City Chic Collective Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	City Chic Collective Limited
ABN:	43 057 569 169
Reporting period:	For the period ended 28 June 2026
Previous period:	For the period ended 29 June 2025

2. Results for announcement to the market

		%		$000
Revenues from continuing operations	down	3.09%	to	130,532
Loss for the year from continuing operations	down	25.50%	to	(6,606)
Loss from ordinary activities after tax attributable to the owners of City Chic Collective Limited	up	19.30%	to	(6,606)
Underlying EBITDA from continuing operations	up	92.50%	to	12,333

Comments
The loss for the consolidated entity after providing for income tax amounted to $6,606,000 (29 June 2025: $5,536,000).

Reconciliation of net profit after income tax from continuing operations to Underlying EBITDA (Earnings before interest, taxation, depreciation, amortisation, impairment and other adjustments) from continuing operations is provided as follows:

	Consolidated	
	2026 $'000	**2025 $'000**
Net profit / (loss) after tax from continuing operations	(6,606)	(8,872)
Interest expense	2,117	2,212
Income tax expense / (benefit)	2,125	(2,921)
Depreciation, amortisation and impairment expense	14,469	14,821
Restructuring	228	338
Northern hemisphere warehouse relocation	-	477
Transaction costs	-	160
Other	-	192
Underlying EBITDA from continuing operations	12,333	6,407

Refer to 'Operating and financial review' in the Director's Report for detailed commentary in relation to the results for the reporting period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.2	4.4

Net tangible assets include right-of-use assets and lease liability.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared with respect to the current financial period.

Previous period
There were no dividends paid, recommended or declared with respect to the previous corresponding financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of City Chic Collective Limited for the period ended 28 June 2026 is attached.

12. Signed

Phil Ryan
Chief Executive Officer and Managing Director

21 August 2026
Sydney

City Chic Collective Limited

ABN 43 057 569 169

Annual Report - 28 June 2026

City Chic Collective Limited
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City Chic Collective Limited
Directors' report
28 June 2026

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group', 'consolidated entity' or 'City Chic') consisting of City Chic Collective Limited (referred to hereafter as the 'Company', 'parent entity' or 'CCX') and the entities it controlled at the end of, or during, the 52-week period ended 28 June 2026.

Directors
The following persons were directors of City Chic Collective Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Michael Kay
Neil Thompson
Natalie McLean
Phil Ryan
Megan Quinn (retired 28 August 2025)

Principal activities
City Chic is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. At financial year-end, its omni-channel model comprises of a network of 75 stores across Australia and New Zealand (ANZ) and websites operating in ANZ and the USA, as well as marketplace and wholesale partnerships in both regions.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial period.

Operating and financial review
Group revenue was $130.5 million, representing a decline of 3.1% compared from FY25, but an increase of 1.8% excluding the closed Wholesale business. Revenue performance was driven by ANZ, which delivered year-on-year growth of 7.6%, partially offset by a 42.2% reduction in the USA (28.1% excluding the closed Wholesale business). The decline in USA revenue reflects the Group's deliberate decision to moderate inventory purchases during the period in response to tariff-related uncertainty. With purchasing activity now normalised, customer reaction to the Summer range has been encouraging, underpinning improving sales trends as the business enters FY27.

Gross margin increased to 59.9% (FY25: 58.8%), supported by a more favourable product mix and lower promotional intensity. Margin improvement was driven by continued enhancements in product quality, disciplined inventory management and strong cost control. Investments in product design, quality and fit have strengthened the customer proposition and contributed to increased customer engagement and growth in active customers.

Cost of doing business decreased by approximately $8.0 million or 10.7% compared with FY25. This was primarily driven by efficiencies in labour, marketing and operational expenditure which included the annualization of the prior year costs savings alongside new cost out initiatives. It also benefited from the long term incentive plan releases. These savings were partly offset by underlying rent and wages cost increases, impacted by inflationary pressure.

The loss for the consolidated entity after providing for income tax was $6.6 million (29 June 2025: loss of $5.5 million). It is noted that the prior year group results benefited from a $4.2 million FX benefit in the discontinued operations from the unwinding of the Foreign Currency Translation Reserve (FCTR) upon disposal of the Avenue business.

The operating result reflects continued progress in the Group's strategy to elevate its product offering, simplify operations and build a more profitable and sustainable business model.

Inventory remained well controlled throughout the year and closed at $24.1 million, consistent with expectations. The Group enters FY27 with a clean inventory position and a relevant product assortment to support future trading.

The Group finished the financial year with cash of $5.2 million and no amounts drawn under its $10.0 million debt facility. The facility remains in place until 31 March 2028, demonstrating the ongoing support of the Group's banking partner. The first clean-down requirement for FY27 was successfully completed in July 2026.

Outlook

The Group enters FY27 from a position of greater financial strength and operational discipline. Building on the progress achieved over the past two years, management remains focused on delivering profitable sales growth, improving customer engagement and further strengthening the City Chic brand across its core markets.

In ANZ, the business will continue to focus on product innovation, customer acquisition and retention initiatives, and disciplined inventory management. Early trading in FY27 has been encouraging, and the Group remains focused on driving sustainable sales growth while maintaining margin discipline.

In the USA, City Chic has remained profitable despite a more volatile trading environment and the impact of tariff-related disruption. As inventory levels normalise and market conditions improve, the Group expects to continue strengthening its position and grow sales from the more streamlined operating model now in place.

While the major cost transformation program has largely been completed, management continues to actively review all areas of expenditure to ensure costs remain aligned with business performance and strategic priorities. The Group expects ongoing productivity initiatives and operational efficiencies to largely offset inflationary pressures in FY27.

The Board remains confident that the foundations established over the past two years have positioned the business well for future growth. With a stronger balance sheet, improved profitability and a clear strategic focus, City Chic enters FY27 better placed to deliver sustainable value for shareholders.

Material business risks

The Group operates in an environment of change and uncertainty. There are a range of factors, both specific to the Group and general in nature which may impact the operating and financial performance of the Group. The impact of these risks is regularly reviewed for their possible impact.

Changes to macroeconomic conditions and Consumer discretionary spending
The Group has a significant exposure to the economy of the countries in which it operates. There are a number of general economic conditions, including interest and exchange rate movements, CPI inflation, geopolitical tensions, overall levels of demand, economic and political instability and government fiscal, trade, monetary and regulatory policies, that can impact the level of consumer confidence and discretionary retail spending. These conditions may adversely affect revenue, cash flows and liquidity, limiting the Group's ability to maximise opportunities or maintaining operations. Management is actively monitoring and managing the associated risks with daily monitoring of key metrics and adjusting areas of operation based on both internal and external sources of information that provide insights into any changes in demand within the economies in which it operates.

Competition
The Group operates in a retail environment and financial performance is sensitive to the current state of, and future changes in, the retail environment in the countries in which it operates. The retail fashion market also continues to consolidate and feel the effects of globalisation. City Chic will continue to offer customers fit, quality and value for money and maintain a high online penetration and a nimble and fast supply chain that adapts to changes within customer buying patterns and needs. This includes responding to customers evolving needs flowing from the increasing use of GLP -1 medications.

Environmental changes
The Group is exposed to risks arising from environmental changes, including climate change, scarcity of natural resources and the continuing global development of legislation and regulations in this area. Many of these risks are greatest in the Group's supply chain activities and these activities and the related risks are largely managed through the principles laid out in our corporate social responsibility disclosures. The Group manages environmental risks, such as droughts and floods, along with the threat of raw material scarcities by broadening its raw material sourcing. The Group has dedicated resources to ensure continued compliance across all regulatory requirements in the markets operated in by the Group.

Ethical sourcing and modern slavery
The Group is exposed to reputational and regulatory risk with regards to ethical sourcing and modern slavery. City Chic is committed to sourcing product in a recognised, responsible, and transparent supply chain, including taking steps in line with the UN Guiding Principles on Business and Human Rights, to try and ensure its supply chain does not source directly or indirectly from known regions that openly engage in the use of forced labour. The Group continues to enhance and strengthen its ethical trade program with a focus on building a more transparent supply chain and tightening its tracing of high-risk products, regions or raw materials to manage risks in relation to modern slavery and to ensure continued compliance across all regulatory requirements in the markets operated in by the Group.

Inventory Levels
A failure to maintain appropriate inventory levels may adversely affect the Group's operating and financial performance. The Company seeks to manage this risk through regular monitoring of inventory quality and targeted stock levels.

Business transformation risks
The Company has been in a period of business transformation, including operational restructures, cost optimisation initiatives, and strategic shifts aimed at driving long-term performance. These changes inherently carry risk, including the potential for disruption to day-to-day operations, reduced employee engagement, loss of key talent, or adverse impacts on customer experience. Cost-cutting programs, while essential to improve efficiency, may also result in unintended consequences such as underinvestment in critical capabilities or support functions. While most of this activity is now complete, management continues to monitor these risks and has implemented governance structures, clear communication plans, and phased implementation approaches to help ensure changes are executed effectively while preserving the integrity and stability of the business.

Exchange rates and duties
The Group relies significantly on imported products (directly sourced or via local or overseas wholesalers) and as a result the cost of the product may be subject to movements in the exchange rate of the Australian dollar. The Group also has significant operations in the USA which provide a natural hedge against currency movements on purchases. Any additional risk in exchange rate movement is monitored and can be mitigated through the use of forward hedging. However, it is noted that no hedges have been put in place in FY26.

The Group is also exposed to changes in international trade policies, tariffs and customs duties, particularly those affecting trade between the USA and China. While the level of volatility and uncertainty surrounding these measures has moderated compared to prior periods, changes to tariff regimes or broader trade policy settings could increase landed product costs, influence sourcing decisions and impact consumer demand. The Group continues to closely monitor developments in global trade and maintains mitigation strategies, including potential sourcing diversification, supplier negotiations, inventory planning and pricing actions, to reduce the potential financial and operational impacts of adverse policy changes.

Workplace Health and Safety (WHS)
The Group has 581 employees as well as the customers who visit physical stores across ANZ. The Group has a high focus on WHS with regular WHS Committee meetings, investment in training and development of its employees being a high priority.

Technology Availability & Cybersecurity
The Group operates in an increasingly complex environment in regard to reliance on technology and the increasing threat to cyber security. This increasing reliance and the changing regulatory landscape mean that the related risk of any disruptions to systems, networks and data also continues to grow. Any events or cyber security breaches could cause significant business and reputational damage, adverse regulatory action (including legal proceedings) and financial impacts on the business.

Whilst it is not possible to reduce the cyber security risk to zero, Management is actively working to materially reduce these risks by increasing our investment in our cyber control environment, following the Australian Cyber Security Centre's “Essential Eight” and the NIST Cybersecurity Framework. Cyber security is overseen by our Board, Audit and Risk Committee and Group Executives. External cyber security consultants are used to test and validate cyber security procedures that have been implemented.

Litigation Risk
City Chic remains in dispute with iCare (the NSW Workers Compensation insurer) regarding the basis and calculation of historical (pre 2018) insurance premiums. The matter is ongoing and management continues to seek a commercial resolution of the dispute.

Significant changes in the state of affairs

No significant changes.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 28 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Certain likely developments in the operations of the consolidated entity and the expected results of operations in financial years subsequent to the period ended 28 June 2026 are referred to in the preceding operating and financial review and outlook.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Michael Kay	
Title:	Chairman and non-executive director
Qualifications:	B.LLB
Experience and expertise:	Michael Kay joined the City Chic Collective Limited Board on 1 October 2018 as an independent non-executive director and was subsequently appointed Chairman on 9 November 2018. Mr. Kay has significant listed company experience including as non-executive director and Chairman of Omni Bridgeway Ltd (ASX:OBL) (formerly IMF Betham Limited) (ASX: IMF) and Lovisa Holdings Limited (ASX:LOV). Mr Kay is a non-executive director of Guild Group Holdings Limited and non- executive director and Chairman of Guild Insurance Limited and Meridian Lawyers. A qualified lawyer, Mr. Kay also brings a broad range of commercial experience to the Board. Mr. Kay was Chief Executive Officer and Managing Director of McMillan Shakespeare Limited (ASX: MMS) for six years and previously held a number of senior executive roles at AAMI including Chief Executive Officer. He also spent 12 years in private legal practice specialising in commercial law.
Other current directorships:	Mr Kay does not hold any other listed company directorships.
Former directorships (last 3 years):	In the last 3 years, Mr. Kay was Chairman of Omni Bridgeway Ltd (ASX: OBL) (formerly IMF Betham Limited) (ASX: IMF) before his retirement on 19 November 2024.
Special responsibilities:	Chairman of the Board; Member of the Audit and Risk Committee (ARC); Member of the People, Culture and Remuneration Committee (PCRC)
Interests in shares:	3,000,000 ordinary shares
Interests in options:	None
Interests in rights:	None

Neil Thompson	
Title:	Non-executive director
Qualifications:	B.Ec
Experience and expertise:	Neil Thompson joined the City Chic Collective Limited Board on 5 August 2021 as an independent, non-executive director. Mr. Thompson has over thirty years of financial, operational and strategic experience from a broad range of roles and industries with global reach, including freight and logistics, industrial products and software sectors. On 21 July 2026, Mr. Thompson was appointed Acting Chief Financial Officer of Beamtree Holdings Limited (ASX:BMT) a global AI health technology company. In February 2026, Mr Thompson also re-joined Potentia Capital as a Finance Operating Partner. Mr Thompson had previously held this role up to January 2024 before taking up the role of Chief Financial Officer at Education Horizons, a leading provider of education software, to facilitate the sale of that business. This sale was successfully completed in June 2025. Mr Thompson was previously the Chief Financial Officer of Ascender HCM (a payroll software and services company). He is a director of the Australian World Orchestra.
Other current directorships:	Mr. Thompson does not hold any other listed company directorships.
Former directorships (last 3 years):	Mr. Thompson has not held any other listed company directorships in the last three years.
Special responsibilities:	Chair of the ARC; Member of the PCRC
Interests in shares:	523,529 ordinary shares
Interests in options:	None
Interests in rights:	None

Natalie McLean	
Title:	Non-executive director
Qualifications:	B.Bus, GAICD
Experience and expertise:	Natalie McLean joined the City Chic Collective Limited Board on 5 August 2021 as an independent, non-executive director. Mrs. McLean has over 30 years of retail experience having worked in senior positions domestically in Australia and internationally with companies including Giordano, Rip Curl and the Cotton On Group. Mrs. McLean has extensive experience across operations, product, marketing and commercial areas of the retail sector including partnership strategies and geographic growth. Mrs. McLean is currently the CEO of the emerging brands at the Cotton On Group and a member of the Cotton On Foundation.
Other current directorships:	Mrs. McLean does not hold any other listed company directorships.
Former directorships (last 3 years):	Mrs. McLean has not held any other listed company directorships in the last three years.
Special responsibilities:	Chair of the PCRC; Member of the ARC
Interests in shares:	114,773 ordinary shares
Interests in options:	None
Interests in rights:	None

Phil Ryan	
Title:	Chief Executive Officer and Managing Director
Qualifications:	MBA, B.Bus
Experience and expertise:	Phil Ryan is the original Brand Director of City Chic. In 2006, Mr. Ryan led a team of six people that created the brand. He is responsible for the strategic direction and operational leadership that has seen City Chic take a market leading position in the global plus size industry. Under Mr. Ryan's leadership City Chic now has 75 stores in Australia and New Zealand. Online sales represent ~51% of total sales globally and in the US, City Chic trades exclusively in a digital capacity. Mr. Ryan has driven successful partnerships with Nordstrom and Macy's in the USA. Mr. Ryan is a global authority in the plus size consumer. He has over 30 years' experience in senior and strategic retail apparel management. Mr. Ryan's family had a fashion manufacturing, wholesale and retail business called Ambition in the 1980's and 1990's and from this he knows all areas of a rag trade business; from the cutting table to the retail shop floor.
Other current directorships:	Mr. Ryan does not hold any other listed company directorships.
Former directorships (last 3 years):	Mr. Ryan has not held any other listed company directorships in the last three years.
Special responsibilities:	Chief Executive Officer; Managing Director
Interests in shares:	778,612 ordinary shares
Interests in options:	None
Interests in rights:	4,362,618 performance rights over ordinary shares

Megan Quinn	**(resigned 28 August 2025)**
Title:	Non-executive director
Qualifications:	GAICD
Experience and expertise:	Megan Quinn joined the City Chic Collective Limited Board in October 2012 as an independent non-executive director and retired on 28 August 2025. She has more than 30 years' international experience as a senior executive, advisor, and Non-Executive Director across a broad range of industries including financial and professional services, retail, luxury, healthcare, consumer and digital. Ms. Quinn is recognised as an entrepreneur and global brand expert for her game-changing role as a co-founder of NET-A-PORTER. She brings exceptional customer, governance, strategic, marketing, operational and business skills, with particular strength in people experience, digital transformation, disruption, innovation, service and risk. In addition to her ASX directorship roles listed below, Ms. Quinn is also a Non-Executive Director of The VCA Foundation and a private equity board with Colinton Capital Partners.
Other current directorships:	Ms. Quinn is a non-executive director at The Lottery Corporation (ASX: TLC) (since June 2022).
Former directorships (last 3 years):	Reece Limited (ASX: REH) and InvoCare Limited (ASX: IVC)
Special responsibilities:	Chair of the PCRC; Member of the ARC
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Jacquie Shanahan, General Counsel and Company Secretary, joined the Group in July 2023. Ms. Shanahan brings many years of company secretarial, corporate governance and commercial law experience to the Group. She has held a variety of company secretarial and legal roles including with APRA regulated RGA Reinsurance Company of Australia and ASX listed companies, Roc Oil Company Limited and Isentia Group Limited. In addition to these roles, Ms. Shanahan has been involved in the regulation of corporate governance reporting at the ASX and was a senior associate in the corporate commercial practice at Corrs Chambers Westgarth. Ms. Shanahan holds Bachelor of Arts and Bachelor of Laws from the University of Queensland and is a member of the Law Society of New South Wales and the Australian Institute of Company Directors.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the period ended 28 June 2026, and the number of meetings attended by each director were:

	Full Board		PCRC		ARC	
	Attended	Held	Attended	Held	Attended	Held
Michael Kay	13	13	2	2	5	5
Neil Thompson	13	13	2	2	5	5
Natalie McLean	13	13	2	2	5	5
Phil Ryan*	13	13	-	-	-	-
Megan Quinn (retired 28 Aug 25)	2	2	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

*Phil Ryan is not a member of either the PCRC or ARC but was invited to attend these meetings and his attendance was noted in the minutes.

Retirement, election and continuation in office of directors

At the 2025 Annual General Meeting ("AGM") held on 13 November 2025, 70.38% of the votes received supported the re-election of director Michael Kay as part of the Company's constitution that specifies all directors must stand for re-election at least every three years.

Megan Quinn, who had been on the board since 2012, retired as a Non-Executive Director with effect on 28 August 2025.

Remuneration report (audited)

The remuneration report, which has been audited as required by section 308(3C) of the *Corporations Act 2001*, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

The remuneration report is set out under the following main headings:

(a) Introduction
(b) Remuneration strategy and policy
(c) Remuneration framework
(d) Remuneration outcomes for key management personnel
(e) Service agreements
(f) Disclosures relating to share options and performance rights
(g) Additional disclosures relating to key management personnel

a. Introduction

This report outlines the remuneration strategy, framework, and other conditions of employment for key management personnel and details the role and accountabilities of the Board and relevant Committees that support the Board on these matters. Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Key management personnel of the consolidated entity were also the key management personnel of City Chic Collective Limited (the parent entity) for the years ended 28 June 2026 and 29 June 2025. The key management personnel consisted of the following directors and senior executives of City Chic Collective Limited:

Name	Role
Non-executive directors:	
Michael Kay	Chairman and non-executive director
Neil Thompson	Non-executive director
Natalie McLean	Non-executive director
Megan Quinn	Non-executive director (retired 28 August 2025)
Executive directors:	
Phil Ryan	Chief Executive Officer and Managing Director
Other key management personnel:	
James Plummer	Chief Financial Officer

b. Remuneration strategy and policy

The People, Culture and Remuneration Committee (referred to hereafter as the "PCRC" or the 'Committee') is responsible for assisting and advising the Board in relation to remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract and retain talented and motivated executives who can enhance the Group's performance through their contributions and leadership.

Use of remuneration consultants
The Board and / or the PCRC may, from time to time, appoint and engage independent advisors directly in relation to remuneration matters. During the reporting period, no remuneration consultants as defined by the Corporations Act 2001 (Cth) were engaged by the Group.

Principles used to determine the nature and amount of remuneration
The objectives of the Group's executive remuneration framework are as follows:
- competitiveness and sustainability;
- acceptability to the Group's strategic and business objectives and the creation of shareholder value;
- performance linkage/alignment of executive compensation;
- transparency and acceptability to shareholders.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- including economic profit as a core component of plan design and the successful execution of strategic or operational initiatives; and
- attracting and retaining high calibre executives.

Alignment to program participants' interests:
- rewards capability and experience;
- reflects competitive reward for profitable growth and the achievement of key business objectives which drive value creation over the medium term; and
- provides a clear structure for earning rewards.

Remuneration policies are developed to provide market competitive remuneration arrangements that support the attraction, engagement and retention of talented team members, and that are aligned with company's interests.

c. Remuneration framework

In accordance with best practice corporate governance, the structures of non-executive directors and executive remuneration are separate.

(i) Non-executive directors' remuneration
Non-executive directors receive fees and do not receive share-based payments or other incentives. The Chairman's fees are determined independently to the fees of other non-executive directors and are based on comparable roles in the external market. The Chairman does not participate in any discussions relating to determination of his own remuneration. The PCRC review non-executive directors' fees and payments annually. The PCRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the maximum aggregate non-executive directors' remuneration be determined by a general meeting. The most recent determination was at the AGM held on 21 November 2019, where the shareholders approved a maximum annual aggregate remuneration of $1,000,000. The PCRC has reviewed the fee and deemed the maximum annual aggregate remuneration is still appropriate.

In recognition of the Group's performance over past periods, the non-executive chairman and the non-executive directors agreed to two reductions in directors' base fees. An initial reduction of 17% and then a further 20% in FY24. This reduction in the non-executive chairman and non-executive directors' fees remained in place throughout FY26 and is reflected in the following table:

Remuneration (per annum, exclusive of superannuation)

Role	From 23 November 2023 (all FY26)	27 February 2023 to 23 November 2023	FY22 up to 27 February 2023
	$	$	$
Base fee for Non-Executive Chairman	160,000	200,000	240,000
Base fee for Non-Executive Director	80,000	100,000	120,000
Additional fee for Chair of the ARC	20,000	20,000	20,000
Additional fee for Chair of the PCRC	10,000	10,000	10,000

(ii) Executive directors and other key management personnel
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration that has both fixed and variable components, as well as a blend of short and long-term incentives. Executive remuneration comprises base pay and benefits, short-term incentives, long-term incentives, and superannuation contributions.

Fixed Remuneration

Executives receive a base pay and benefits which reflect their roles, experience and level of responsibility. This is reviewed annually to ensure the executive's pay is competitive with the market. Other benefits include car and travel allowances.

Short-term Incentives

The PCRC reviews the short-term incentives (STI) for executives and employees annually. If the PCRC determines that STI should be made available for executives and/or employees, the cash incentives ('bonuses') are payable should the Group achieve pre-determined targets following finalisation and announcement of the full year audited results. Using value creation targets ensures variable awards are only available when value has been created for shareholders and when profit is consistent with the business plan.

The PCRC considers the appropriate targets and KPIs to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

As a result of the Group's performance, no amount is payable to the key management personnel as STI in FY26.

Long-term Incentives

The Group's long-term incentives ('LTI') rewards executives for high performance and ongoing commitment over a three to five-year horizon and recognises the important role executives play in delivering the long-term growth of the Group.

In recent years, the Company has utilised a range of equity incentive plans to deliver the long term, variable component of remuneration to senior executives – namely the Company's long term incentive plan (**LTIP**) and loan funded share plan **(LFSP**).

At the 2019 AGM, shareholders approved a grant of loan funded shares under the LFSP (**2019 LF Shares**) to CEO and Managing Director, Mr Philip Ryan as part of his remuneration arrangements following his appointment as CEO and Managing Director. At the 2023 AGM, shareholders approved a grant of FY24 Performance Rights to Mr Ryan under the LTIP (**FY24 Performance Rights**). Following shareholder approvals of Mr Ryan's grant, relevant senior executives were invited to participate in the grant of 2019 LF Shares under the LFSP and the FY24 Performance Rights under the LTIP.

The performance hurdles associated with the 2019 LF Shares and the FY24 Performance Rights are set out in the tables below. In the tables below the 2019 LF Shares are referred to as Tranche 3 and the FY24 Performance Rights as Tranche 5A and 5B.

As outlined in the notice of meeting for the 2025 Annual General Meeting, following a review of the Company’s performance over the period since the grant of the 2019 LF Shares and the FY24 Performance Rights, the Board, on the recommendation of management, formed the view that it was not in the Company or Shareholder interests that the 2019 LF Shares and the FY24 Performance Rights remain on foot in circumstances where it was unlikely:

- that the market value of the 2019 LF Shares would reach the 2019 LF Shares value within the required time frame; and/or
- the vesting conditions of the FY24 Performance Rights would be satisfied.

To address this issue, the Board resolved to exercise its discretion and do what was required to buy back the LF Shares and cancel the FY24 Performance Rights both in relation to Mr Ryan and all other participants.

Mr Ryan and other participants in the LF Share plan and the FY24 Performance Rights Plan were engaged in the consideration of these proposals and the making of the recommendations to the Board regarding these securities.

The buy back and cancellation of the 2019 LF Shares and FY24 Performance Rights on issue was completed on 3 November 2025. For the purposes of ASX Listing Rule 6.23, the buyback of the 2019 LF Shares and the cancellation of the FY24 Performance Rights was for no consideration.

In the context of the buyback and cancellation of the historic long incentives, shareholder approval was sought and given at the 2025 Annual General Meeting for the grant of FY26 Performance Rights under the Equity Incentive Plan (**FY26 Performance Rights**) to Mr Ryan, with an EBITDA performance condition measured over a three-year period (Vesting Conditions). Following shareholder approval of Mr Ryan's grant, relevant senior executives were invited to participate in the grant of FY26 Performance Rights under the Equity Incentive Plan.

The Board’s view is that EBITDA Margin is one of the most accurate ways to measure this rebuild and ensure management are all working towards the one goal. The grant of FY26 Performance Rights together with the Vesting Conditions create an alignment between senior executives and Shareholders and are an appropriate incentive to encourage focus on creating value, enhancing profitability, and driving an increase in the share price over the longer term. The performance hurdles associated with the FY26 Performance Rights are set out in the table below and are referred to as FY26 Tranche.

No employee share rights similar to the FY25 Share Rights were offered or granted in FY26.

Voting on the Remuneration Report at the 2025 Annual General Meeting (AGM)

At the 2025 AGM, the Group received a vote of 67.12% in favour of the resolution to adopt the remuneration report for the year-ended 28 June 2025 and a vote of 32.88% against the resolution.

As more than 25% of the votes were cast against the resolution, this constitutes a first strike for the purposes of the Corporations Act. In response to this, Directors sought feedback from shareholders to understand key concerns. Shareholders generally indicated that their concerns were largely unrelated to remuneration but reflected broader frustrations with the Group's performance. As detailed in the Operating and Financial Review and the Significant Changes in the State of Affairs, the Group has undertaken several key initiatives in FY26 and into FY27 that it believes will address these concerns.

These key strategic initiatives include:

- Customer: Continuing to amplify the focus on the City Chic customer, strengthening emotional connections with the brand through targeted marketing investment and improved customer engagement. These initiatives have contributed to increased average selling prices, improved customer retention and stronger profitability.
- Product: Revitalising and evolving the product assortment, with a particular focus on fit, quality and value. This has enhanced the customer proposition and supported an improvement in gross margin.
- Simplification: Simplifying the business and driving operational efficiencies across the Group. These actions have resulted in a material reduction in the cost of doing business and improved the overall efficiency of the operating model.

The Board also notes in relation to the FY26 remuneration: non-executive directors fees remain discounted by 20% (since FY24); The CEO's fixed remuneration remains discounted by 16.7% (since FY24) and no short-term incentive was awarded to the CEO or any senior executive in the Group in FY25 or FY26.

Long term incentive plans

The Group's long-term incentive plans are equity based and comprise share or performance rights issued under the LTIP and loan funded shares issued under the LFSP. Share or Performance Rights and Loan Funded Shares on issue during the current year were:

Tranche	Grant date	Performance period end date	Fair value	Opening balance 30 June 2025	Granted	Vested	Expired/ forfeited/ other	Closing balance 28 June 2026
5A	22/11/2023	30/06/2027	$0.340	2,340,000	-	-	(2,340,000)	-
5B	19/02/2024	30/06/2026	$0.550	3,209,827	-	-	(3,209,827)	-
6	24/03/2025	30/11/2025	$0.100	1,080,000	-	(1,040,000)	(40,000)	-
FY26	13/11/2025	02/07/2028	$0.090	-	12,875,109	-	-	12,875,109
Total share / performance rights				**6,629,827**	**12,875,109**	**(1,040,000)**	**(5,589,827)**	**12,875,109**
3	21/11/2019	30/06/2024	$0.739	3,704,975	-	-	(3,704,975)	-
3	03/03/2020	30/06/2024	$0.731	667,464	-	-	(667,464)	-
3	16/09/2020	30/06/2024	$0.970	474,576	-	-	(474,576)	-
Total loan funded shares				**4,847,015**	**-**	**-**	**(4,847,015)**	**-**

LTIP Tranches

Vesting conditions of the LTIP tranches are set out below.

Tranche 5A and 5B (FY24 Performance Rights)

Vesting Condition 1	The sole Performance Condition requires the Company to achieve at least the threshold Earnings before Interest Tax Depreciation and Amortisation (EBITDA) Margin on the expiration of the three-year performance period commencing 3 July 2023 and ending on 28 June 2026
Vesting Condition 2	5A: Continued service up to and including 30 June 2027 5B: Continued service up to and including 30 June 2026

Weighting	EBITDA Margin	Percentage of FY24 Performance Rights that will satisfy the Performance Condition
100%	10% (threshold)	30%
	Between threshold and stretch	Straight line pro rata basis between threshold and stretch.
	15% (stretch)	100%

During the reporting period, management reassessed the likelihood of the performance hurdles of the Tranche 5 (FY24) Performance Rights being achieved, in accordance with AASB 2 Share-based Payment. Based on the Company's latest financial forecasts and expected performance against the relevant non-market vesting conditions, management determined that it was no longer probable that these vesting conditions would be satisfied. Accordingly, the Company revised its estimate of awards expected to vest to nil and reversed the cumulative share-based payment expense previously recognised, with the resulting credit recognised in profit or loss for the period.

Subsequent to this assessment and as part of the 2025 Annual General Meeting process, management and the Board resolved to cancel the FY24 Performance Rights in and to reset the Company's long-term incentive framework and commence a new 3-year-program for FY26.

Tranche 6 (FY25 Share Rights Plan)

Vesting Condition 1 — Continued service up to the 2025 AGM. There were no performance conditions.

Upon vesting, the Tranche 6 (FY25) Share Rights were settled in cash in December 2025. No shares were issued.

Tranche 3 (Loan Funded Shares)

- Loan Funded ("LF") shares are issued at the Company's share price on the ASX at the time of issue.
- The Company advances money to pay for the subscription price of the LF Shares (Loan).
- The Loan has an interest payable of 1.9% and is repayable on the earlier of cessation of employment (6 or 12 month grace periods may be applied) or 7 years from the agreement by the Board to issue LF Shares under the Plan (Vesting Period is 5 years to 30 June 2024).
- The Company's recourse in the event it seeks to recover the Loan is limited to the LF Shares. Where a Participant does not repay the Loan by the repayment date, the Participant is deemed to have agreed to sell to the Company pursuant to an employee share scheme buy-back, that number of LF shares required to repay the Loan to the Company.
- The Company will apply the after-tax amount of any dividends payable in respect of a Participant's LF Shares towards repayment of the outstanding balance of the Loan.
- The LF Shares offered are subject to Vesting Conditions, which if not met, the unvested LF Shares will be forfeited and bought back by the Company at the issue price and the Loan will be deemed repaid.
- The Loan expires 10 years after grant date (Loan Expiry) entitling Participants to exercise their entitlement any time up to expiry
- Unless otherwise forfeited (i.e. Participant resignation), the "vested" LF Shares remain in place until Loan Expiry

Vesting Condition 1	Continued service to 30 June 2024.
Vesting Condition 2	Compound annual growth rate (CAGR) in the Group's earnings per share after tax (ADEPS) prescribed by the Board over the 3 year period commencing on 1 July 2019, in which case (subject to satisfaction of Vesting Period Condition) the LF Shares held will vest in accordance with the following vesting scale:

ADEPS 3-year CAGR from 1 July 2019	Proportion of Tranche 3 LF shares that will satisfy Vesting Condition 2
12.5%	25%
20%	100%
12.5% < ADEPS CAGR < 20.0%	Straight-line pro rata vesting between 25% and 100% (inclusive)

In the reporting period, the probability of the 2019 LF Shares, on issue under the LFSP, being exercised by the two remaining employees was reassessed. Given the large variance between the exercise price and current market share price, it was determined that it was highly unlikely that the market value would reach the 2019 LF Shares value within the required time frame.
Based on this assessment and as part of the 2025 Annual General Meeting process, management and the Board resolved to cancel the loans and performed a buy-back and cancellation of all loan funded shares on issue under the LFSP for no consideration and with no impact to the P&L.

FY26 Tranche (FY26 Performance Rights)

Vesting Condition 1	The sole Performance Condition requires the Company to achieve at least the threshold Earnings before Interest Tax Depreciation and Amortisation (EBITDA) Margin (post AASB16) on the expiration of the three-year performance period commencing 30 June 2025 and ending on 2 July 2028.
Vesting Condition 2	Continued service to 30 June 2028

Weighting	EBITDA Margin	Percentage of FY26 Performance Rights that will satisfy the Performance Condition
	10% (threshold)	30%
100%	Between threshold and stretch	Straight line pro rata basis between threshold and stretch.
	18% (stretch)	100%

d. Remuneration outcomes for key management personnel
Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2026	Cash salary & fees $	Termination Benefits $	Total short-term $	Post employment Super-annuation $	Other leave benefits (A) $	Share-based payments (B) $	Total $
Non-executive directors:							
Michael Kay	160,000	-	160,000	19,200	-	-	179,200
Neil Thompson	100,000	-	100,000	12,000	-	-	112,000
Natalie McLean	88,522	-	88,522	10,623	-	-	99,145
Megan Quinn (retired 28 August 2025)	15,231	-	15,231	1,828	-	-	17,059
Executive directors:							
Phil Ryan*	810,000	-	810,000	30,000	(12,967)	(189,903)	637,130
Other key management personnel:							
James Plummer	328,557	-	328,557	30,000	14,180	31,015	403,752
	1,502,310	-	1,502,310	103,651	1,213	(158,888)	1,448,286

A) In accordance with AASB 119 *Employee Benefits*, accrued annual leave and long service leave is classified as other long-term employee benefit.

(B) The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award multiplied by probability of vesting. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

* The negative share-based payment amount reflects the reversal of prior periods LTI expense following the cancellation of performance rights in the period.

2025	Cash salary & fees $	Termination Benefits $	Total short-term $	Post employment Super-annuation $	Other leave benefits (A) $	Share-based payments (B) $	Total $
Non-executive directors:							
Michael Kay	160,000	-	160,000	18,400	-	-	178,400
Megan Quinn	90,000	-	90,000	10,350	-	-	100,350
Natalie McLean	80,000	-	80,000	9,200	-	-	89,200
Neil Thompson	100,000	-	100,000	11,500	-	-	111,500
Executive directors:							
Phil Ryan	810,000	-	810,000	32,923	-	181,360	1,024,283
Other key management personnel:							
James Plummer*	208,290	-	208,290	19,286	-	24,070	251,646
Peter McClelland*	152,317	180,833	333,150	14,966	35,471	9,246	392,833
	1,600,607	180,833	1,781,440	116,625	35,471	214,676	2,148,212

* James Plummer was appointed CFO effective 18 October 2024 and Peter McClelland's resignation was effective the same date. Their remuneration is reported for the period they fulfilled these roles.

A) In accordance with AASB 119 Employee Benefits, accrued annual leave and long service leave is classified as other long-term employee benefit.

(B) The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award multiplied by probability of vesting. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The proportion of remuneration linked to performance and the fixed proportion assuming full STI is received and that the LTI fully vests are as follows:

Name	Fixed remuneration 2026	Fixed remuneration 2025	At risk - STI 2026	At risk - STI 2025	At risk - LTI 2026	At risk - LTI 2025	Cash bonus forfeited** 2026	Cash bonus forfeited** 2025
Executive director								
Phil Ryan	74%	71%	14%	14%	12%	15%	162,000	168,585
Other key management personnel								
James Plummer*	79%	78%	14%	14%	7%	8%	66,000	47,458
Peter McClelland*	-	60%	-	11%	-	29%	-	30,463

** There was no cash bonus paid or payable during the current and previous period.

e. Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Phil Ryan**
Title:	Chief Executive Officer and Managing Director
Term of agreement:	None
Details:	• Notice period of 6 months • Remuneration review at board discretion • Eligible for short-term incentives • Eligible for long-term incentives • No severance period • No termination benefits (except for statutory entitlements) • No other benefits

Name:	**James Plummer**
Title:	Chief Financial Officer
Term of agreement:	None
Details:	• Notice period of 6 months • Remuneration review period every 12 months • Eligible for short-term incentives • Eligible for long-term incentives • No severance period • No termination benefits (except for statutory entitlements) • No other benefits

All non-executive directors stand for re-election at least every 3 years and have no notice period, no annual remuneration review, no eligibility for short-term incentives, no eligibility for long-term incentives, no severance period, no termination benefits and no other benefits.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

f. Disclosures relating to share options and performance rights

Issue of share options and performance rights
There were no options issued to key management personnel as part of compensation during the period ended 28 June 2026 (29 June 2025: nil).

There were 6,139,981 performance rights issued to key management personnel (CEO and CFO) as part of compensation during the period ended 28 June 2026 (29 June 2025: 10,000 performance rights issued to CFO).

There were no loan funded shares issued to key management personnel as part of compensation during the period ended 28 June 2026 (29 June 2025: nil).

The number of performance rights over ordinary shares held by key management personnel as at 28 June 2026 are shown below:

Tranche	Performance rights FY26
Phil Ryan	4,362,618
James Plummer	1,777,363
Total	6,139,981

Values of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the period ended 28 June 2026 are set out below:

Name	Value of rights granted during the period $	Value of rights vested during the period $	Value of rights lapsed during the period $
P Ryan	405,000	-	795,539
J Plummer	165,000	1,000	79,200

Additional information
The following earnings information reflects the basis for which financial hurdles are considered for the share-based payments and measure executive performance in delivering long term growth of the Group:

	FY26	FY25	FY24
Underlying Earnings before Interest Tax Depreciation and Amortisation (EBITDA) Margin	9.5%	4.7%	(6.9%)

g. Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the period
Directors' shareholding					
Michael Kay	2,500,000	-	500,000	-	3,000,000
Neil Thompson	273,529	-	250,000	-	523,529
Natalie McLean	10,900	-	103,873	-	114,773
Phil Ryan	557,912	-	220,700	-	778,612
Other key management personnel					
James Plummer	6,000	-	20,000	-	26,000
Total	**3,348,341**	**-**	**1,094,573**	**-**	**4,442,914**

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the period	Granted	Vested	Expired/ Forfeited	Balance at the end of the period
Phil Ryan	2,340,000	4,362,618	-	(2,340,000)	4,362,618
James Plummer	154,000	1,777,363	(10,000)	(144,000)	1,777,363
Total	2,494,000	6,139,981	(10,000)	(2,484,000)	6,139,981

Loan funded shareholding

The number of loan funded shares in the company held during the financial period by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the period	Granted	Vested	Expired/ Forfeited	Balance at the end of the period
Phil Ryan	2,161,235	-	-	(2,161,235)	-
Total	2,161,235	-	-	(2,161,235)	-

Other transactions with key management personnel and their related parties

There were no transactions that occurred with key management personnel and their personally related parties.

This concludes the remuneration report, which has been audited.

Shares under option
At the date of this report, City Chic Collective Limited has no unissued ordinary shares under option.

Shares under performance rights
At the date of this report, City Chic Collective Limited has 12,875,109 unissued ordinary shares subject to performance rights via its long-term incentive plan. Details of these rights are set out in section C of the Directors Report and Note 22 'Share-based payments'.

Shares issued on the exercise of options
There were no ordinary shares of City Chic Collective Limited issued on the exercise of options during the period ended 28 June 2026 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of City Chic Collective Limited issued on the exercise of performance rights during the period ended 28 June 2026 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001.* The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial period by the auditor are outlined in Note 30 'Remuneration of auditors'.

The directors are satisfied that the provision of non-audit services during the financial period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Officers of the company who are former partners of RSM
There are no officers of the company who are former partners of RSM.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

City Chic Collective Limited
Directors' report
28 June 2026

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Kay
Chairman

Phil Ryan
Chief Executive Officer and Managing Director

21 August 2026
Sydney

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of City Chic Collective Limited for the year ended 28 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

Gary Sherwood
Partner

Sydney, NSW
Dated: 21 August 2026

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INDEPENDENT AUDITOR'S REPORT
To the Members of City Chic Collective Limited

Opinion

We have audited the financial report of City Chic Collective Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 28 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 28 June 2026 and of its financial performance for the period then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RSM

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 6 in the financial statements	
As stated in Note 6, revenue for the year ended 28 June 2026 was reflected at $130.5 million. The primary revenue channels for the Group are: • Online website sales • Store sales • Partners revenue - wholesale Revenue is a significant account balance for the Group and is a key driver of operating results. Under AASB 15 Revenue from Contracts with Customers (AASB 15), the Group is required to estimate and recognise variable consideration in relation to sales returns, refunds and allowances, and the treatment of gift cards. In addition, there is estimation uncertainty in relation to the timing of delivery for some goods. Given the materiality of the balance, the high volume of daily transactions, and the variable consideration, this area was considered a key audit matter.	Our audit procedures in relation to the recognition of revenue included: • Evaluating the Group's revenue recognition policies for compliance with AASB 15, including the treatment of variable consideration. • Obtaining an understanding of the systems, controls and procedures put in place by management to ensure compliance with AASB 15. • Evaluating the design and implementation of key controls relevant to the existence, completeness and valuation of revenue streams. • Evaluating the three-way reconciliation between recorded revenue, cash receipts, and the point-of-sale system to validate the completeness and accuracy of revenue recognised. • Selecting a sample of revenue transactions during the financial year and assessing whether revenue was recognised in accordance with the principles of AASB 15. • Assessing management's assumptions and estimation methodology for deferred revenue and sales return provisions, including analysis of historical trends by geographic region and estimated delivery timelines. • Evaluating the adequacy and appropriateness of disclosures related to revenue recognition in the financial report.

Impairment of goodwill Refer to Note 15 in the financial statements	
As stated in Note 15, the Group held goodwill carried at a value of $17.4 million, representing approximately 19.5% of the Group's total assets. AASB 136 Impairment of Assets requires goodwill and indefinite life intangible assets to be tested for impairment at least annually, and more frequently when there is an indicator of impairment. This assessment of the impairment incorporates significant judgments and estimates, based upon conditions existing at 28 June 2026, specifically factors such as forecast revenue and gross margin, forecast costs, discount rates and terminal growth rates. We determined the valuation of goodwill to be a key audit matter due to the material significance of the goodwill balance and the high degree of subjectivity involved in management's judgements and assumptions underpinning its financial modelling. The disclosures in the financial report disclose the assumptions made in the impairment testing and the market conditions at 28 June 2026.	Our audit procedures included, among others: • Obtaining an understanding of management's annual impairment testing process. • Holding discussions with senior management, reviewing the Group's ASX announcements and reading minutes of the directors' meetings to gather sufficient information regarding the operations of the current reporting period, as well as the expectations going forward. • Assessing the reasonableness of management's determination that the goodwill should be allocated to a single CGU in accordance with AASB 136 Impairment of Assets, based on the nature of the Group's business. • Assessing the valuation methodology used to determine the recoverable amount of the CGU. • Checking the mathematical accuracy of the cashflow model. • Evaluating the methodology and assumptions used to estimate the recoverable amount of the CGU, by reviewing the value in use models used to determine present value of future cash inflows of the Group, including reconciling input data to supporting evidence, such as approved budgets, and challenging the reasonableness of the following: ➢ Future growth rates; ➢ Discount rates; ➢ Terminal value methodology; and ➢ The nature and quantum of cashflows included in the model. • Reviewing and challenging management's sensitivity analysis over the key assumptions used in the models, including the consideration of the available headroom and assessing whether the assumptions had been applied on a consistent basis across each scenario.

	• Reviewing the completeness and accuracy of the disclosures included in the financial report to ensure compliance with Australian Accounting Standards.
Inventory Valuation Refer to Note 12 in the financial statements	
As stated in Note 12, the Group has inventory carried at a value of $24.1 million as at 28 June 2026. The valuation of inventory is considered a key audit matter due to the materiality of the balance, the existence of inventories held by third parties, and the significant judgements involved in: • Valuing finished goods, including assumptions about the determined costs of freight, customs duties, foreign exchange rates and warehousing charges. • Assessing the net realisable value of inventories, including the estimated selling price less estimated costs of fulfilment necessary to make the sale. • The determination of a provision for obsolescence, including assumptions for a number of factors including historical sales experience, inventory shrinkage trends, ageing profile of finished goods, seasonality and overall product lifecycle.	Our audit procedures included, among others: • Assessing and testing the Group's inventory costing methodologies, particularly the treatment of freight, customs duties, and warehousing charges, to ensure consistency with the requirements of Australian Accounting Standards. • Evaluating whether inventory was recorded at the lower of cost and net realisable value, including reviewing estimated costs to sell and analysing sales data to support the carrying value of inventory. • Testing the mathematical accuracy of the Group's application of its policy for determining the provision for obsolescence, including assessing the ageing of inventory items and historical sales trends. • Evaluating management's assumptions and estimates used in determining provisions for obsolescence and shrinkage, with reference to inventory ageing, historical sales performance, and quantities on hand relative to sales velocity. • Applying data analytical procedures to compare selling prices of inventory items during and after year-end against their recorded cost to assess compliance with AASB 102 Inventories.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 28 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 18 of the directors' report for the period ended 28 June 2026.

In our opinion, the Remuneration Report of City Chic Collective Limited, for the period ended 28 June 2026, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GNS

Gary Sherwood
Partner

RSM Australia Partners
21 August 2026

City Chic Collective Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 28 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Revenue from continuing operations	6	130,532	134,699
Interest and other revenue	7	392	494
Expenses from continuing operations			
Purchase and inbound-related costs of inventory		(52,443)	(55,583)
Fulfilment costs		(17,028)	(17,652)
Cost of sales	8	(69,471)	(73,235)
Selling, general, and administrative expense			
Employee benefits expense	8	(27,591)	(29,252)
Depreciation, amortisation and impairment expense	8	(14,469)	(14,821)
Rental-related recoveries, concessions and expenses	8	(2,445)	(1,713)
Other expenses	8	(19,312)	(25,753)
Finance costs	8	(2,117)	(2,212)
Loss before income tax (expense)/benefit from continuing operations		(4,481)	(11,793)
Income tax (expense)/benefit	9	(2,125)	2,921
Loss after income tax (expense)/benefit from continuing operations		**(6,606)**	**(8,872)**
Profit after income tax expense from discontinued operations	5	-	3,336
Loss after income tax (expense)/benefit for the period attributable to the owners of City Chic Collective Limited	25	**(6,606)**	**(5,536)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation - continuing operations		(1,373)	(1,814)
Other comprehensive loss for the period, net of tax		(1,373)	(1,814)
Total comprehensive loss for the period attributable to the owners of City Chic Collective Limited		**(7,979)**	**(7,350)**
Total comprehensive loss for the period is attributable to:			
Continuing operations		(7,979)	(10,686)
Discontinued operations		-	3,336
		(7,979)	**(7,350)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

City Chic Collective Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 28 June 2026

	Note	Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of City Chic Collective Limited			
Basic earnings per share	26	(1.7)	(2.3)
Diluted earnings per share	26	(1.7)	(2.3)
Earnings per share for profit from discontinued operations attributable to the owners of City Chic Collective Limited			
Basic earnings per share	26	-	0.9
Diluted earnings per share	26	-	0.9
Earnings per share for loss attributable to the owners of City Chic Collective Limited			
Basic earnings per share	26	(1.7)	(1.5)
Diluted earnings per share	26	(1.7)	(1.5)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

City Chic Collective Limited
Consolidated statement of financial position
As at 28 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	10	5,162	7,952
Trade and other receivables	11	1,897	4,458
Inventories	12	24,054	27,088
Income tax refund due	9	7	52
Other assets	13	1,407	1,752
Total current assets		**32,527**	**41,302**
Non-current assets			
Plant and equipment	14	6,864	8,016
Trade and other receivables	11	22	83
Right-of-use assets	16	19,808	22,471
Intangibles	15	18,145	19,369
Deferred tax	9	11,828	13,792
Total non-current assets		**56,667**	**63,731**
Total assets		**89,194**	**105,033**
Liabilities			
Current liabilities			
Trade and other payables	17	28,381	23,919
Lease liabilities	16	9,632	11,110
Borrowings	18	-	5,000
Income tax	9	78	75
Provisions	19	4,179	4,783
Other liabilities	20	1,336	1,483
Total current liabilities		**43,606**	**46,370**
Non-current liabilities			
Lease liabilities	16	17,769	20,950
Provisions	19	1,384	1,298
Total non-current liabilities		**19,153**	**22,248**
Total liabilities		**62,759**	**68,618**
Net assets		**26,435**	**36,415**
Equity			
Issued capital	23	183,537	196,908
Reserves	24	(10,984)	(19,604)
Accumulated losses	25	(146,118)	(140,889)
Total equity		**26,435**	**36,415**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

City Chic Collective Limited
Consolidated statement of changes in equity
For the period ended 28 June 2026

Consolidated	Issued capital $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Loss reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	195,531	(16,849)	2,782	(10,991)	(135,353)	35,120
Loss after income tax benefit for the period	-	-	-	-	(5,536)	(5,536)
Other comprehensive loss for the period, net of tax	-	-	(1,814)	-	-	(1,814)
Total comprehensive loss for the period	-	-	(1,814)	-	(5,536)	(7,350)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 23)	8,328	-	-	-	-	8,328
Share-based payments	-	317	-	-	-	317
Loan funded shares held in trust	(6,951)	-	-	-	-	(6,951)
Refund of loan funded shares held in trust	-	6,951	-	-	-	6,951
Balance at 29 June 2025	**196,908**	**(9,581)**	**968**	**(10,991)**	**(140,889)**	**36,415**

Consolidated	Issued capital $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Loss reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 30 June 2025	196,908	(9,581)	968	(10,991)	(140,889)	36,415
Loss after income tax expense for the period	-	-	-	-	(6,606)	(6,606)
Other comprehensive loss for the period, net of tax	-	-	(1,373)	-	-	(1,373)
Total comprehensive loss for the period	-	-	(1,373)	-	(6,606)	(7,979)
Transactions with owners in their capacity as owners:						
Share-based payments settled in cash	-	(106)	-	-	-	(106)
Share-based payments released	-	(1,895)	-	-	-	(1,895)
Loan funded shares held in trust	(13,371)	-	-	-	-	(13,371)
Refund of loan funded shares held in trust	-	13,371	-	-	-	13,371
Transfer to retained earnings	-	(1,377)	-	-	1,377	-
Balance at 28 June 2026	**183,537**	**412**	**(405)**	**(10,991)**	**(146,118)**	**26,435**
Note reference	22 & 23	22 & 24	24	24	25	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

City Chic Collective Limited
Consolidated statement of cash flows
For the period ended 28 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST, VAT and sales tax)		146,427	150,620
Payments to suppliers (inclusive of GST, VAT and sales tax)		(129,491)	(157,814)
Interest received		144	240
Other revenue		248	41
Interest and other finance costs paid		(458)	(353)
Income taxes refunded / (paid)		(77)	132
Net cash generated from/(used in) operating activities	21	16,793	(7,134)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(2,162)	(1,411)
Payments for intangibles	15	(320)	(381)
Proceeds from disposal of business	5	-	15,203
Payments related to disposal of business	5	-	(3,351)
Net cash from/(used in) investing activities		(2,482)	10,060
Cash flows from financing activities			
Proceeds from issue of shares	23	-	8,437
Payments related to issue of shares		-	(224)
Proceeds from borrowings	18	-	5,000
Repayment of borrowings	18	(5,000)	(17,500)
Repayment of lease liabilities	21	(11,947)	(12,152)
Net cash used in financing activities		(16,947)	(16,439)
Net decrease in cash and cash equivalents		(2,636)	(13,513)
Cash and cash equivalents at the beginning of the financial period		7,952	21,434
Effects of exchange rate changes on cash and cash equivalents		(154)	31
Cash and cash equivalents at the end of the financial period	10	**5,162**	**7,952**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover City Chic Collective Limited as a consolidated entity consisting of City Chic Collective Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is City Chic Collective Limited's functional and presentation currency.

City Chic Collective Limited (ASX Code: CCX) is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

151-163 Wyndham Street
Alexandria, NSW 2015
Telephone: (02) 9059 4300

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 August 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group is in the process of assessing the impact of the following:

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Summary

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the valuation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income.

Financial reporting period
The company reports within a retail financial period. The current financial year represents a 52-week period ended 28 June 2026 (2025: 52 week period ended 29 June 2025). This treatment is consistent with s323D Corporations Act 2001.

Critical accounting estimates and judgements
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 'Critical accounting judgements, estimates and assumptions'.

Note 2. Material accounting policy information (continued)

Offsetting financial assets and liabilities
Financial assets and financial liabilities have been offset and the net amount presented in the statement of financial position where the consolidated entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Going concern
The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the ordinary course of business.

The consolidated entity continued to improve its financial performance during the period. While the Group recorded a loss before income tax of $4,481,000 for the year ended 28 June 2026 (29 June 2025: loss of $11,793,000), operating cash flow generation improved significantly, with net cash inflows from operating activities of $16,793,000 compared to net cash outflows of $7,134,000 in the prior corresponding period. Overall cash net of borrowings increased $2,210,000 (+75%).

After considering the matters outlined below, the Directors have concluded that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is therefore appropriate to prepare the financial statements on a going concern basis:

- The consolidated entity had cash and cash equivalents of $5.2 million as at 28 June 2026;
- The Group's $10.0 million debt facility was undrawn at year-end. All clean-down covenant requirements were met during FY26 and the facility was extended to 31 March 2028 on existing covenant terms;
- The first of the two FY27 clean-down requirements was achieved in July 2026.
- While uncertainty remains regarding the impact of the broader economic environment on discretionary consumer spending, the Directors have reviewed detailed cash flow forecasts through to August 2027, including projected cash balances and expected utilisation of the debt facility. These forecasts indicate that the consolidated entity is expected to operate within its available funding facilities and maintain adequate liquidity throughout the forecast period.;
- The consolidated entity retains the ability, if required, to raise additional capital in accordance with the Corporations Act 2001.

Based on the above considerations, the Directors are satisfied that the consolidated entity will be able to meet its obligations as and when they fall due and accordingly have prepared the financial statements on a going concern basis.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 34 'Parent entity information'.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of City Chic Collective Limited ('company' or 'parent entity') as at 28 June 2026 and the results of all subsidiaries for the period then ended. City Chic Collective Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Material accounting policy information (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is City Chic Collective Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into City Chic Collective Limited's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Financial assets
Financial assets are initially measured at fair value. Financial assets are recognised in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Note 2. Material accounting policy information (continued)

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Refer to Note 11 'Trade and other receivables' for further information.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparative amounts
Where management has considered appropriate to achieve more relevant and reliable presentation of the entity's financial performance, the presentation of certain items in the financial statements has changed since the prior year. Where this re-presentation of results requires reclassification of comparative amounts, the comparatives have been re-presented to achieve more relevant and reliable presentation and comparability.

The material accounting policies adopted are consistent with those of the previous financial year and corresponding current reporting period, except for the policies stated below.

Note 2. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'.

There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Other Australian Accounting Standards (AASs) and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 28 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by considering the recent sales experience, the ageing of inventories and other factors such as end of life or terminal inventory, that affect inventory obsolescence. Refer to Note 12 'Inventories' for further information.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 15 'Intangibles'. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. The recoverable amount of Goodwill is determined at a Group level under one cash generating unit, supported by the single operating segment. Refer to Note 15 'Intangibles' for further information.

Income tax and the recovery of deferred tax assets
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Refer to Note 9 'Income tax' for further information.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Contingent assets and liabilities
As disclosed in Note 31 'Contingent asset and liabilities', City Chic remains in dispute with iCare (the NSW Workers Compensation insurer) regarding the basis and calculation of historical (pre 2018) insurance premiums. The matter is ongoing and management continues to seek a commercial resolution of the dispute.

Determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease or the ability of staying on past lease expiry date (in holdover) if it is reasonably certain to be exercised. The Group has historically always had several lease contracts in holdover. The Group applies judgement in evaluating whether it is reasonably certain whether leases will be extended beyond the contracted period. Refer to Note 16 'Leases' for further information.

Holdover leases
The Group has historically always had several lease contracts in holdover. The Group applies judgement in evaluating whether it is reasonably certain whether leases will be extended beyond the contracted period. A range of 2 to 5 years extension is estimated based on average lease terms. Refer to Note 16 'Leases' for further information.

Note 4. Operating segments

Identification of reportable operating segments
The Group’s overall strategy remains to operate as an omni-channel retailer, focused on the plus-size market whilst delivering profitability and leveraging a centralised structure that is not specific to a geography or channel. The Chief Executive Officer who is identified as the Chief Operating Decision Maker ('CODM') assesses performance and allocates resources at a consolidated Group level. Accordingly, management has determined that the Group operates as a single operating segment, being fashion retail.

The CODM assesses the performance of the operating segment primarily based on EBITDA before significant non-recurring and non-underlying items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Information is provided to the CODM at least monthly, together with weekly reporting of key trading and operational metrics.

Major customers
No individual external customer contributes 10% or more of the Group's revenue. Segment revenue from external parties, assets and liabilities are all reported to the CODM in a manner consistent with the financial statements.

Revenue by geographical area
The Group operates in the following geographical regions:

- Asia Pacific (APAC) - current operations in Australia and New Zealand, serviced through stores, websites and marketplaces; and
- Americas - current operations in the United States are comprised of online sales through the Group's website and marketplaces.

Revenue disaggregated by geographical region is disclosed in Note 6 'Revenue'.

Note 4. Operating segments (continued)

Reconciliation of net profit to Underlying EBITDA

Reconciliation of net profit after income tax from continuing operations to Underlying EBITDA (Earnings before interest, taxation, depreciation, amortisation, impairment, and other adjustments) is provided as follows (Underlying EBITDA is a non IFRS measure):

	Consolidated 2026 $'000	Consolidated 2025 $'000
Net profit / (loss) after tax from continuing operations	(6,606)	(8,872)
Interest expense	2,117	2,212
Income Tax expense / (benefit)	2,125	(2,921)
Depreciation, amortisation and impairment expense	14,469	14,821
Restructuring	228	338
Northern hemisphere warehouse relocation	-	477
Transaction costs	-	160
Other	-	192
Underlying EBITDA from continuing operations	**12,333**	**6,407**

Note 5. Discontinued operations

Significant accounting policy
The Group classifies current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Intangible assets are not amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Assets held for sale and discontinued operations

Discontinued operations in 2025
On 18 June 2024, the Group signed a definitive agreement to divest its US based Avenue business ("Avenue") to Full Beauty Brands (FBB) for US$12 million (c. A$18 million, less working capital adjustments of ~$3 million). The deal was completed on 8 July 2024, subsequent to the FY24 year-end, via an asset purchase agreement. As such the related asset and liabilities were classified as held for sale and the revenue and expense related to the Avenue business was disclosed under discontinued operations.

Note 5. Discontinued operations (continued)

In FY25 the transaction was settled on 8 July 2024 and the Group continued to operate the business on behalf of FBB for several months under a Transition Services Agreement. Any activity over this time continued to be disclosed as discontinued operations in FY25.

Results from discontinued operation

	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue from discontinued operations	-	1,786
Expense	-	(2,605)
Operating loss	-	(819)
Unwind of FCTR on disposal	-	4,155
Profit after income tax from discontinued operations	**-**	**3,336**
Other comprehensive income		
Total comprehensive profit attributed to discontinued operations	**-**	**3,336**

Cash flows from discontinued operations

The results of cash flows from the discontinued operations during the period are set out below, including comparative information.

	Consolidated 2026 $'000	Consolidated 2025 $'000
Net cash used in operating activities	-	(819)
Net cash from investing activities*	-	11,852
Net cash from financing activities	-	-
Net increase in cash and cash equivalents from discontinued operations	**-**	**11,033**

*Net cash from investing activities includes proceeds from disposal of business ($15,203,000) less payments related to the disposal ($3,351,000).

Note 6. Revenue

	Consolidated 2026 $'000	Consolidated 2025 $'000
From continuing operations		
Sale of goods	130,532	134,699

Note 6. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Timing of revenue recognition		
Goods transferred at a point in time	130,532	134,699
Geographical regions		
ANZ	113,818	105,822
USA	16,714	28,877
	130,532	**134,699**
*Channel**		
Online website	59,559	56,502
Stores	61,873	61,185
Partners	9,100	17,012
	130,532	**134,699**

* FY25 channel revenue has been restated to reclassify $7.5 million of online sales returns physically returned in stores from Store revenue to Online revenue. This change better reflects the originating sales channel and improves the comparability of reported channel performance.

Accounting policy for revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Store and online sales
Revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods. Amounts disclosed as revenue are net of sales returns, trade discounts and commission paid. Return policy on sale of goods range from 30 to 60 days and provision is made based on historical return percentage. Please refer to Note 19 'Provisions' for sales return raised and Note 13 'Other assets' for corresponding right-of-return assets recognised.

Note 6. Revenue (continued)

Partner revenue - wholesale
Revenue is recognised at time of delivery less an allowance for estimated customer returns, rebates, and other similar allowances.

Note 7. Interest and other revenue

	Consolidated	
	2026 $'000	2025 $'000
Interest revenue	144	240
Other revenue	248	254
Interest and other revenue	392	494

Note 8. Expenses

	Consolidated	
	2026 $'000	2025 $'000
Loss before income tax from continuing operations includes the following specific expenses:		
Cost of sales	69,471	73,235
Depreciation, amortisation and impairment	14,469	14,821
Employee benefits expense		
Employee benefits expense excluding superannuation and share-based payments	26,872	26,434
Defined contribution superannuation expenses	2,614	2,501
Share-based payments (release)/ expense	(1,895)	317
Total employee benefits expense	27,591	29,252
Finance costs		
Interest and finance charges paid/payable on borrowings	511	558
Interest and finance charges paid/payable on lease liabilities	1,606	1,654
Total finance costs	2,117	2,212
Leases		
Short-term and low-value lease payments	2,445	1,713
Other expenses		
Utility and maintenance expenses	3,895	4,827
Transactional fees and charges	2,221	2,322
Marketing expenses	2,159	4,319
Advertising expenses	7,188	8,003
Professional, consulting and insurance	1,438	2,649
FX (gain) / loss	(457)	299
Sundry	2,868	3,334
Total other expenses	**19,312**	**25,753**

Note 8. Expenses (continued)

Accounting policy for purchase and inbound–related costs of inventory and fulfillment costs (Cost of sales)
Purchase and inbound related costs include underlying product cost and “landed costs” which include inbound freight, duties and other charges. Fulfilment costs represent warehousing and freight costs to deliver online sales.

Accounting policy for lease related expenses
Refer to Note 16 'Leases'.

Accounting policy for Advertising and Marketing expenses
Advertising Expenses include costs associated with driving customer acquisition and re-engagement, such as digital advertising and direct mail campaigns. All other marketing costs, such as photoshoots and content development, are reflected in Marketing Expenses.

Note 9. Income tax

	Consolidated	
	2026 $'000	**2025 $'000**
a) Income tax expense		
Current tax	121	89
Deferred tax – origination and reversal of temporary differences	1,031	(1,194)
Prior year tax over/ (under) provisions	973	(1,816)
Aggregate income tax (benefit)/expense	2,125	(2,921)
Income tax (benefit)/expense is attributable to:		
(Loss) / profit from continuing operations	2,125	(2,921)
Aggregate income tax (benefit)/expense	2,125	(2,921)
b) Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax from continuing operations	(4,481)	(11,793)
Tax at the statutory tax rate of 30%	(1,344)	(3,538)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
LTIP and LFSP	(600)	95
Other non-deductible expenses	(382)	11
	(2,326)	(3,432)
Difference in overseas tax rates	69	1,436
Prior year deferred tax (under)/over provisions	963	(1,798)
Prior year current tax over/(under) provisions	10	(19)
US state tax payable	12	15
Tax loss not recognised/utilised	3,048	957
Other	349	(80)
Income tax (benefit)/expense from continuing operations	**2,125**	**(2,921)**

c) Capital losses
Unused tax losses related to capital losses of $147,200,000 (2025: $147,200,000) carried forward for which no deferred tax asset has been recognised. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Income tax (continued)

d) Income tax losses
As at 28 June 2026, the consolidated entity (including EMEA) had carried forward income tax losses of $228,949,000 (2025: $199,202,000). The income tax losses carried forward at 28 June 2026 were from its Australian, USA and UK businesses. These tax losses can be utilised in the future subject to local tax law requirements such as continuity of ownership or the same business. A deferred tax asset can be recognised on losses to the extent that it is probable that sufficient taxable profit will be available to utilise the tax losses in future financial periods. At 28 June 2026, the Group has recognised a deferred tax asset in relation to tax losses of $7,280,000 which are expected to be utilised within 3 years.

e) Tax consolidation legislation
City Chic Collective Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out below.

Note 9. Income tax (continued)

f) Deferred tax assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	7,280	7,280
Property, plant and equipment	(790)	(1,179)
Employee benefits	1,016	936
Leases	2,584	2,984
Other provisions and accruals	1,531	1,968
Inventories	379	1,773
Other	(172)	(2)
	11,828	13,760
Amounts recognised in equity:		
Amounts initially recognised in equity	-	32
Deferred tax asset	11,828	13,792
Movements:		
Opening balance	13,792	10,897
Foreign exchange on opening balance	(69)	11
(Charged)/credited to profit or loss - continuing	(1,031)	2,667
Credited to equity	-	32
Prior year under/over	(963)	255
Other	99	(70)
Closing balance	**11,828**	**13,792**

	Consolidated 2026 $'000	Consolidated 2025 $'000
Income tax refund due		
Income tax refund due	7	52

	Consolidated 2026 $'000	Consolidated 2025 $'000
Provision for income tax	78	75

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 9. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

City Chic Collective Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

The amount receivable/payable under the tax funding agreement is due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 10. Cash and cash equivalents

	Consolidated	
	2026 $'000	2025 $'000
Current assets		
Cash at bank	5,162	7,952

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Note 11. Trade and other receivables

	Consolidated	
	2026 $'000	**2025 $'000**
Current assets		
Trade receivables	643	2,747
Less: Allowance for expected credit losses	(87)	(181)
	556	2,566
Other receivables	1,341	1,892
	1,897	**4,458**
Non-current assets		
Other receivables	22	83
Total trade and other receivables	**1,919**	**4,541**

Past due but not impaired

As at 28 June 2026, trade receivables of $7,000 (2025: $1,000) were past due but not impaired.

The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2026 $'000	**2025 $'000**
30 to 60 days	7	1
Current	636	2,746
Total trade receivables	**643**	**2,747**

Allowance for expected credit losses
The Group has recognised a net gain of $94,000 (2025: loss of $60,000) in profit or loss in respect of the expected credit losses for the year ended 28 June 2026. The recoverability of trade and other receivables at 28 June 2026 has been assessed to consider the impact of the current economic environment, and no material recoverability issues were noted. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

	Consolidated	
	2026 $'000	**2025 $'000**
Current	87	181

Note 11. Trade and other receivables (continued)

Movement of allowance for expected credit loss

	Consolidated	
	2026 $'000	2025 $'000
Opening balance	181	121
Additional allowance recognised	-	60
Allowance derecognised	(94)	-
Closing balance	**87**	**181**

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are due for settlement on average within 30 to 45 days. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Inventories

	Consolidated	
	2026 $'000	2025 $'000
Current assets		
Finished goods - at cost	25,259	28,940
Less: Provision for obsolescence	(1,205)	(1,852)
Inventories on hand at lower of cost and net realisable value	**24,054**	**27,088**

Accounting policy for inventories
Finished goods are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost method and includes purchase and delivery costs, net of rebates and discounts received or receivable

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of fulfilment and the estimated costs necessary to make the sale. The allowances against inventory are recognised to account for obsolescence, the expected sales below cost and inventory expected to be lost through shrinkage. In recognising the allowance for inventory, judgement has been applied by considering a range of factors including historical loss-making sales, historical inventory shrinkage trends, inventory ageing, seasonality, and product lifecycle.

Note 13. Other assets

	Consolidated	
	2026 $'000	2025 $'000
Current assets		
Prepayments	1,101	1,424
Right of return assets	306	328
Total other assets	**1,407**	**1,752**

Accounting policy for right of return assets
Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Note 14. Plant and equipment

	Consolidated 2026 $'000	2025 $'000
Non-current assets		
Plant and equipment - at cost	31,257	30,674
Less: Accumulated depreciation	(24,393)	(22,658)
Total plant and equipment	**6,864**	**8,016**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Property, plant and equipment $'000
Balance at 30 June 2024	**9,923**
Additions	1,411
Disposals	(1,336)
Accumulated depreciation on disposal	1,241
Depreciation expense	(3,228)
Exchange differences	5
Balance at 29 June 2025	**8,016**
Additions	2,162
Disposals	(1,487)
Accumulated depreciation on disposal	1,451
Depreciation expense	(3,260)
Exchange differences	(18)
Balance at 28 June 2026	**6,864**

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives, which range from 2 to 10 years.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of assets
Plant and equipment is reviewed for indicators of impairment or changes in circumstances that indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Management has performed an impairment assessment on all stores at year-end and confirmed that there was no impairment (2025: $nil).

Note 15. Intangibles

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Goodwill - at cost	**17,362**	**18,302**
Customer relationships - at cost	1,055	2,612
Less: Customer relationships - accumulated amortisation	(1,055)	(2,612)
	-	**-**
Other intangible assets - at cost	9,793	9,654
Less: Other intangible assets - accumulated amortisation	(9,010)	(8,587)
	783	**1,067**
Total intangibles	**18,145**	**19,369**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Goodwill $'000	Customer relationships $'000	Other intangibles $'000	Total $'000
Balance at 30 June 2024	**15,946**	**153**	**1,774**	**17,873**
Additions	-	-	381	381
Disposals	-	-	(230)	(230)
Amortisation expense	-	(156)	(868)	(1,024)
Exchange differences	2,356	3	10	2,369
Balance at 29 June 2025	**18,302**	**-**	**1,067**	**19,369**
Amortisation and impairment - discontinued	-	-	-	-
Additions	-	-	320	320
Disposals	-	-	-	-
Amortisation expense	-	-	(594)	(594)
Exchange differences	(940)	-	(10)	(950)
Balance at 28 June 2026	**17,362**	**-**	**783**	**18,145**

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 15. Intangibles (continued)

Customer relationships
Acquired customer relationships are carried at original cost based on independent valuation obtained at the date of acquisition less accumulated amortisation. They are amortised on a straight-line basis over a useful life of 3 years. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Other intangible assets
Significant costs associated with the development and enhancement of the revenue generating aspects of the Group's websites, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Significant costs associated with software are deferred and amortised on a diminishing value basis over the period of their expected benefit, being their finite life of 2-4 years.

Configuration and customisation costs incurred in implementing Software as a Service ("SaaS") arrangements are recognised in profit or loss as the customisation and configuration services are performed, or, in certain circumstances, over the SaaS contract term when access to the cloud application software is provided.

Impairment
Intangible assets with a finite life are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment irrespective of whether there are any indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash generating units.

Goodwill impairment assessment
Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGUs) to which the intangible has been allocated. These calculations reflect estimated cash flow projections based on a five-year forecast and require the use of assumptions, including estimated discount rates; growth rates of estimated future cash flows; and terminal growth rates. The CGU for goodwill is assessed at a consolidated Group level, in line with the one operating segment used in its reporting.

The discounted cash flow valuations were calculated using projected future cash flows based on Board approved business plans. Business plans are modelled assuming like for like sales growth based on historical performance considering changing market conditions.

The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

(i) *Forecast sales growth rates*
Forecast sales growth rates are based on past experience adjusted for economic conditions and the strategic decisions made in respect of the CGU.

(ii) *Gross margin rates*
Gross margin rates against sales are estimated based on sales channel and region mix and adjusted for economic conditions and the strategic decisions made in respect of the CGU.

(iii) *Fulfilment costs*
Fulfilment costs assumptions are based on long-term 3PL agreements in each region and market freight rates.

(iv) *Operating profits*
Operating profits are forecasted based on historical experience of operating margins, adjusted for the above impact of changes to product and fulfilment costs and cost saving initiatives.

(v) *Cash conversion*
Cash conversion is the ratio of operating cash flow to operating profit. Forecasted cash conversion rates are based on historical experience.

Note 15. Intangibles (continued)

The discount rates used in the value-in-use calculations are pre-tax and reflect management's estimate of the time value of money, as well as the risks specific to the CGU. The discount rates have been determined using the weighted average cost of capital and the current market risk-free rate, adjusted for relevant business risks. The discount rate is applied in the current year value-in-use model: 15.7% (2025: 15.5%). The slightly higher discount rate year-on-year is a result of higher cost of debt. A terminal growth rate of 2.5% (2025: 2.5%) has been assumed in the value-in-use calculation and reflects the long-term growth expectations beyond the five-year forecast horizon.

The impairment assessment indicated that the recoverable amount exceeded the carrying value and, accordingly, no impairment was recognised (2025: nil). The assessment demonstrated excess headroom under the base case assumptions. As part of the sensitivity analysis, management considered a stressed scenario reflecting uncertain macroeconomic conditions and concluded that no impairment would arise. However, a significant deterioration in the underlying assumptions could result in the carrying value exceeding the recoverable amount and give rise to an impairment charge.

Note 16. Leases

(a) Right-of-use assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Right-of-use assets	47,691	48,712
Less: Accumulated depreciation	(27,883)	(26,241)
Total right-of-use assets	**19,808**	**22,471**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

Consolidated	Right-of-use asset $'000
Balance at 1 July 2024	**27,568**
Additions	5,295
Disposals	(6,372)
Exchange differences	19
Accumulated depreciation on disposals	5,427
Depreciation expense	(9,466)
Balance at 29 June 2025	**22,471**
Additions	7,438
Disposals	(8,157)
Accumulated depreciation on disposals	7,643
Depreciation expense	(9,497)
Exchange differences	(90)
Balance at 28 June 2026	**19,808**

Refer to Note 8 'Expenses' for lease related expenses and to the consolidated statement of cash flows for repayment of lease liabilities.

The consolidated entity leases land and buildings for its office and retail outlets under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 16. Leases (continued)

The lease liability recognised by the Group represents the present value of future lease payments owing to the lessor.

The Group leases office equipment under agreements of less than 5 years. These leases are either short-term or low value, so have been expensed as incurred and not capitalised as ROU assets.

	Consolidated	
	2026 $'000	**2025 $'000**
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	9,497	9,466
Interest expense on lease liabilities	1,606	1,654
Expenses relating to leases not accounted for under *AASB 16*	1,785	1,299

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost.

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(b) Lease liabilities

	Consolidated	
	2026 $'000	**2025 $'000**
Current liabilities		
Lease liabilities	9,632	11,110
Non-current liabilities		
Lease liabilities	17,769	20,950
Total lease liabilities	**27,401**	**32,060**

Refer to Note 28 'Financial instruments' for further information on contractual maturity.

Accounting policy for lease liabilities

Note 16. Leases (continued)

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 17. Trade and other payables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Trade creditors	13,443	8,579
Sundry creditors	5,155	4,024
Other payables	9,783	11,316
Total trade and other payables	**28,381**	**23,919**

Refer to Note 28 'Financial instruments' for further information.

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

Note 18. Borrowings

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Bank loans	-	5,000

On 15 January 2026, the Company extended the $10.0 million facility to 31 March 2028. Under the terms of the facility, previous covenants remained the same with a requirement to complete clean downs (which requires City Chic to repay all drawn amounts under the facility to nil for at least seven consecutive days) twice per annum, no less than three months apart.

The Group was in compliance with all covenants during the financial year ended 28 June 2026.

Refer to Note 28 'Financial instruments' for further information.

Note 18. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2026 $'000	2025 $'000
Total facilities		
Corporate credit card	1,080	1,111
Bank loans	9,164	9,164
Bank guarantee/Letter of credit	836	836
	11,080	**11,111**
Used at the reporting date		
Corporate credit card	93	251
Bank loans	-	5,000
Bank guarantee/Letter of credit	836	836
	929	**6,087**
Unused at the reporting date		
Corporate credit card	987	860
Bank loans	9,164	4,164
Bank guarantee/Letter of credit	-	-
	10,151	**5,024**

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 19. Provisions

	Consolidated	
	2026 $'000	2025 $'000
Current liabilities		
Employee benefits	2,988	2,804
Lease make good	300	303
Onerous contracts	-	769
Sales return provision	891	907
Total provisions - current	**4,179**	**4,783**
Non-current liabilities		
Employee benefits	402	319
Lease make good	982	979
Total provisions - non-current	**1,384**	**1,298**
Total provisions	**5,563**	**6,081**

Movements in provisions
Movements in provisions during the current financial period are set out below:

Note 19. Provisions (continued)

Consolidated	Employee benefits $'000	Lease make good $'000	Onerous contracts $'000	Sales return provision $'000	Total $'000
Current provisions					
Carrying amount at the start of the period	**2,804**	**303**	**769**	**907**	**4,783**
Additional provisions recognised	753	462	(27)	1,240	2,428
Amounts used	(569)	(465)	(742)	(1,256)	(3,032)
Carrying amount at the end of the period	**2,988**	**300**	**-**	**891**	**4,179**
Non-current provisions					
Carrying amount at the start of the period	**319**	**979**	**-**	**-**	**1,298**
Additional provisions recognised	220	3	-	-	223
Amounts used	(137)	-	-	-	(137)
Carrying amount at the end of the period	**402**	**982**	**-**	**-**	**1,384**

Accounting policy for provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Sales return provision
The sales return provision represents management's best estimate of the future outflow of economic benefits in respect of products sold. The provision is estimated based on historical sales claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 20. Other liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Deferred income	846	899
Gift card liability	490	584
	1,336	1,483
Non-current liabilities		
Deferred income	-	-
Total other liabilities	**1,336**	**1,483**

Accounting policy for deferred income
Deferred income relates mainly to unredeemed gift cards, income received in advance from customers, and deferred lease incentives.

Gift cards are considered a prepayment for goods and services to be delivered in the future. The Group has an obligation to transfer the goods or services in the future, creating a performance obligation. The Group recognises deferred revenue for the amount of the prepayment and recognises revenue when the customer redeems the gift card, and the Group fulfils the performance obligation related to the transaction or on expiry. Breakage revenue from unredeemed gift cards has not been recognised. These are all deemed current liabilities.

Income received in advance from customers is recognised as revenue at the point of delivery of the goods to the customer. Customer orders are typically completed within a few days and income received in advance is therefore considered short term in nature and is not discounted. These are all deemed current liabilities.

Deferred lease incentives relate to landlord fitout contributions related to stores that are not treated as Leases under AASB 16.

Note 21. Cash flow information

Reconciliation of profit after income tax to net cash generated from / (used in) continuing operating activities

	Consolidated 2026 $'000	2025 $'000
Loss after income tax expense from continuing and discontinuing operations	(6,606)	(5,536)
Adjustments for:		
Depreciation, amortisation, and impairment	14,469	15,089
Share-based payments	(1,895)	317
Unwind of FCTR	-	(4,155)
Finance costs on lease liabilities and make good provision	(91)	545
Foreign exchange and other differences	(364)	-
Changes in operating assets and liabilities		
Decrease in trade and other receivables	2,601	2,095
Decrease in inventories	3,034	3,660
Decrease in other assets	374	1,499
Decrease in tax receivable	-	279
Decrease / (increase) in deferred tax assets	1,964	(2,895)
(Decrease) / increase in trade and other payables	4,455	(14,820)
(Decrease) / increase in provision for income tax	49	(87)
Decrease in other provisions	(1,085)	(997)
Decrease in other liabilities	(112)	(932)
Increase in assets held for sale	-	(1,196)
Net cash generated from / (used in) continuing and discontinued operating activities	**16,793**	**(7,134)**

2026	Opening balance $'000	Net cash flows $'000	Non-cash new leases $'000	Closing balance $'000
Long-term borrowings	5,000	(5,000)	-	-
Lease liabilities	32,060	(11,947)	7,288	27,401
	37,060	**(16,947)**	**7,288**	**27,401**

2025	Opening balance $'000	Net cash flows $'000	Non-cash new leases $'000	Closing balance $'000
Long-term borrowings	17,500	(12,500)	-	5,000
Lease liabilities	41,131	(12,152)	3,081	32,060
	58,631	**(24,652)**	**3,081**	**37,060**

Note 22. Share-based payments

The Group's long-term incentives rewards executives for high performance and ongoing commitment over a three to five-year horizon and recognises the important role executives play in delivering the long-term growth of the Group.

The Group's long-term incentives are comprised of the Long-Term Incentive Plan (**LTIP**) and the Loan Funded Share Plan (**LFSP**). The following share-based payment arrangements were in existence during the current year:

Performance rights

Tranche	Grant date	Performance period end date	Fair value at grant date	Share price at grant date	Expected volatility %	Risk-free interest rate %	Opening balance 30 June 2025	Granted	Vested	Expired / forfeited / other	Closing balance 28 June 2026
5A	22/11/2023	30/06/2027	0.34	0.34	60.00%	4.02%	2,340,000	-	-	(2,340,000)	-
5B	19/02/2024	30/06/2026	0.55	0.55	60.00%	3.69%	3,209,827	-	-	(3,209,827)	-
6	24/03/2025	30/11/2025	0.10	0.10	60.00%	3.69%	1,080,000	-	(1,040,000)	(40,000)	-
FY26	13/11/2025	02/07/2028	0.09	0.09	60.00%	3.80%	-	12,875,109	-	-	12,875,109
Total performance rights							**6,629,827**	**12,875,109**	**(1,040,000)**	**(5,589,827)**	**12,875,109**

**Dividend yield % was zero.*

Loan funded shares

Tranche	Grant date	Performance period end date	Fair value at grant date	Share price at grant date	Expected volatility %	Risk-free interest rate %	Opening balance 30 June 2025	Granted	Vested	Expired / Forfeited / Other	Closing balance 28 June 2026
3	21/11/2019	30/06/2024	0.739	2.68	35.00%	-	3,704,975	-	-	(3,704,975)	-
3	03/03/2020	30/06/2024	0.731	2.79	35.00%	-	667,464	-	-	(667,464)	-
3	16/09/2020	30/06/2024	0.970	3.33	40.00%	-	474,576	-	-	(474,576)	-
Total Loan funded shares							**4,847,015**	**-**	**-**	**(4,847,015)**	**-**

LTIP Tranches

Vesting conditions of the LTIP are set out below:

Tranche 5A and 5B

Vesting Condition 1	The sole Performance Condition requires the Company to achieve at least the threshold Earnings before Interest Tax Depreciation and Amortisation (EBITDA) Margin on the expiration of the three-year performance period commencing 3 July 2023 and ending on 28 June 2026
Vesting Condition 2	5A: Continued service up to and including 30 June 2027 5B: Continued service up to and including 30 June 2026

Weighting	EBITDA Margin	Percentage of FY24 Performance Rights that will satisfy the Performance Condition
	10% (threshold)	30%
100%	Between threshold and stretch	Straight line pro rata basis between threshold and stretch
	15% (stretch)	100%

Note 22. Share-based payments (continued)

During the reporting period, management reassessed the likelihood of the performance hurdles of the Tranche 5 (FY24) Performance Rights being achieved, in accordance with AASB 2 Share-based Payment. Based on the Company's latest financial forecasts and expected performance against the relevant non-market vesting conditions, management determined that it was no longer probable that these vesting conditions would be satisfied. Accordingly, the Company revised its estimate of awards expected to vest to nil and reversed the cumulative share-based payment expense previously recognised, with the resulting credit recognised in profit or loss for the period.

Subsequent to this assessment and as part of the 2025 Annual General Meeting process, management and the Board resolved to cancel the FY24 Performance Rights in and to reset the Company's long-term incentive framework and commence a new 3-year-program for FY26.

Tranche 6

Vesting Condition 1	Continued service up to the 2025 AGM (30 November 2025). There are no performance conditions.

Upon vesting, the Tranche 6 (FY25) Share Rights were settled in cash in December 2025. No shares were issued.

FY26 Tranche (FY26 Performance Rights)

Vesting Condition 1	The sole Performance Condition requires the Company to achieve at least the threshold Earnings before Interest Tax Depreciation and Amortisation (EBITDA) Margin (post AASB16) on the expiration of the three-year performance period commencing 30 June 2025 and ending on 2 July 2028.
Vesting Condition 2	Continued service to 30 June 2028

Weighting	EBITDA Margin	Percentage of FY26 Performance Rights that will satisfy the Performance Condition
	10% (threshold)	30%
100%	Between threshold and stretch	Straight line pro rata basis between threshold and stretch
	18% (stretch)	100%

In FY26 the Group recognised a net gain of $1,895,000 (FY25: $317,000 expense) in relation to share-based payments. This comprised of the reversal of previously recognised share-based payment expense of $2,307,000 relating to Tranche 5A and 5B Performance Rights, partially offset by share-based payment expense of $412,000 relating to FY26 Performance Rights.

Note 22. Share-based payments (continued)

LFSP Tranches

The LFSP performance period ended at 30 June 2024. Given the current CCX share price is below the loan value it is unlikely any participants will exercise their entitlements however the loan only expires 10 years after the grant date and as such the rights remain in place.

The Loan Funded (LF) shares issued under the LFSP have historically been treated as 'in-substance' options which have been valued using a Modified Binomial Lattice option pricing model which allows for varying exercise price. The resulting value was amortised over the vesting period on a probability adjusted basis.

The key terms of the LFSP are listed as follows:

- LF Shares are issued at the Company's share price on the ASX at the time of issue.
- The Company advances money to pay for the subscription price of the LF Shares (Loan).
- The Loan has an interest payable of 1.9% and is repayable on the earlier of cessation of employment (6 or 12 month grace periods may be applied) or 7 years from the agreement by the Board to issue LF Shares under the Plan (Vesting Period is 5 years to 30 June 2024).
- The Company's recourse in the event it seeks to recover the Loan is limited to the LF Shares. Where a Participant does not repay the Loan by the repayment date, the Participant is deemed to have agreed to sell to the Company pursuant to an employee share scheme buy-back, that number of LF Shares required to repay the Loan to the Company.
- The Company will apply the after-tax amount of any dividends payable in respect of a participant's LF Shares towards repayment of the outstanding balance of the Loan.
- The LF Shares offered are subject to Vesting Conditions, which if not met, the unvested LF Shares will be forfeited and bought back by the Company at the issue price and the Loan will be deemed repaid.

Vesting conditions of the LF Shares are set out below:

Tranche 3

Vesting Condition 1	Continued service to 30 June 2024.
Vesting Condition 2	Compound annual growth rate (CAGR) in the Group's earnings per share after tax (ADEPS) prescribed by the Board over the 3 year period commencing on 1 July 2019, in which case (subject to satisfaction of Vesting Period Condition) the LF Shares held will vest in accordance with the following vesting scale:

ADEPS 3-year CAGR from 1 July 2019	Proportion of Tranche 3 LF shares that will satisfy Vesting Condition 2
12.5%	25%
20%	100%
12.5% ≤ ADEPS CAGR ≤ 20.0%	Straight-line pro rata vesting between 25% and 100% (inclusive)

In the reporting period, the probability of the 2019 LF Shares, on issue under the LFSP, being exercised by the two remaining employees was reassessed. Given the large variance between the exercise price and current market share price, it was determined that it was highly unlikely that the market value would reach the 2019 LF Shares value within the required time frame.

Based on this assessment and as part of the 2025 Annual General Meeting process, management and the Board resolved to cancel the loans and performed a buy-back and cancellation of all loan funded shares on issue under the LFSP for no consideration and with no impact to the P&L. The effect of the cancellation of these LF shares is a reduction in share capital of $13,371,000 (Note 23) and a reduction in Loan Funded Shares Held in Trust reserve of the same amount (Note 24).

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Note 22. Share-based payments (continued)

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The probability is assessed with consideration of management's expectation of future earnings and the financial hurdles for vesting. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Any market-based performance conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 23. Issued capital

	Consolidated			
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares - fully paid	385,157,793	390,004,808	183,537	196,908

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	**1 July 2024**	**336,351,678**		**195,531**
Share Purchase Plan (Retail)	15 July 2024	21,629,558	$0.15	3,244
Shortfall Placement	3 September 2024	34,617,054	$0.15	5,193
Share issue expense		-	$0.00	(109)
Cancellation of loan funded shares held in trust		(2,593,482)	$2.68	(6,951)
Balance	**29 June 2025**	**390,004,808**		**196,908**
Cancellation of loan funded shares held in trust *		(4,847,015)	$2.76	(13,371)
Balance	**28 June 2026**	**385,157,793**		**183,537**

Note 23. Issued capital (continued)

In June 2024, City Chic completed a fully underwritten, $14.6 million Placement of new fully paid ordinary shares to eligible professional and sophisticated institutional investors. The Placement was conducted at $0.15 per share, resulting in 97.0 million new shares being issued. New shares issued under the Placement settled on 25 June 2024 and commenced trading on 2 July 2024.

Following the completion of the Placement, City Chic offered all eligible shareholders the opportunity to participate in a partially underwritten Retail Entitlement Offer. City Chic raised $3.2 million through the Entitlement Offer which closed on 10 July 2024 at a price of $0.15 per New Share, resulting in 21.6 million new shares being issued. New shares issued under the Entitlement Offer settled on 15 July 2024 and commenced trading on 17 July 2024.

The remaining shortfall from the Entitlement Offer, was placed on 28 August 2024. The Company received commitments totalling $5.2 million from several of its largest shareholders for the shortfall, at a price of $0.15 per New Share, resulting in 34.6 million new shares being issued.

This final placement brings the total funds raised from the Equity Raising to $23.0 million.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

** Cancellation of loan funded shares held in trust*
As disclosed in Note 22 'Share-based payments' during the current period the Board exercised its discretion to undertake a buy-back and cancellation of the remaining 2019 Loan Funded Share Plan. See Note 22 'Share-based payments' and Note 24 'Reserves' for corresponding reduction in the Loan Funded Shares Reserve.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period. The capital risk management policy remains unchanged from the 29 June 2025 Annual Report.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Note 24. Reserves

	Consolidated 2026 $'000	Consolidated 2025 $'000
Foreign currency reserve	(405)	968
Share-based payments reserve	412	3,790
Loan funded shares held in trust	-	(13,371)
Loss reserve	(10,991)	(10,991)
Total reserves	**(10,984)**	**(19,604)**

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the cost of share-based payments on the Group's employee incentive schemes.

Loss reserve
The reserve is used to recognise the historical losses of the Group’s operations.

Movements in reserves
Movements in each class of reserve during the current and previous financial period are set out below:

Consolidated	Loan funded shares held in trust $'000	Loss reserve $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Total $'000
Balance at 1 July 2024	**(20,322)**	**(10,991)**	**3,473**	**2,782**	**(25,058)**
Foreign currency translation - continued operations	-	-	-	(1,814)	(1,814)
Share-based payments expense	-	-	317	-	317
Cancellation of loan funded shares	6,951	-	-	-	6,951
Balance at 29 June 2025	**(13,371)**	**(10,991)**	**3,790**	**968**	**(19,604)**
Foreign currency translation - continued operations	-	-	-	(1,373)	(1,373)
Share-based payments settled in cash	-	-	(106)	-	(106)
Share-based payments released	-	-	(1,895)	-	(1,895)
Cancellation of loan funded shares	13,371	-	-	-	13,371
Transfer to retained earnings	-	-	(1,377)	-	(1,377)
Balance at 28 June 2026	**-**	**(10,991)**	**412**	**(405)**	**(10,984)**

Note 25. Accumulated losses

	Consolidated 2026 $'000	Consolidated 2025 $'000
Accumulated losses at the beginning of the financial period	(140,889)	(135,353)
Loss after income tax (expense)/benefit for the period	(6,606)	(5,536)
Transfer from options reserve	1,377	-
Accumulated losses at the end of the financial period	**(146,118)**	**(140,889)**

As disclosed in Note 22 'Share-based payments', during the current period the Board exercised its discretion to undertake a buy-back and cancellation of the remaining 2019 Loan Funded Share Plan. The residual balance left in loan funded shares held in trust shown in Note 24 'Reserves' has been transferred to accumulated losses. This was a reclassification within equity and did not impact the Statement of Profit or Loss.

Note 26. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
Earnings per share for loss from continuing operations		
Loss after income tax from continuing operations	(6,606)	(8,872)

	Consolidated 2026 $'000	Consolidated 2025 $'000
Earnings per share for profit from discontinued operations		
Profit after income tax from discontinued operations	-	3,336

	Consolidated 2026 $'000	Consolidated 2025 $'000
Earnings per share for loss		
Loss after income tax from continuing and discontinued operations attributable to the owners of City Chic Collective Limited	(6,606)	(5,536)

	Number 2026	**Number** 2025
Weighted average number of ordinary shares		
Ordinary shares – fully paid	385,157,793	383,394,985
Less: Loan funded shares	-	(4,847,015)
Weighted average number of ordinary shares used in calculating basic earnings per share	385,157,793	378,547,970
Weighted average number of ordinary shares used in calculating diluted earnings per share	385,157,793	378,547,970

Due to the Group's loss position, performance rights have been excluded from the above calculations as their inclusion would be anti-dilutive.

Earnings per share for loss from continuing operations	**Cents**	**Cents**
Basic earnings per share	(1.7)	(2.3)
Diluted earnings per share	(1.7)	(2.3)

Note 26. Earnings per share (continued)

Earnings per share for profit/(loss) from discontinued operations	Cents	Cents
Basic earnings per share	-	0.9
Diluted earnings per share	-	0.9

Earnings per share for loss	Cents	Cents
Basic earnings per share	(1.7)	(1.5)
Diluted earnings per share	(1.7)	(1.5)

Accounting policy for earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of City Chic Collective Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Options under the loan funded share plan could potentially dilute basic earnings per share in the future, however, were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

Note 27. Dividends

Dividends
There were no dividends paid, recommended or declared during the current or previous financial period.

Franking credits

	Consolidated	
	2026 $'000	2025 $'000
Franking credits available at the reporting date based on a tax rate of 30%	67,566	67,566
Franking credits available for subsequent financial years based on a tax rate of 30%	67,566	67,566

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends
Dividends are recognised when declared during the financial period and no longer at the discretion of the company.

Note 28. Financial instruments

Financial Assets and Liabilities:
Amounts are accounted for at amortised cost and shown at approximate fair values below:

Note 28. Financial instruments (continued)

	Consolidated	
	2026 $'000	2025 $'000
Financial assets		
Cash and cash equivalents	5,162	7,952
Trade and other receivables - current	1,897	4,458
Trade and other receivables - non-current	22	83
Total financial assets	**7,081**	**12,493**
Financial liabilities		
Trade and other payables	28,381	23,919
Borrowings	-	5,000
Lease liabilities - current	9,632	11,110
Lease liabilities - non-current	17,769	20,950
Total financial liabilities	**55,782**	**60,979**

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units where necessary. Finance reports to the Board on a monthly basis.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. The capital risk management policy remains unchanged from the 2024 Annual Report.

In order to maintain or adjust the capital structure, the consolidated entity manages the level of debt that is prudent, facilitates the execution of the operational plan and provides flexibility for growth while managing the amount of equity and expectation of return for dividends.

As set out in Note 18 'Borrowings' the debt facility in place at year-end requires the Company to complete clean downs (which requires City Chic to repay all drawn amounts under the facility to nil for at least seven consecutive days) twice per annum, no less than three months apart. There have been no events of default on the financing arrangements during the financial year.

The capital structure of the consolidated entity consists of net cash (cash and cash equivalents as detailed in Note 10 'Cash and cash equivalents', less borrowings as detailed in Note 18 'Borrowings') and equity of the consolidated entity (as detailed in Note 23 'Issued capital', Note 24 'Reserves' and Note 25 'Accumulated losses').

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 28. Financial instruments (continued)

In FY26 approximately 13% of Group's continued operating revenue was in USD from its US operations and the consolidated entity was able to source a similar corresponding amount of its inventory in USD. This natural hedge meant the Group was not required to hedge its foreign exchange exposure. Management monitors this natural hedge on an ongoing basis to ensure that the exposure to foreign exchange is acceptable.

Management continues to assess the future cash flows of the international business, particularly given the current uncertainty in USA foreign trade policy and will look to address changes in its purchasing activity, where possible. If the natural hedge for USD the Group has enjoyed to-date is no longer in place, exposure will be hedged appropriately.

For the current financial period, if AUD to USD rates had changed by +/- 10% from the FY26 average rates, with all other variables held constant, the impact on pre-tax loss for the year would have been $0.01 million lower/ $0.01 million higher (2025: $0.1 million lower/ $0.1 million higher).

Price risk
The consolidated entity is not exposed to any significant price risk. Product entering the USA from China is subject to tariffs and these tariff rates have fluctuated significantly under the current USA administration. The company works closely with its suppliers to share the impact of the tariffs.

Interest rate risk
The Group has exposure to interest rate risk on the long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the consolidated entity had the following variable rate borrowings:

	2026		2025	
Consolidated	**Weighted average interest rate %**	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Cash and cash equivalents	2.59%	5,162	3.02%	7,952
Borrowings	6.87%	-	6.98%	(5,000)
Net exposure to cash flow interest rate risk		**5,162**		**2,952**

For the current financial period, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables constant, the impact on post-tax profit for the year would have been $0.04m higher/lower (2025: $0.02m higher/lower), relating to the interest income on the cash at bank and interest expense on the borrowings.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The consolidated entity has a credit risk exposure with trade debtors, which as at 28 June 2026 owed the consolidated entity $643,000 (2025: $2,747,000). There are no guarantees against this receivable, but management closely monitors the receivable balance on a monthly basis and is in regular contact with its customers to mitigate risk. The Group has released an allowance of $94,000 (2025: loss of $60,000) in profit or loss in respect of the expected credit losses for the year ended 28 June 2026. No amount was used from the allowance (2025: $nil).

Note 28. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Prudent liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Inventory management methods and established supplier relationships assist management to prepare rolling forecasts of the consolidated entity's cash flow requirements to monitor the liquidity position and optimise its cash return on investments. Typically, the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses for the period of 12 months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 28 June 2026, the bank loan facility totalling $10.0 million was available to the Group (29 June 2025: $10.0 million). Management monitors rolling forecasts of the consolidated entity’s liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents based on expected cash flows. This is generally carried out at a local level in the operating companies of the consolidated entity in accordance with practice and limits set by the consolidated entity. These limits vary by location to consider the liquidity of the market in which the entity operates. In addition, the consolidated entity’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2026 $'000	2025 $'000
Corporate credit card	987	860
Bank loans	9,164	4,164
	10,151	**5,024**

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2026	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	28,459	-	-	-	28,459
Interest-bearing - variable						
Bank loans	6.87%	-	-	-	-	-
Undiscounted lease liabilities	5.76%	10,904	6,281	11,107	2,485	30,777
Total non-derivatives		**39,363**	**6,281**	**11,107**	**2,485**	**59,236**

Note 28. Financial instruments (continued)

Consolidated - 2025	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	24,763	-	-	-	24,763
Interest-bearing - variable						
Bank loans	6.98%	5,349	-	-	-	5,349
Undiscounted lease liabilities	4.92%	11,807	9,388	9,671	4,031	34,897
Total non-derivatives		**41,919**	**9,388**	**9,671**	**4,031**	**65,009**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

The lease liabilities include holdover assumptions in addition to contractually obligated periods, as disclosed in Note 16 'Leases'.

Fair value of financial instruments
This section provides information about how the consolidated entity determines fair values of various financial assets and financial liabilities.

Fair values of financial instruments are categorised by the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The consolidated entity does not have any financial assets and liabilities which are measured at fair value at the end of each reporting period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of receivables, trade and other payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 29. Key management personnel disclosures

Directors
The following persons were directors of City Chic Collective Limited during the financial period:

Michael Kay	Chairman and non-executive director
Neil Thompson	Non-executive director
Natalie McLean	Non-executive director
Phil Ryan	Chief Executive Officer and Managing Director
Megan Quinn	Non-executive director (retired 28 August 2025)

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial period:

James Plummer	Chief Financial Officer

Note 29. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term employee benefits	1,502,310	1,781,440
Post-employment benefits	103,651	116,625
Long-term benefits	1,213	35,471
Share-based payments*	(158,888)	214,676
	1,448,286	**2,148,212**

* The negative share-based payment amount reflects the reversal of prior periods LTI expense following the cancellation of performance rights in the period.

Note 30. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by RSM, the auditor of the company:

	Consolidated 2026 $	Consolidated 2025 $
Current auditors of the company - RSM		
Auditing the statutory financial report of the parent covering the Group	243,400	185,000
Auditing the statutory financial reports of any controlled entities	-	37,000
Other services		
Agreed-upon procedure engagements	5,000	-
Previous auditors of the company - EY		
Auditing the statutory financial report of the parent covering the Group	-	114,000
	248,400	**336,000**

RSM Australia Partners (RSM) were appointed as City Chic's external auditor for the financial year ending 29 June 2025. The appointment of RSM was a result of a competitive tendering process undertaken as part of a significant cost rationalisation exercise in response to the reduction of the Company's global footprint and a resizing of the City Chic business.

Note 31. Contingent asset and liabilities

The consolidated entity had a contingent liability of $0.8 million (FY25: $0.8 million) in the form of a bank guarantee / letter of credit (refer to Note 18 'Borrowings').

As disclosed in the Material Business Risks in the Directors Report, City Chic remains in dispute with iCare (the NSW Workers Compensation insurer) regarding the basis and calculation of historical (pre 2018) insurance premiums. The matter is ongoing and management continues to seek a commercial resolution of the dispute. Management has accrued an amount in relation to this matter in Note 17 'Trade and other payables'. As with any litigation risk there is potential for contingent liability or contingent asset depending on the outcome.

Note 32. Commitments

	Consolidated 2026 $'000	Consolidated 2025 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	153	321
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	73
More than five years	-	-
	-	**73**

Lease commitments include contracted amounts for a small number of retail outlets considered short term (expiring within less than one year) and contracted amounts for leases not yet commenced as of 28 June 2026 to which the Group is committed.

Lease commitments for the leases not yet commenced includes contracted amounts for a small number of retail outlets under non-cancellable operating leases expiring within 1 to 5 years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The lease commitments do not include rental payments which may arise in the event that sales revenue exceeds a pre-determined amount.

Capital commitments include contracted amounts for fit-out costs (net of landlord fit-out contributions) relating to retail outlets for which the leases have not yet commenced as of 28 June 2026 but to which the Group is committed.

Note 33. Related party transactions

Parent entity
City Chic Collective Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 35 'Interests in subsidiaries'.

Key management personnel
Disclosures relating to key management personnel are set out in Note 29 'Key management personnel disclosures' and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current or previous financial period.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity

Note 34. Parent entity information (continued)

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $'000	**2025 $'000**
Revenue	107,066	97,820
Expenses	(110,473)	(108,343)
Profit before income tax	(3,407)	(10,523)
Impairment on asset	(3,900)	-
Income tax expense	(236)	2,875
	(4,136)	2,875
Profit after income tax from discontinued operations	-	-
Total loss after income tax for the year from parent entity	(7,543)	(7,649)
Other comprehensive income / (loss)	-	-
Total comprehensive loss from parent entity	**(7,543)**	**(7,649)**

Note 34. Parent entity information (continued)

Statement of financial position

	Parent	
	2026 $'000	**2025 $'000**
Cash and cash equivalents	4,218	5,378
Trade and other receivables	1,253	1,745
Inventories	15,966	16,689
Other	1,200	1,410
Income tax	7	7
Total current assets	**22,644**	**25,229**
Plant and equipment	6,743	7,695
Investments in subsidiaries	14,869	52,620
Right-of-use assets	19,357	21,479
Intangibles	9,635	2,609
Deferred tax	12,384	12,620
Total non-current assets	**62,988**	**97,023**
Total assets	**85,632**	**122,252**
Trade and other payables	25,970	19,907
Intercompany	861	25,903
Lease liabilities	9,159	9,932
Income tax	-	-
Borrowings	-	5,000
Provisions	4,557	4,357
Other	991	969
Total current liabilities	**41,538**	**66,068**
Lease liabilities	17,632	20,260
Provisions	402	319
Total non-current liabilities	**18,034**	**20,579**
Total liabilities	**59,572**	**86,647**
Net Assets	**26,060**	**35,605**
Issued capital	183,537	196,908
Loss reserve	(10,991)	(10,991)
Share-based payments reserve	412	(9,581)
Retained (losses) / profits	(146,898)	(140,731)
Total equity	**26,060**	**35,605**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The same guarantee disclosure applies to both parent and consolidated accounts, refer to Note 36 'Deed of cross guarantee'.

Contingent liabilities
The above disclosure does not include contingent rental payments which may arise in the event that sales revenue exceeds a predetermined amount.

Cross guarantees by and between City Chic Collective Limited and Specialty Fashion Group No.5 Pty Limited. These are described in Note 36 'Deed of cross guarantee'. No deficiencies of assets exist in any of these companies.

Note 34. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had $153,000 in capital commitments for property, plant and equipment as at 28 June 2026 (2025: $321,000).

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 2 'Material accounting policy information', except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described throughout the notes:

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Specialty Fashion Group No. 5 Pty Limited	Australia	100.0%	100.0%
City Chic Collective No. 1 Pty Limited *	Australia	80.0%	80.0%
City Chic Collective No. 2 Pty Limited	Australia	100.0%	100.0%
Specialty Fashion Group No. 6 Pty Limited	Australia	100.0%	100.0%
City Chic International Pty Limited	Australia	100.0%	100.0%
City Chic Collective New Zealand Limited	New Zealand	100.0%	100.0%
City Chic Collective UK Limited	England and Wales	100.0%	100.0%
JPC United GmbH	Germany	100.0%	100.0%
City Chic Collective USA Incorporated	United States	100.0%	100.0%

* City Chic Collective No. 1 Pty Limited is 80% owned. The non-controlling interest is not separately presented because the entity is dormant.

Note 36. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

City Chic Collective Limited
Specialty Fashion Group No.5 Pty Limited

The above companies (where incorporated in Australia) represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by City Chic Collective Limited, they also represent the 'Extended Closed Group'.

All companies in the Closed Group are dormant, except for City Chic Collective Limited. The financial results of the Closed Group are the same as the financial results of the parent entity which are disclosed in Note 34 'Parent entity information'.

Note 37. Events after the reporting period

Subsequent to year end, the Group completed the first FY27 clean-down requirement in July 2026. No other matter or circumstance has arisen since 28 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Consolidated entity disclosure statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Specialty Fashion Group No. 5 Pty Limited	Body corporate	Australia	100.00%	Australia
City Chic Collective No. 1 Pty Limited	Body corporate	Australia	80.00%	Australia
City Chic Collective No. 2 Pty Limited	Body corporate	Australia	100.00%	Australia
Specialty Fashion Group No. 6 Pty Limited	Body corporate	Australia	100.00%	Australia
City Chic International Pty Limited	Body corporate	Australia	100.00%	Australia
City Chic Collective New Zealand Limited	Body corporate	New Zealand	100.00%	New Zealand
City Chic Collective UK Limited	Body corporate	England and Wales	100.00%	England and Wales
JPC United GmbH	Body corporate	Germany	100.00%	Germany
City Chic Collective USA Incorporated	Body corporate	United States	100.00%	United States

No entity is a trustee, partner or participant in a joint venture.

City Chic Collective Limited
Directors' declaration
28 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 'Material accounting policy information';

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 28 June 2026 and of its performance for the financial period ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 36 'Deed of cross guarantee'.

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Kay
Chairman

Phil Ryan
Chief Executive Officer and Managing Director

21 August 2026
Sydney

City Chic Collective Limited
Corporate directory
28 June 2026

Directors	Michael Kay - Chairman and non-executive director Phil Ryan - Chief Executive Officer and Managing Director Natalie McLean - Non-executive director Neil Thompson - Non-executive director
Company secretary	Jacquie Shanahan
Registered office	151-163 Wyndham Street Alexandria, NSW 2015 Telephone: (02) 9059 4300
Principal place of business	151-163 Wyndham Street Alexandria, NSW 2015 Telephone: (02) 9059 4300
Share register	MUFG Corporate Markets (AU) Limited Liberty Place Level 41, 161 Castlereagh Street Sydney, NSW 2000 Telephone: 1300 554 474
Auditor	RSM Australia Level 7, 1 Martin Place Sydney, NSW 2000
Solicitors	Thomsons Level 23 Rialto South Tower, 525 Collins Street Melbourne, VIC 3000
Bankers	National Australia Bank 255 George Street Sydney, NSW 2000
Stock exchange listing	City Chic Collective Limited shares are listed on the Australian Securities Exchange (ASX code: CCX)
Website	http://www.citychiccollective.com.au
Corporate Governance Statement	https://www.citychiccollective.com.au/corporate-governance
ABN	43 057 569 169