventory was depleted through the pandemic and will be rebuilt to more commercial levels over the next six months. Trading and profitability is therefore expected to improve from 2022.

The acquisition will be funded from City Chic's existing cash balance, which was A\$71.5m as at 27 June 2021.

Unaudited FY21 Result and Trading Update

City Chic achieved FY21 sales revenue of \$258m (unaudited), an increase of 32.9% on FY20 and comparable sales growth of 31.6%. Underlying EBITDA² for FY21 is expected to be in the range of \$42.0-\$42.5m, representing 58-60% growth on FY20.

Trading in FY22 to date has exceeded budget, with strong US and UK performance outweighing the impact of temporary store closures due to lockdowns in Australia.

City Chic will announce the full year FY21 audited results on 26 August 2021.

¹ Completion finalised in Germany on 23 July 2021, which was after market close in Australia.

² Presented on a pre-AASB16 basis. Underlying adjustments primarily include transaction costs associated with the July-August 2020 equity raise and acquisitions. No adjustment for the non-cash long term incentive share-based expense of \$3.2m.

Additional Information

An investor presentation relating to the Navabi acquisition is attached to this announcement.

City Chic will host a teleconference for analysts and investors at 9.30am AEST today accessible via the following link:

<https://s1.c-conf.com/diamondpass/10015493-1tpyz.html>

Grant Thornton (UK) acted as financial advisor, Thomson Geer acted as Australian legal counsel, CMS acted as German legal counsel, PwC acted as tax advisor.

The release of this announcement was authorised by the Board.

About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. It is a collective of customer-led brands including City Chic, Avenue, Evans, CCX, Hips & Curves and Fox & Royal. City Chic and CCX appeal to fashion forward women and its omni-channel model comprises of a network of 89 stores across Australia and New Zealand (ANZ) and websites operating in ANZ and the US. Avenue (US-based) and Evans (UK-based) target a broad customer base across conservative and fashion segments, both with a long history and significant online customer following. Hips & Curves in the US, and Fox & Royal in ANZ and the UK are online intimates brands. The collective of brands are also available through marketplace and wholesale partners in the US, Canada, UK and Europe.

Investor Enquiries

Munraj Dhaliwal +61 (2) 9059 4343
Chief Financial Officer

Media Enquiries

Matthew Gregorowski +61 (02) 422 534 755
Maddie Seacombe +61 (02) 402 999 291
Citadel-MAGNUS



city chic collective

navabi Acquisition

26 July 2021

SUMMARY

- Acquisition of leading European plus-size retailer Navabi
- Meets strategic objective of growth in digital customer base in the global plus-size market
- Signed and completed Share Purchase Agreement for 100% of Navabi for €6.0m (A\$9.6m) cash
- Navabi is an online marketplace selling third-party women's plus-size brands, as well as its own exclusive brands. There are multiple Navabi websites across European countries including Germany, France and UK
 - Sales revenue of €10.4m (A\$16.6m) and website traffic of 5.8m visits in 2020; prior to pandemic the annual traffic exceeded 10m visits
- Platform to launch into the fourth key geography for City Chic Collective; European plus-size market of €40bn
- Trading and profitability expected to improve in 2022, following the rebuild of inventory to more commercial levels over the next six months



ACQUISITION OF NAVABI

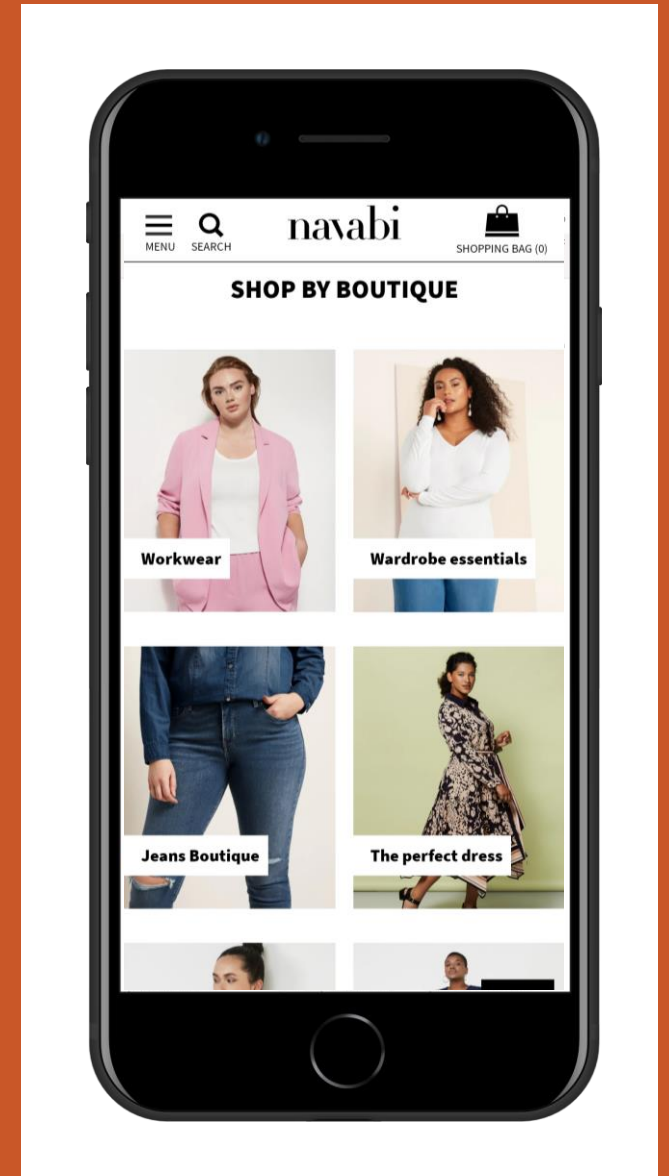
Acquisition Overview	• Acquisition of 100% of shares in JPC United GmbH, the company which solely operates the Navabi business • Share Purchase Agreement signed and completed on 23 July 2021 (in Germany) • Upfront cash consideration of €6.0m (A\$9.6m) • Company acquired from the co-founders of Navabi who established the business in 2009
Transaction Details	• CCX will acquire all assets and liabilities of the company • Assets include €2.1m of cash net of tax liabilities • Current inventory levels depleted due to the pandemic; re-build to more commercial levels over next six months • Other working capital items on a net basis are not material • Navabi team are employees of the company being acquired; will work with founders and senior management through the transition and the go-forward structure will be assessed as part of the integration with the City Chic Collective • No transitional services agreement as the entire Navabi business transfers to City Chic as part of the share sale
Funding	• Cash consideration to be funded from existing cash balance • \$71.5m cash as at 27 June 2021; \$40m finance facility undrawn

ACCELERATES STRATEGIC OPPORTUNITY

	FASHION / YOUTH	CONSERVATIVE	INTIMATES
OUR BRANDS	city chic CCX	avenue EVANS	city chic FOX&ROYAL CCX Hips & Curves avenue
AUSTRALIA & NEW ZEALAND	Greater Share of Wallet	Market Entry Opportunity	Market Share Expansion and Greater Share of Wallet
UNITED STATES OF AMERICA	Market Share Expansion / Customer Acquisition	Market Share Expansion / Customer Acquisition	Market Share Expansion and Greater Share of Wallet
UNITED KINGDOM	Market Share Expansion / Customer Acquisition	Market Share Expansion / Customer Acquisition	Market Entry Opportunity
EUROPE	Market Entry Opportunity (Currently only Wholesale)	Market Entry Opportunity (Currently only Wholesale)	Market Entry Opportunity (Currently only Wholesale)
navabi Navabi marketplace will provide a platform to introduce our brands to the €40bn European plus-size market			

NAVABI ACQUISITION HIGHLIGHTS

- Established eCommerce retailer with a strong position in the significant European plus-size market and with a loyal customer following
- Provides immediate material entry into a new market and a platform to expand further in Europe
- Aligned to existing City Chic Collective product streams
- Leverage traffic and customer base to introduce the Collective's brands on the Navabi marketplace
- Leverage Collective's global supply chain for Navabi's owned brands
- 100% online penetration
- Opportunity to improve profitability by overlaying lean, customer-centric operating model





IMPORTANT INFORMATION

This presentation has been prepared by City Chic Collective Limited (the “Company”). It contains general background information about the Company’s activities and does not purport to be complete. It should be read in conjunction with the Company’s other periodic and continuous disclosure announcements.

The Company has prepared this presentation based on information available to it, including information derived from publicly available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed.

This presentation contains forward-looking statements. Forward-looking statements can generally be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “project”, “should”, “could”, “would”, “target”, “aim”, “forecast”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar expressions, as well as indications of and guidance on future earnings and financial position and performance. Forward-looking statements are not guarantees or predictions of future performance. They are prepared in good faith and are based on the Company’s best estimates and information at the time of preparing the presentation. They are nonetheless subject to significant uncertainties and contingencies many of which are understandably beyond the Company’s control. Unanticipated events will occur, and actual future events may differ materially from current expectations for many reasons including new business opportunities, as well as many other internal and external factors. Any of these factors may materially affect the Company’s future business activities and financial results. This presentation should not be relied upon as a recommendation or forecast by the Company.

To the maximum extent permitted by law, none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.