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Mosaic Brands Limited

Addendum to Independent Expert's Report dated 20 November 2019

FINAL

14 March 2022

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The Independent Board Committee
Mosaic Brands Limited
Ground Floor, 61 Dunning Avenue
Rosebery NSW 2018

14 March 2022

Dear Independent Board Committee

Re: Addendum to Independent Expert's Report dated 20 November 2019

Introduction

On 21 November 2019 Mosaic Brands Limited (Mosaic Brands, Mosaic or ASX: MOZ, formally known as Noni B Limited) and Alceon Group (Alceon) announced an agreement for Mosaic to acquire a 50.1% equity interest in EziBuy Limited (EziBuy) for a nominal consideration of A$1 in which Mosaic will have economic ownership from 28 October 2019 (the Proposed Initial Transaction).

In connection with the Proposed Initial Transaction Mosaic and Alceon were granted call and put options to facilitate Mosaic either acquiring the remaining 49.9% equity interest in EziBuy on or prior to 31 December 2020 for a consideration of A$11 million in cash or return its current shareholding in EziBuy to Alceon (the Buyer Option).

Since the Proposed Initial Transaction, Alceon's 49.9% ownership in EziBuy transferred to their subsidiary Alquemie Group Holdings Pty Ltd (Alquemie).

In alignment with Chapter 10.1 of the Listing rules the independent directors of Mosaic Brands (the Independent Directors) requested that PricewaterhouseCoopers Ltd (PwCS) to advise whether, in PwCS opinion, the Proposed Initial Transaction is Fair and Reasonable to the Non-Associated Shareholders of Mosaic Brands (Non-Associated Shareholders).

PwCS concluded that the Proposed Initial Transaction was Fair and Reasonable to Non-Associated Shareholders in the absence of a superior proposal and issued an Independent Expert's Report detailing this opinion to the Independent Directors dated 20 November 2019. The Independent Expert's Report did not include an assessment of the Buyer's Option which was dependent on the circumstances at the time of exercise.

On 23 December 2019 Mosaic Brands held an extraordinary general meeting which approved the Proposed Initial Transaction in addition to the grant and future exercise of the Buyer Option.

On Sept 30th 2021 Mosaic Brands entered into a share purchase agreement (Second SPA) to exercise its Buyer Option to purchase the remaining 49.9% of Ezibuy, subject to obtaining all approvals as are necessary, including any regulatory approvals (The Transaction). Once the purchase is settled, the completion payment of $11 million has been deferred to no later than 30 June 2022. The Second SPA includes a locked-box mechanism, whereby the economic benefit in and risk to EziBuy will, on completion of the Proposed Transaction, transfer to Mosaic at 28 October 2019.

The Proposed Transaction also includes a caveat which dictates that if Mosaic sells or agrees to sell more than 50% of the shares in EziBuy or all or a majority of the assets of EziBuy (by value), whether in one or more transactions, within 12 months of exercise of the call option, for a price which is greater than the price that is implied for the sale of those assets by a valuation of $11 million for all the shares in EziBuy, then Mosaic must pay Alquemie 50.1% of the upside as deferred consideration. We have obtained representation from Management advising that Mosaic does not intend to sell its share (or any part of its share) in EziBuy within the 12 months following the exercise date.

Subsequently, the Independent Directors engaged PwCS to provide an addendum to the Independent Expert's Report dated 20 November 2019 to conclude whether the exercise of the Buyer Option was fair and reasonable to Non-Associated Shareholders of Mosaic Brands Limited (the report).

As this report forms as an addendum, this report should be read in conjunction with our Independent Expert's Report dated 20 November 2019.

Purpose of the report

Chapter 10.1 of the Listing Rules requires that when the purchase of a substantial asset to a related party or an associate of a related party is proposed, a report by an Independent Expert is to be prepared stating whether the Transaction is Fair and Reasonable to the Non-Associated Shareholders.

To provide an assessment of the exercise of the Buyer Option, the Independent Directors have engaged PwCS to provide an addendum to its Independent Expert Report to advise whether the exercise of the Buyer Option is fair and reasonable.

This addendum has been prepared for the exclusive purpose of assisting Non-Associated Shareholders with their consideration of the exercise of the Buyer Option (the Transaction). Neither PwCS, PwC, nor any member or employee thereof, undertakes responsibility to any person, other than the Non-Associated Shareholders and Mosaic Brands, in respect of this report, including any errors or omissions however caused.

Basis of evaluation

We have prepared this report having regard to Chapter 10 of the Listing Rules and the Australian Securities and Investments Commission (ASIC) Regulatory Guide 76 (RG 76), ASIC Regulatory Guide 111 (RG 111) and ASIC Regulatory Guide 112 (RG 112).

Chapter 10 of the Listing Rules

Neither the Listing Rules, nor the Corporations Act 2001 provides a definition of Fair and Reasonable for the purposes of Listing Rule 10. However, Listing Rule 10 can encompass a wide range of transactions. Accordingly, Fair and Reasonable must be capable of broad interpretation to meet the particular circumstances of each transaction. This involves judgement on the part of the expert as to the appropriate basis of evaluation to adopt given the particular circumstances of the transaction.

As Chapter 10 of the Listing Rules provides limited guidance on how related party transactions should be assessed, we have also had regard to RG 76, as discussed below.

RG 76

According to RG 76, a related party transaction is any transaction through which a public company provides a financial benefit to a related party. As noted in paragraph RG 76.1, related party transactions involve conflicts of interest because related parties are often in a position to influence the decision of whether the benefit is provided to them, and the terms of its provision.

RG 76 refers to RG 111 and RG 112 for guidance on how the Independent Expert should assess related party transactions.

RG 111 and RG 112

RG 111 provides guidance in relation to the content of Independent Expert's reports prepared for a range of transactions. RG 111 notes that a related party transaction is:

- **Fair**, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the benefit being received. In valuing the financial benefit given and the consideration received by the entity, an expert should take into account all material terms of the Transaction.
- **Reasonable**, if it is Fair, or, despite not being Fair, after considering other significant factors, shareholders should vote in favour of the transaction.

RG 112 primarily focuses on the independence of experts and provides little guidance on evaluating transactions.

Definition of value

For the purpose of our opinion, we have referred to the concept of Fair Market Value. Fair Market Value is defined as the amount at which the shares in the entities would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply of sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our assessment and valuation has not been premised on the existence of a special purchaser.

Summary and conclusion

In our opinion the proposed acquisition of the remaining 49.1% interest in EziBuy (the Transaction) by exercise of the Buyer Option is fair and reasonable to Non-Associated Shareholders of Mosaic. In arriving at this opinion, we have had regard to the following factors outlined below.

The Transaction is Fair

According to RG 111, in order to assess whether the related party Transaction is fair, the independent expert is required to compare the Fair Market Value of EziBuy on a controlling basis with the Fair Market Value of the consideration offered. The Transaction is fair if the value of the Consideration is equal to or below than the value of EziBuy.

In the case of the Transaction, our assessment of fairness is determined by whether the exercise price associated with the Buyer Option was 'at the money' (equal) or 'in the money' (above) the Fair Market Value of Non-Associated Shares of EziBuy.

Set out in the table below is our assessment of the Fair Market Value of EziBuy relative to the Consideration offered by Mosaic.

Table 1: Assessment of fairness

	Unit	Low	High
Fair Market Value of EziBuy	$m	12.0	15.5
Fair Market Value of the Consideration	$m	10.9	10.9
Premium / (Discount) of Consideration over EziBuy value	**$m**	**1.1**	**4.6**
Premium / (Discount)	**(%)**	**10.1%**	**42.2%**

Source: S&P CapitalIQ, PwCS Analysis

The Fair Market Value of the Consideration is below the Fair Market Value of EziBuy. Accordingly, it is our opinion that the Transaction is fair.

Valuation of EziBuy

We have estimated the Fair Market Value of EziBuy by applying the Capitalisation of Earnings (CoE).

In adopting the CoE approach we had regard to the EV/EBITDA multiples of peer comparable companies in the market.

To support the appropriateness of our primary approach (capitalisation of earnings) we have considered:

- The Peer Group's Enterprise Value/Revenue (EV/Revenue) trading and transaction multiples. This analysis confirms our view that the implied multiple for the Transaction is significantly below that of identified peers across a number of sub-sectors within the retail industry, even after adjustments for the relative size, growth and margin of EziBuy.

These cross checks support our primary approach. Set out below is our summary of the Fair Market Value of Ezibuy.

Table 2: Valuation of EziBuy

AUD in millions	Unit	Low	High
Maintainable EBITDA [1]	$m	3.5	3.5
EV/EBITDA Multiple [2]	times	5.0x	6.0x
Enterprise value range	**$m**	**17.5**	**21.0**
Less: net debt & debt-like items	$m	(17.6)	(17.6)
Add: surplus assets	$m	12.1	12.1
Equity value (controlling basis) [3]	**$m**	**12.0**	**15.5**

1. *On a pre-IFRS 16 basis and excluding one-off revenue/costs.*
2. *Assessed on a controlling basis.*
3. *100% controlling basis, inclusive of an assessed control premium.*

Source: S&P CapitalIQ, PwCS Analysis

Valuation of the Consideration

We have valued the Consideration offered to Non-Associated Shareholders under the Offer at $10.9 million.

Table 1: Valuation of the Consideration

	Amount
Deferred cash consideration	11.0
Discount to present value	**10.9**

Source: S&P CapitalIQ, PwCS Analysis

In order to value the Consideration we had regard to the likelihood of the payment occurring in June 2022.

The Transaction is reasonable

According to RG 111 an offer is reasonable if it is fair. On this basis, in our opinion the Transaction is reasonable.

Notwithstanding, we set out below a number of reasonableness considerations.

Exercise of the Buyer Option is expected to be value accretive

With our assessed Fair Market Value for EziBuy being higher than the Consideration under the Buyer Option at the Exercise Date, the Buyer Option was 'in the money' and therefore value accretive to Non-Associated Shareholders. Market evidence supports this with Mosaic stock achieving a 15.0% increase within the five days subsequent to the announcement of the exercised Buyer Option.

Management have achieved initial success in its turnaround plan for EziBuy

Despite a history of operational difficulties at EziBuy, Mosaic Brands have delivered initial success on its EziBuy turnaround plan and delivered an underlying EBITDA of $3.7 million in FY21 from an unprofitable performance at the time of initial economic control.

Mosaic Brands is likely to realise additional benefits from having 100% ownership of EziBuy

Our assessment of fairness has reflected certain benefits of control available to a market participant buyer of EziBuy. However, it may be the case that Mosaic Brands is able to extract certain other benefits from further consolidation that are unique to it which are not taken into account in our assessment of fairness.

There has been multiple expansion subsequent to the Proposed Initial Transaction in 2019

The median EBITDA FY+1 multiples for EziBuy's listed peers have increased by c.24.0% since Proposed Initial Transaction in 2019. This likely represents further value accretion to Non-Associated Shareholders with the Consideration being negotiated having had regard to lower market multiples paid for EziBuy's earnings.

The Consideration has been negotiated to minimise working capital disruption

The negotiated payment of the $11 million Consideration has been deferred to June 2022 to minimise working capital disruption to Mosaic Brands and its existing portfolio. The deferred consideration also results in Mosaic Brands being likely able to part fund the final Consideration with earnings generated up until the payment date if historical run rates are achieved.

EziBuy's online business model has shown resilience in the COVID-19 operating environment

The COVID-19 outbreak subsequent to the Proposed Initial Transaction represents increased risk for capital markets and the retail sector specifically. Mitigating this risk for Non-Associated Shareholders is a track record of success in the current environment with its positive FY21 earnings result and substantial leverage to online sales relative to Brick & Mortar which have faced increased restrictions.

Opinion

In our opinion, the Transaction is fair and reasonable to Non-Associated Shareholders.

An individual shareholder's decision in relation to the Transaction may be influenced by his or her particular circumstances. If in doubt the shareholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with the detailed report which sets out our scope and findings.

Yours faithfully

Richard Stewart

Authorised Representative

PricewaterhouseCoopers Securities Ltd

Meredith Chester

Authorised Representative

PricewaterhouseCoopers Securities Ltd

1 Target company profile

1.1. Overview of EziBuy

In December 2019, Mosaic Brands Limited acquired 50.1% of the ordinary shares of EziBuy limited from Alceon (ownership now transferred to Alceon's subsidiary Alquemie) for a consideration of $1.00. The acquisition included a call option to either acquire the remaining 49.9% equity interest on or prior to 30 June 2022 (original date being 31 December 2020 but delayed due to COVID-19) for a consideration of $11m or alternatively return the current shareholding to Alquemie.

1.2. Business operations

There have been no significant changes to business operations between the prior IER issued in November 2019 and the addendum report.

There have been restructures in the business with closures to the Auckland head office and Coomera warehouse in Queensland.

1.3. Key financial information

1.3.1. Revenue and EBITDA

The net sales and EBITDA for EziBuy from FY19 to FY21 are presented in the figure below.

NZD in millions unless otherwise stated	FY19	FY20 [1]	FY21
Revenue	**144.1**	**78.2**	**120.7**
Gross profit	76.1	41.9	64.3
Operating costs	(50.6)	(37.4)	(56.6)
Non-recurring expenses	6.8	-	3.8
Other expenses	(31.8)	(5.8)	(7.6)
EBITDA	**0.5**	**(1.2)**	**4.0**

Source: EziBuy financial information

Key performance indicators	FY19	FY20	FY21
Revenue growth		*n/a*	*54%*
EBITDA margin	*0%*	*-2%*	*3%*

Note: Financial information presented on a pre-IFRS16 basis for consistency

Note: Totals may not sum due to rounding

Note 1: FY20 reflects partial year figures

Source: EziBuy financial information provided by Management

We note the following regarding the historical and budget financials presented above:

- FY19 saw a new focus on re-organising and structuring the business for the future. EziBuy implemented a series of initiatives in an attempt to turnaround the business and establish future stability. These initiatives were focused on right-sizing the business through supply chain optimisation and digital transformation, as well as understanding sales patterns and minimising direct costs. The EBITDA presented excludes several non-recurring one-off expenses related to management initiatives such as Brand relaunch, dual warehouse set up, non-recurring incremental freight costs, and redundancy costs.

- FY20 represented the partial financial year under Mosaic's ownership (majority stake owned by Mosaic from acquisition in late 2019).
- FY21's sales included full year EziBuy revenue, and the benefit of the synergies recognised through the acquisition. The increase in EBITDA due to Mosaic's focus on EziBuy's inventory and capital management and increasing their product offering. Mosaic's implemented strategy enabled EziBuy to operate more efficiently and recognised improved EBITDA margins.

1.3.2. Statement of financial position

The statement of financial position for EziBuy as at 30 June 2021 and 30 September 2021 is presented below.

NZD in millions (unless otherwise stated)	30 June 2021	30 September 2021
Cash	8.3	8.4
Trade and other receivables	0.1	-
Inventories	22.8	22.6
Other current assets	1.7	2.1
Intercompany account	7.3	7.3
Current assets	**40.1**	**40.4**
Property plant & equipment	0.8	0.7
Right of use assets	13.1	12.1
Intangibles	1.7	1.4
Deferred tax asset	12.2	12.2
Non-current assets	**27.8**	**26.4**
Total assets	**67.9**	**66.8**
Trade creditors	(40.3)	(44.6)
Loans and borrowings	(6.9)	(6.7)
Lease liabilities	(4.2)	(4.2)
Provisions	(5.0)	(5.0)
Current liabilities	**(56.4)**	**(60.5)**
Lease liabilities	(15.9)	(15.0)
Deferred tax liabilities	(6.5)	(6.5)
Non-Current liabilities	**(22.5)**	**(21.5)**
Total liabilities	**(78.9)**	**(82.0)**
Net assets	**(11.0)**	**(15.2)**
Share capital	-	-
Accumulated losses	(11.0)	(15.2)
Total equity	**(11.0)**	**(15.2)**

Source: EziBuy financial information provided by Management

Note: Totals may not sum due to rounding

We note the following regarding the balance sheet items presented above. The commentary below applies to both balance sheet dates.

- **Inventory:** The book value of inventory is equal to the lower of cost and net realisable value as per *AASB102 Inventories*.
- **Other current assets:** Relates to the right of return asset which is in correlation to the sales return provision.
- **Intercompany account:** EziBuy is liable to pay a small commission for any sales of EziBuy's products made through one of Mosaic brands' websites. Hence, this relates to the net position of amounts payable and receivable from Mosaic.
- **Property, plant & equipment (PP&E):** Relates to assets held across the various stores, head office and at the Palmerston North distribution centre, which includes leasehold improvements, furniture and computer equipment.
- **Intangible assets:** EziBuy's intangible assets comprise solely of software. The largest intangible asset relates to the implementation of Hybris, an omni-channel and product content management software provided by SAP.
- **Provisions:** This relates to provisions held for any returns from customers and the annual leave provision held for employees.
- **Borrowings:** This relates to a financing facility provided by ANZ Bank. This is held at the Alceon group level and is payable through EziBuy.
- **Deferred tax asset –** This balance is made up of the tax timing differences for stock provisions, depreciation, AASB 16 right of use assets depreciation, and accumulated tax losses.
- **Deferred tax liabilities –** This relates to the timing differences recognised as a result of AASB 16 lease interest expenses.

We note EziBuy's reported a negative net asset position promptly after its acquisition post October 2019. Management have advised this is partially due to post-acquisition accounting which resulted in the recognition of significant accumulated losses within retained earnings.

2 Acquirer company profile

2.1. Overview of Mosaic Brands

There have been no changes to the operations of Mosaic Brands from the PwC Independent Expert Report issued regarding the Proposed Initial Transaction on 20 November 2019. Mosaic Brands is a fashion retail group listed on the Ausralian Securities Exchange. Mosaic Brand's geographic presence consists of a network across Australia and New Zealand, in addition to a growing digital presence.

2.2. Brand portfolio

The figure below presents a summary of Mosaic's brand portfolio which highlights EziBuy's relatively low number of brick and mortar stores relative to online sales.

	Millers	W.LANE	NONI B	rivers	KATIES	AUTOGRAPH	rockmans	crossroads	beme	EZIBUY
Stores (#)	255	74	184	143	128	79	227	-	-	6
Members	4.8m	1.4m	1.4m	4.0m	3.1m	1.4m	4.0m	2.6m	802k	2.6m
Online visits	10.7m	5.3m	8.2m	11.4m	11.4m	6.8m	8.8m	4.8m	4.6m	24.2m
Email subscribers	1.9m	654k	707k	2.9m	1.6m	709k	1.4m	1.2m	467k	3.8m

Source: Mosaic company website and documents

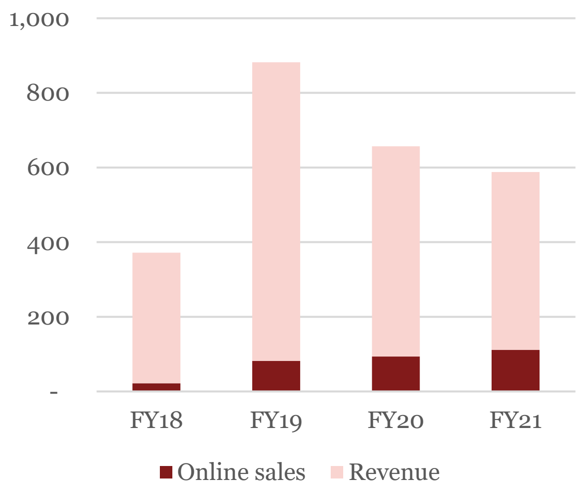
2.3. Business outlook

Mosaic have decreased its store footprint in recent years due to the impacts of the global Coronavirus pandemic (COVID-19) on the retail industry and the unsatisfactory terms stipulated by landlords. Mosaic has assumed that things may not return to the way they were pre-COVID-19 and that the retail sector is likely to change in the future. Mosaic plans to grow their business by investing more in their digital business, improving margins, and maintaining a more efficient inventory level.

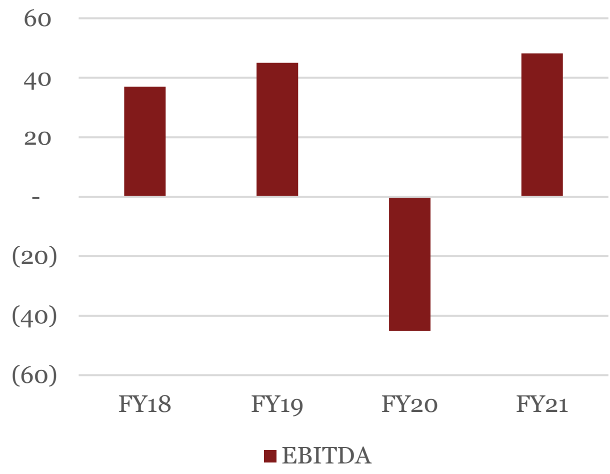
2.4. Key financial information

The revenue and EBITDA of Mosaic are summarised below:

Revenue (AUD millions)



EBITDA (AUD millions)



Source: Mosaic Annual Report

Revenue has decreased as a result of having to close down physical stores due to the impacts of the global COVID-19 pandemic on the retail sector.

The increase in EBITDA from FY19 to FY20 reflects improvements in cost savings, reduced discounting, and maintaining lower levels of inventory.

In FY20, Mosaic acquired 50.1% of EziBuy, one of the largest multi-channel retailers in Australia and New Zealand, to support their digital strategy given that a majority of EziBuy's revenue is through their digital platform.

2.5. Company ownership and shareholders

Mosaic's substantial shareholders include investment management companies. In 2014, Alceon Group Pty Ltd gained control of the group through acquisition of a 77.5% equity stake via its role as the manager of the Alceon Retail Trust. Since then, the Alceon Retail Trust has reduced its stake in Mosaic to 36% (as at 30 June 2021). The share price has increased from A$0.50 in November 2014 (when Alceon and the Mosaic Management team acquired their interest in Mosaic) to A$2.66 on 31 October 2019 in large part driven by the turnaround during Alceon's control and under the current Mosaic Management team. Since then, it has decreased to A$0.73 on 1 December 2021 due to the adverse impacts that COVID-19 have had on Mosaic.

3 Fairness assessment

3.1. Fairness summary

Proposed Buyer Option Exercise Price

The Buyer Option provided Mosaic with an option to purchase the remaining 49.9% equity interest in EziBuy which Mosaic exercised on 30 September 2021 (Exercise Date).

In order to assess whether the Transaction (involving the exercise of the Buyer Option) is fair, we have determined whether the exercise price associated with the Buyer Option was 'at the money' (equal) or 'in the money' (below) in relation to the Fair Market Value of the Non-Associated Shares of EziBuy.

In estimating the enterprise and equity value at the Exercise Date, we have utilised the capitalisation of earnings as our primary approach. Our rationale for selecting this approach is set out below in section 3.2.

We have estimated the current market enterprise value and equity value of EziBuy on a controlling basis as set out below.

EziBuy valuation summary

AUD in millions	Unit	Low	High
Maintainable EBITDA [1]	$m	3.5	3.5
EV/EBITDA Multiple [2]	times	5.0x	6.0x
Enterprise value range	**$m**	**17.5**	**21.0**
Less: net debt & debt-like items	$m	(17.6)	(17.6)
Add: surplus assets	$m	12.1	12.1
Equity value (controlling basis) [3]	**$m**	**12.0**	**15.5**

1. *On a pre-IFRS 16 basis and excluding one-off revenue/costs.*
2. *Assessed on a controlling basis.*
3. *100% controlling basis, inclusive of an assessed control premium*

Source: S&P CapitalIQ, PwCS Analysis

In selecting our Market Value range for EziBuy, we had regard to the following:

a) The EBITDA FY+1 multiple implied range falls within the range observed in the lower to mid quartile of the trading peers, reflective of its smaller size, diversification and growth relative to global listed peers such as City Chic, Lands' end, Accent Group, Premier Investments, ASOS, boohoo, and Zalando.

b) With COVID-19's varied impact on companies operating in the retail sector globally, earnings multiples can vary as lock-downs and other external factors negatively impact trading results.

c) COVID-19's adverse impacts on EziBuy's business and operations and Mosaic's strategic initiatives implemented since the EziBuy's majority stake was acquired in late 2019.

d) EziBuy operates predominately online. All else being equal, this would support EziBuy trading at a multiple higher than Mosaic Brands, Kathmandu and J. Jill.

The analysis supporting the valuation assumptions adopted are set out in the following sections.

3.2. Valuation approach

There are a number of commonly adopted methodologies that could be used to assess the Fair Market Value of a business. Widely accepted methodologies include:

- **Capitalisation of earnings**: This method involves multiplying an estimation of a level of sustainable earnings (or profits) of a business by a multiple that is reflective of the underlying risks and growth prospects of the business. The estimation of earnings is considered a surrogate for the go forward cash flows of the business and the process of multiplication is referred to as the 'capitalisation' of earnings.
- **Net assets**: This approach derives the Fair Market Value of the equity of an entity by adjusting the asset and liability balances on the subject company's balance sheet to their Fair Market Value equivalents. The net assets approach has a number of variants. Typically, the approach can be applied using a going concern premise which uses the concept of replacement cost as an indicator of value.
- **Market based assessments**: Market based assessments relate to the valuation of a business, shares or assets using observed prices at which comparable businesses, shares or assets have been exchanged in arm's length transactions. This is often the most reliable evidence of Fair Market Value but in the case of valuation of companies it can be difficult to find directly comparable transactions. For companies whose shares are publicly traded, the relevant share price is considered indicative of the Fair Market Value of the shares, if there is sufficient liquidity. However, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a premium for control. We would therefore usually adjust for this.
- **Discounted cash flow**: Indicates the value of a business based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the cash flows.

Each methodology is appropriate in certain circumstances and the decision as to which methodology to apply generally depends on the nature of the business being valued, the maturity of the business, commonly adopted approaches used to value similar businesses and the availability of information.

3.2.1. Selected valuation approach

After consideration of the above methodologies, we have selected the capitalised earnings methodology as our primary valuation methodology with consideration to the below factors:

- **Maturity of business and the industry:** EziBuy is a relatively mature business with a longstanding history in the consumer retail industry within Australia and New Zealand.
- **Availability of information:** Based on company disclosures, information and discussions with EziBuy Management and review of market and industry benchmarks we have adjusted FY21 earnings for one-off significant items. However, there is some uncertainty around longer term forecasts given the current marketplace within the consumer retail industry as a result of the COVID-19 impacts which limits the applicability of a discounted cash flow model.
- **Market evidence:** There are various publicly listed companies with operations sufficiently comparable to EziBuy from which a meaningful comparison can be undertaken and an appropriate multiple identified.

To support our conclusion under the capitalisation of earnings approach, we undertook a number of crosschecks of our valuation. These cross checks include implied revenue multiples of peer comparable companies to the Proposed buyer option.

3.3. Valuation analysis – primary approach

In order to arrive at a Market Value using the capitalisation of earnings methodology, the approach requires assessment of the enterprise value of EziBuy based on:

1. **Maintainable earnings:** having regard to historical and budget earnings, consideration of any abnormal or non-recurring items and other factors including industry risks, specific growth prospects and the general economic outlook.

2. **Earnings multiple:** that reflects the risks inherent in the business. This is required to be assessed including a premium for control that reflects a 100% business ownership and opportunity to realise market participant cost and revenue related synergies.

3.3.1. Selection of multiple type

In applying the capitalisation of earnings approach it is common to use earnings before interest, taxation, depreciation and amortisation (EBITDA) or earnings before interest and taxation (EBIT) as the appropriate level of earnings to capitalise. We have chosen EBITDA as the appropriate measure of earnings as this:

a) Eliminates distortions that the differences in depreciation and amortisation policies may cause.

b) Eliminates the effects of gearing and provides a value which is independent of the current funding structure of the company.

c) Removes the effect of different taxation regimes and taxation benefits that may be available to the company.

3.3.2. Maintainable earnings assessment

The underlying principle of an earnings-based valuation approach is that the value of the business is based on its maintainable earnings. The estimated maintainable earnings should reflect an 'average' of the current expected earnings with variability around this average and growth factored into the adopted capitalisation multiple.

We have assessed the maintainable earnings as set out below based on the historical figures of revenue and EBITDA for EziBuy.

AUD in millions unless otherwise stated	FY20*	FY21
Revenue	74.3	112.4
EBITDA (excluding non-recurring expenses)	(1.2)	3.7

Source: EziBuy financial information provided by Mosaic Limited

Note: FY20 partial year figures shown as Mosaic acquired a majority stake in EziBuy in November 2019.

We consider an EBITDA of c.$3.5 million to be an appropriate estimate of the maintainable earnings for the purpose of our analysis for the following reasons:

- There is limited data on medium-term forecast financial information for EziBuy.
- The volatile nature of EziBuy's historical financial information resulting from numerous owners, turnaround initiatives, and COVID-19 impacts.
- There are substantial EBITDA benefits (related to restructuring efforts) that have been paid for in the current financial year that reflect expected margin improvements in the EziBuy business which partially de-risks the selected maintainable earnings being achieved.
- The most recent result is an EBITDA of $3.7m in FY21, which is a reflection of some synergies recognised through Mosaic's acquisition.

Additional detail and commentary around EziBuy's historical revenue and EBITDA is presented in section 1.3.1 of this Report.

We have considered the reasonableness of the assessed maintainable earning range having regard to:

a) **Benchmark peer's growth:** The revenue growth of the peers is in the range of -6.4% to 39.6% for FY22, which compares to revenue growth of 4.0% projected by EziBuy.

b) **Industry revenue forecasts:** FitchSolutions projects spending on clothing and footwear to grow by 3.9% per annum through to 2025, which is in line with EziBuy's forecast.

c) **EBITDA compared to historical levels:** EziBuy is forecasting to return to FY19 levels for FY22, which is a reflection of the continuing challenges to revenue and EBITDA as a result of COVID-19.

Based on the above factors, we consider the adopted maintainable earnings to be reasonable.

3.3.3. Maintainable earnings assessment

In selecting an appropriate earnings multiple, we have considered earnings multiples observed from share market trading of listed companies with operations comparable to EziBuy.

Earnings multiples derived from share market trading do not reflect the Market Value for control of a company as they are based on trades of single shares or small parcels of shares in the subject companies. The difference between the Market Value of a controlling interest and a minority interest is referred to as the premium for control. We have adjusted for this separately by applying a control premium which is explained further below.

3.3.3.1. Market trading multiples

We conducted a global search for retail business and pure play online retail businesses comparable to EziBuy and identified a small number of listed companies with operations comparable but not identical to EziBuy.

Set out in the table below are the implied EBITDA multiples of the companies we identified.

Benchmark listed peers valuation data

Comparable company	EV (AUD m)	LTM EBITDA margin [1]	Forecast growth [2]	EV/EBITDA (FY+1) [3]
Mosaic Limited	43	-4%	8%	-0.9x
City Chic Collective Limited	1,762	16%	19%	35.0x
Kathmandu Holdings Limited	1,260	12%	23%	11.0x
J.Jill, Inc.	610	-9%	-9%	4.9x
Lands' End, Inc.	1,616	6%	6%	9.3x
Myer Holdings Limited	441	14%	18%	1.7x
Accent Group Limited	1,474	16%	24%	10.3x
Premier Investments Limited	5,349	27%	37%	17.3x
ASOS Plc	6,273	8%	9%	12.8x
boohoo group plc	5,777	10%	10%	26.1x
N Brown Group plc	1,415	12%	12%	8.1x
Zalando SE	34,500	6%	7%	35.9x
Median – narrow set		**4%**	**10%**	**6.5x**
Mean – narrow set		**3%**	**9%**	**5.8x**
Median – broad set		**11%**	**12%**	**10.7x**
Mean – broad set		**10%**	**15%**	**14.3x**

1. *EBITDA Margins are presented on a net sales, pre-IFRS16 LTM basis*
2. *Revenue growth refers to FY+1 growth on a net sales basis*

3. EBITDA multiples are presented on a pre-IFRS 16 basis and with enterprise value exclusive of leases.
Source: S&P CapitalIQ, Financial Statements and listed announcements, PwC Analysis as at 1 October 2021

A full list containing the description and details of the comparable companies considered in our analysis is provided in Appendix A.

The forward earnings multiples have been presented on a pre IFRS 16 basis. This has been done by observing the 'right of use depreciation' as a proxy for rental expense relative to revenue on a LTM basis, and applying this ratio to forward revenue for FY+1. This adjustment is required as equity research brokers forecast earnings considering the updated accounting standards (such as IFRS 16).

Of the comparable companies identified, we consider Mosaic, Kathmandu, J.Jill, and Myer to be the most comparable peers. We have considered the following key value drivers when considering most relevant peers:

1. **Business model and capital intensity:** Companies with business models that require less capital expenditure (capex) or working capital trade at higher multiples than capital intensive companies due to the decreased reinvestment required to scale and grow future earnings. Retail businesses with a traditional brick and mortar format with physical stores are more capital intensive than pure play online retail businesses.
2. **Growth prospects:** Companies with a higher growth outlook, all else being equal, trade at higher multiples than their peers with lower growth prospects. We have generally observed that the comparable multiples are correlated with revenue growth as this is reflective of the expectation of increased market share and growth opportunities.
3. **Profitability:** Companies that trade with higher margins tend to trade at higher multiples than less profitable companies as these companies tend to have more pricing power in the market, and/or have greater capacity to absorb higher costs which may be imposed on the business. The higher margins can also be viewed as a proxy for higher returns and thus businesses with higher margins would be more valuable.
4. **Diversification and scale:** Companies with greater product and/or geographic diversification (which also tend to be larger) can, all else being equal, trade at higher multiples than smaller companies. This is because the products and markets diversification can equate to a business being insulated from specific risks (which may only impact a particular product or market) or because their large size gives them a scale advantage. This is a significant factor for valuation and absent other factors we would expect this to result in EziBuy trading at a significant discount to the larger peers. On balance with other factors, this excluded City Chic, Lands' end, Accent Group, Premier Investments, ASOS, boohoo, N Brown, and Zalando from our narrow set given these peers are more diversified.

In regard to the narrow and most comparable set of comparable companies to EziBuy, we note the following observations:

a) Mosaic engages in the retail of women's apparel and accessories in Australia. Mosaic owns majority of EziBuy, however Mosaic's business model differs in that they operate a national network of boutique stores under various different brands throughout Australia. Given that Mosaic owns the majority stake in EziBuy and the fact they operate in a similar industry we have considered Mosaic in the narrow set of comparable companies however due to Mosaic Brand's larger brick and mortar presence, we would expect EziBuy to trade at a multiple higher than Mosaic Brands.

b) Kathmandu designs and sells retail clothing, footwear, and equipment for travel and adventure internationally. The company operates through various stores as well as through the online platform. We would expect Kathmandu to trade at a premium to EziBuy given their scale of operations and broader market reach.

c) J. Jill operates as an omni-channel retailer for women's apparel within the United States, whereby their customer base is targeted at customers 45 years and older. The company sells their apparel through retail stores and online. Although J.Jill has a larger operation base we would expect J.Jill to trade similar to EziBuy or at a slight premium considering the additional expenses recognised through maintaining physical stores.

d) N Brown operates as a digital fashion retailer in the UK. N Brown would be considered the closest peer to EziBuy considering their operations are pure play online. However, N Brown's operations however are larger given the larger number of brands and operations with a more established track record that date back to 1859 which is considerably longer than EziBuy's operations. Due to these factors, we would expect EziBuy to trade at a multiple slightly lower than Mosaic Brands.

3.3.3.2. Precedent transactions

Transaction multiples are generally calculated with reference to historical earnings, and as a result, all things being equal, we would expect the transaction multiples (particularly where control is transferred) to be higher than the unadjusted current or forecast trading multiples observed for listed comparable companies.

We identified a number of transactions involving businesses similar to EziBuy. However, all of the transactions involving similar companies we identified had the following limitations:

a) Transactions observed were typically larger multinational retailers acquiring or divesting smaller specialist retailers or boutique retailers such as the sale of Catch Group Holdings to Wesfarmers Limited. These companies trade at higher multiples due to stronger growth opportunities and favourable industry dynamics and as a result are not comparable.

b) The observations pre-dated the COVID-19 pandemic and in market conditions which were more favourable relative to current trading conditions.

c) A number of the transactions were for larger businesses than EziBuy and therefore expected to trade at a premium.

Given the above, we did not place significant reliance on the transaction multiples.

3.3.3.3. Selected multiple

Based on the above analysis of the comparable companies outlined above, we have adopted an EBITDA multiple (on a non-controlling basis) in the range of 5.0x to 6.0x due to the following reasons:

a) EziBuy has a low level of capital intensity relative to peers.

b) EziBuy's operations are smaller in size and diversification relative to its global peers.

c) EziBuy does not hold any significant margin or operating model advantage relative to its broader peer group.

d) EziBuy had been significantly impacted by COVID-19 relative to its global peers with more diversified operations across a broad range of products and markets.

e) A portion of EziBuy's peers is based overseas with a larger addressable market and more favourable growth opportunities.

3.4. Equity value adjustments

To derive the value of the equity in EziBuy, we have adjusted the assessed enterprise value under the capitalisation of earnings approach for net debt and debt-like liabilities and a premium for control.

3.4.1. Net debt and debt-like liabilities

To derive the value of the equity in EziBuy for the purposes of comparison to the Scheme Consideration we have then adjusted the assessed enterprise value for the level of net debt inclusive of earnouts held by EziBuy at 30 September 2021. Additionally, we have considered debt-like liabilities such as an adjustment to a 'normal' level of working capital, cash settlement of options and transaction costs related to the Scheme.

This is a projected balance sheet and reflects the unwinding working capital position after Q3 FY21.

Proxy balance sheet as at 30 September 2021

AUD in millions unless otherwise stated	
Cash	7.8
Debt	(6.2)
Net debt	**1.6**
NWC adjustment	(19.2)
Net debt and debt-like items	**(17.6)**

Source: EziBuy financial information provided by Mosaic Limited

During the COVID-19 pandemic, EziBuy were able to extend credit terms with suppliers. As such payable's balances remained consistent with pre COVID-19 levels whilst inventory balances decreased. Management maintained a lower inventory balance during this period to improve efficiencies and ensure aged stock was not held on hand. The NWC adjustment reflects the increase to a 'normal' level of working capital as supplier terms will revert back to pre-COVID-19 basis and inventory will be managed accordingly.

3.4.2. Other considerations: Surplus assets

The following surplus assets were identified:

AUD in millions unless otherwise stated	
Intercompany assets	6.8
Net deferred tax	5.3
Total	**12.1**

EziBuy have accumulated tax losses over the last few financial years and have recognised a deferred tax asset position as at 30 September 2021 as Management are expecting to return a profit in future periods. We will include the value of the net deferred tax position ($5.3m) in the Estimated Fair Market Value of EziBuy as this is considered a surplus asset to EziBuy as EziBuy will benefit from the utilisation of tax losses in future periods to offset their tax payable.

The intercompany asset of $6.8m relates to amounts receivable from related parties. As such, the intercompany balance is treated as a surplus asset as EziBuy will benefit from this receivable at future time in point.

3.4.3. Adjustments for control premium

We have applied an equity control premium to our assessed comparable listed companies, as purchasers are normally willing to pay a premium in order to obtain control of a company.

A premium for control is applicable when the acquisition for control of a company would give rise to benefits such as control of the board of directors and decision making and strategy, as well as access to opportunity to realise revenue and cost synergies, cash flows and tax benefits.

Publicly available research indicates that the average equity control premium for apparel retail has been in the range of 10% to 30%. However, we note this varies widely depending on the circumstances and may, in some situations, include an element reflecting a strategic premium paid by purchasers.

These strategic premiums are specific to the acquirer and exist where an investor expects to be able to enhance cash flows by realising synergistic benefits by merging the acquired business with their existing business, and again, is willing or must share that benefit with the selling shareholders. Generally speaking, the acquirer will be reluctant to pay above the value of potential synergies. Nevertheless, in a competitive bidding environment, the price paid will include some element of expected synergies and therefore include a strategic control premium.

We note that there are a finite number of potential trade buyers for EziBuy given its business strategy, target market and recent historical performance.

Based on the above analysis, current market conditions and a limited number of potential trade buyers (resulting in low competitive tension around synergies), we would expect the control premium to reflect mainly financial control and that the premium for strategic control would be minimal. Therefore, we have applied a control premium of 20% to the comparable listed companies based on the range observed among other comparable transactions and market studies.

3.5. Valuation analysis – cross check

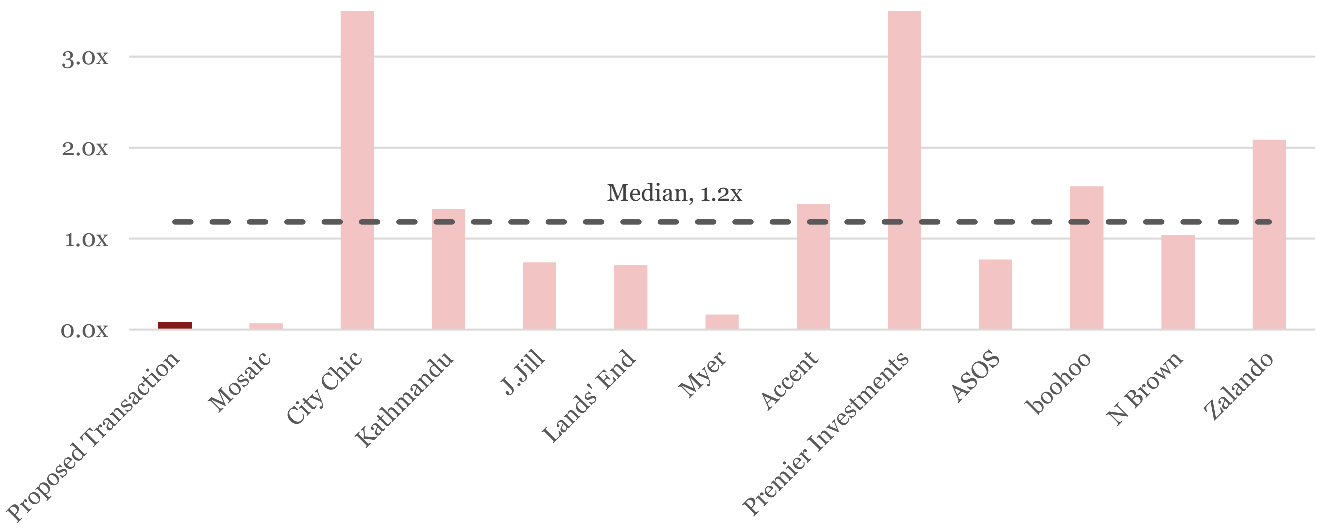
As a cross check to the Capitalisation of Earnings approach (which assessed value using an earnings multiple), we considered the implied EV/Revenue multiple to benchmarks as below.

3.5.1. EV/Revenue multiples

We have considered EV/Revenue trading multiples of the comparable companies, as well as observed transaction multiples as a cross check to our primary valuation approach. In calculating these multiples, we had regard to forecast revenue for EziBuy of c. $120 million.

The FY+1 EV/Revenue multiple implied by the Buyer Option is 0.1x. This represents a multiple at the low end relative to the observed trading multiples of the peers, which are trading at a median of c.1.2x.

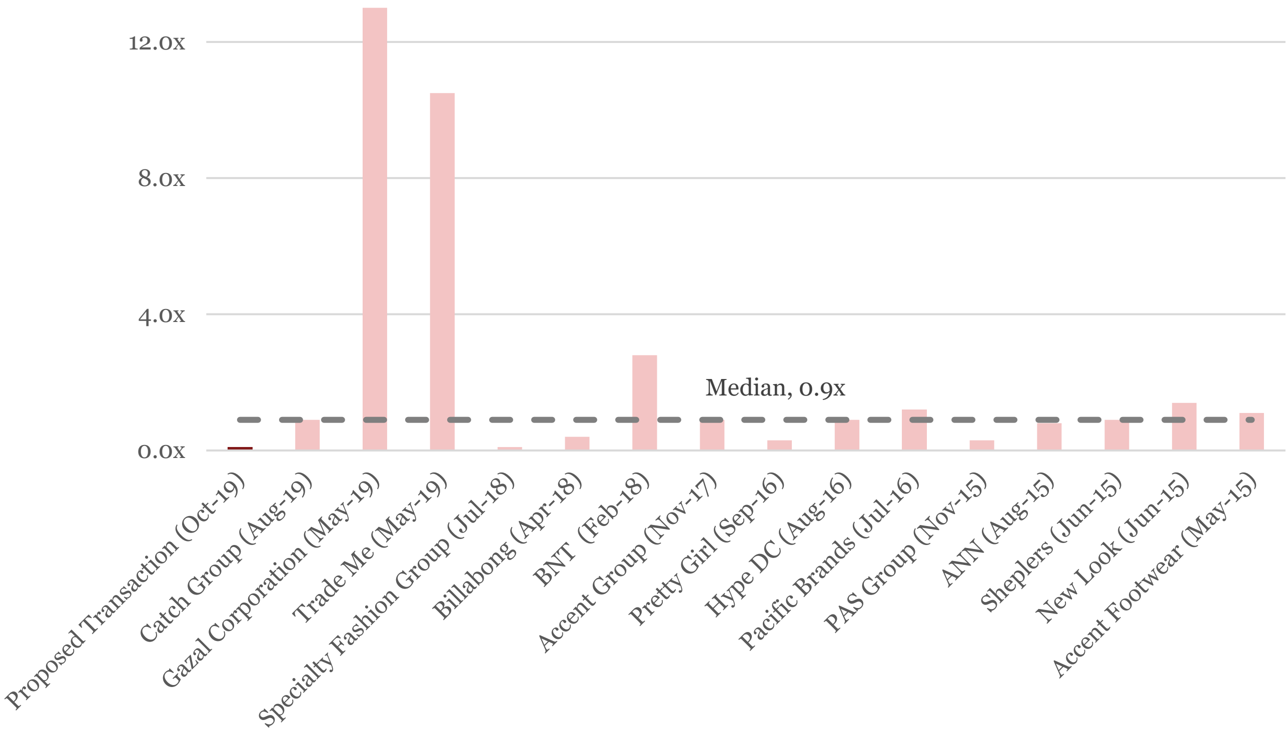
FY+1 EV/Revenue multiple of Listed Peers



Source: Capital IQ, Mergermarket and PwCS analysis based on information available as at 1 October 2021.

In addition to the trading multiples of listed companies, we have also had regard to the EV/Revenue multiples of related to transactions as illustrated below.

Implied EV/Revenue multiple of Precedent M&A Transactions



Source: Capital IQ, Mergermarket, ASX and PwCS analysis based on information available as at 1 October 2021.

Considering our comments above, the EV/Revenue multiples implied by the Transaction is at the low end of the observed range and therefore is consistent with our opinion that the Transaction is fair to the Non-Associated Shareholders of Mosaic.

3.6. Valuation of the Consideration and fairness conclusions

The Buyer Option's exercise price of $11.0 million (the Consideration) is on a cash-free, debt-free basis with any shareholder loan amount to be treated as equity and paid out at completion of the Buyer Option (reducing the purchase amount so the Consideration for an implicit 100% stake in EziBuy is unchanged).

The Consideration is structured as Mosaic's acquisition of the remaining 49.9% stake in EziBuy. Given that if Mosaic did not choose to exercise this Option it would return its existing stake to Alquemie for A$1.0, we have treated the Consideration as-if related to a 100.0% equity stake in EziBuy.

In valuing the Consideration (given its expected deferred timing in June 2022) we have assessed a high-level credit rating benchmarking exercise based off comparable companies that indicate Mosaic would have B to BBB-rated debt. We have discounted the purchase consideration from the Exercise Date at the cost of BBB-rated Australian corporate debt for conservatism.

4 Reasonableness assessment

In accordance with RG 111, an offer is Reasonable if it is Fair. Therefore, on this basis, in our opinion the Transaction is Reasonable.

We also note the other following factors relevant to the reasonableness of the Transaction:

4.1. Exercise of the Buyer Option is expected to be value accretive

- With our assessed Fair Market Value for EziBuy being higher than the Consideration under the Buyer Option at the Exercise Date, the Buyer Option was 'in the money' and therefore value accretive to Non-Associated Shareholders. Market evidence supports this with MOZ stock achieving a 15.0% increase within the five days subsequent to the announcement of the exercised Buyer Option.

4.2. Management have achieved initial success in its turnaround plan for EziBuy

- Despite a history of operational difficulties at EziBuy, Mosaic Brands have delivered initial success on its EziBuy turnaround plan and delivered $3.7 million of EBITDA in FY21 from an unprofitable performance at the time of initial economic control.

4.3. Mosaic Brands is likely to realise additional benefits from having 100% ownership of EziBuy

- Our assessment of fairness has reflected certain benefits of control available to a market participant buyer of EziBuy. However, it may be the case that Mosaic Brands is able to extract certain other benefits from further consolidation that are unique to it which are not considered in our assessment of fairness.

4.4. There has been multiple expansion subsequent to the Proposed Initial Transaction in 2019

- The median EBITDA FY+1 multiples for EziBuy's listed peers have increased by c.24.0% since Proposed Initial Transaction in 2019. This likely represents further value accretion to Non-Associated Shareholders with the Consideration being negotiated having had regard to lower market multiples paid for EziBuy's earnings.

4.5. The deferred Consideration has been negotiated to minimise working capital disruption

- The negotiated payment of the $11 million Consideration has been deferred to June 2022 to minimise working capital disruption to Mosaic Brands and its existing portfolio. The deferred consideration also results in Mosaic Brands being likely able to part fund the final Consideration with earnings generated up until the payment date if historical run rates are achieved.

4.6. EziBuy’s online business model has shown resilience in the COVID-19 operating environment

- The COVID-19 outbreak subsequent to the Proposed Initial Transaction represents increased risk for capital markets and the retail sector specifically. Mitigating this risk for Non-Associated Shareholders is a track record of success in the current environment with its positive FY21 earnings result and substantial leverage to online sales relative to Brick & Mortar which have faced increased restrictions.

5 Appendices

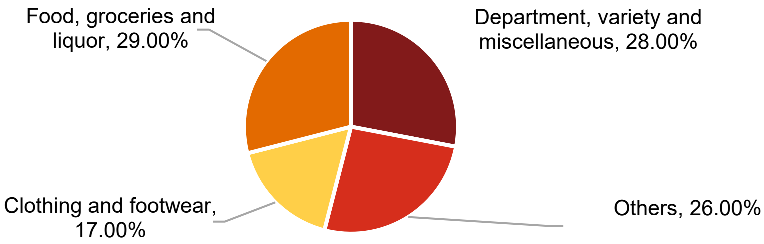
Appendix A – Industry update

EziBuy operates predominately within the consumer retail industry within New Zealand and Australia. We have provided an updated overview of each industry segment below.

Consumer Retail in New Zealand

New Zealand’s total annual online retail spending in 2021 was c. NZ$5.8 billion. Of that, around 29% was spent with offshore merchants[1].

Online retail sales by segment



Source: NZ Post eCommerce Review Report (2021)

New Zealand's retail sector is well developed and competitive, however there is an opportunity for smaller competitors in the clothing and footwear markets due to the relative absence of large international brands. Stable growth in New Zealand household incomes, along with a highly urbanised and affluent population, is expected to continue to create opportunities in the coming years for multi-channel retailers such as EziBuy.

Clothing and Footwear

Clothing and footwear is the third largest sector in terms of retail spending.

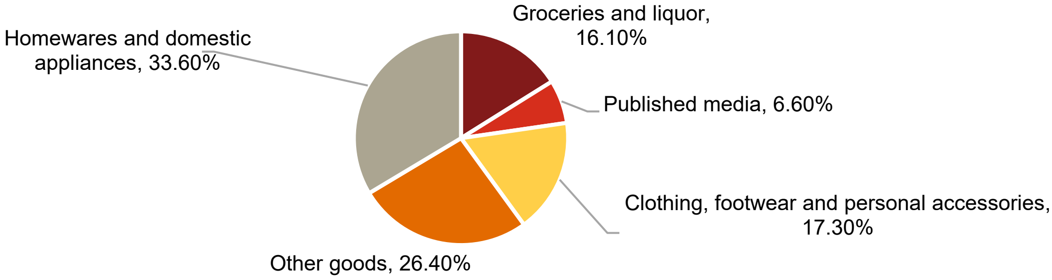
Spending on clothing and footwear is expected to rise by 3.9% per annum through to 2025 from NZ$6.7 billion in 2020 to NZ$8.5 billion in 2025. Of this, the majority of spending (NZ$5.4 billion in 2020) will be on clothing. With a population of five million people, New Zealand is a comparatively small market. However, high average household incomes and a growing tourism market makes New Zealand an attractive investment opportunity.

Source: New Zealand Consumer & Retail Report – FitchSolutions (Q1 2022)

Consumer Retail in Australia

E-commerce in Australia continues to grow due to evolving consumer behaviour over the past five years, supported by the rapid growth in internet and broadband penetration. Australians spent AU$43.9 billion buying goods online in 2021, representing an increase of 35.1% compared to 2019-20.

Online retail sales by segment



[1] *NZ Post eCommerce Review Report (2021)*

Source: IBIS World Report – Online Shopping in Australia (June 2021)

Australia's retail market is established and well developed. The sector includes a variety of large domestic retailers and continues to attract new international retailers, particularly in fashion and e-commerce. International firms such as EziBuy have experienced an advantage in the e-commerce market due to the slow uptake of online sales by domestic firms.

Clothing and Footwear

- Australia has a well-established fashion industry. However, it has faced several volatile years due to cautious consumer spending, rising real estate rent and lower pressure on prices, on the back of the global financial crisis. Major fashion hubs include Melbourne and Sydney, with smaller cities becoming increasingly attractive to fashion retailers.
- The segment is relatively fragmented as both domestic and international brands compete for market share from consumers across all budget levels.
- Australia's large clothing and footwear sector is becoming increasingly attractive to international fashion retailers. Spending on clothing and footwear is forecast to increase by 3.7% annually from AU$35.0 billion in 2020 to AU$43.0 billion in 2025. The majority of spending is expected to be made on clothing (AU$28.6 billion in 2020), with the remaining spend on footwear (AU$6.4 billion in 2020).

Source: Australia Consumer & Retail Report – FitchSolutions (Q1 2022)

Industry trends

COVID-19 has transformed the day-to-day lives of consumers and has fundamentally shifted the retail industry. The impacts of social distancing and stay at home orders has reduced foot traffic through traditional brick and mortar stores and shoppers have had to shift to selling and purchasing through online platforms.

New shoppers: In April 2020 itself more than 200,000 new shoppers joined the online space, and of these over a third made an online purchase more than once. The new shoppers are mostly from Perth, East Perth, Adelaide, and inner regional areas such as Point Lonsdale and Cowes. Companies such as EziBuy with a large online presence have benefited from this increased demand, assisting sales and profitability as operational leverage is achieved.

Evolving buyer behaviour: Subsequent to COVID-19, online sales have increased rapidly as consumers increased substantial volumes of retail and groceries staples in a socially distanced manner. As restrictions have eased over time, shopping behaviours have moved from essential goods to discretionary spend such as fashion, media (including books and stationery), and wine and liquor. This trend is expected to be a tailwind for fashion retailers such as Ezibuy whilst consumer balance sheets remain strong.

Shopping habits: Prior to COVID-19, purchasing tended to occur more frequently during the evening (i.e., between 7pm – 10pm), however this has now spread more consistently throughout the day and week. This is due to the ‘work from home’ shift in corporate operating models. This trend has resulted in smoothed cash generating activities albeit increasing staffing levels due to broader demand coverage.

Source: Australia Post – 2020 eCommerce Industry Report

Appendix A – Comparable companies

Comparable company analysis

The following table summarises an analysis of the comparable company trading multiples:

Comparable company	Market Cap (AUD m)	EV (AUD m)	EV/EBITDA (FY+1)	EV/Revenue (FY+1)	LTM EBITDA margin	Revenue growth (FY18-FY20)
Mosaic Limited	70	43	-0.9x	0.1x	-4%	-12%
City Chic Collective Limited	1,833	1,762	35.0x	5.0x	16%	32%
Kathmandu Holdings Limited	1,292	1,260	11.0x	1.3x	12%	0%
J.Jill, Inc.	296	610	4.9x	0.7x	-9%	-22%
Lands' End, Inc.	1,287	1,616	9.3x	0.7x	6%	-1%
Myer Holdings Limited	552	441	1.7x	0.2x	14%	-16%
Accent Group Limited	1,404	1,474	10.3x	1.4x	16%	12%
Premier Investments Limited	5,725	5,349	17.3x	3.7x	27%	7%
ASOS Plc	6,612	6,273	12.8x	0.8x	8%	20%
boohoo group plc	5,928	5,777	26.1x	1.6x	10%	43%
N Brown Group plc	516	1,415	8.1x	1.0x	12%	-11%
Zalando SE	37,388	34,500	35.9x	2.1x	6%	22%
Median			**10.7x**	**1.2x**	**11%**	**4%**
Mean			**14.3x**	**1.6x**	**10%**	**6%**

EBITDA Margins are presented on a net sales, pre-IFRS16 LTM basis

Revenue growth refers to FY+1 growth on a net sales basis

EBITDA multiples are presented on a pre-IFRS 16 basis and with enterprise value exclusive of leases and exclusive of interests.

Source: Capital IQ and PwCS analysis based on information available as at 1 October 2021.

Market capitalisation and EV calculated as at 1 October 2021. Net debt calculated on latest available Annual reports at 1 October 2021.

Includes a 20% control premium.

'n/m' = not meaningful

Comparable company descriptions

A brief overview of each of the comparable companies (source: Capital IQ) is provided below:

Mosaic Limited

Mosaic Limited engages in the retail of women's apparel and accessories in Australia. The company sells its products through a national network of boutique stores under the Mosaic, Rockmans, W.Lane, beme, Millers, Autograph, Crossroads, Rivers, and Katies brand names. Mosaic Limited was founded in 1977 and is based in Rosebery, Australia.

City Chic Collective Limited

City Chic Collective Limited operates as a specialty retailer of women's fashion products in Australia, New Zealand, Germany, the United Kingdom, and the United States. The company sells its products through online and wholesale stores, and operates a network of 104 stores in Australia and New Zealand. City Chic Collective Limited was founded in 1993 and is headquartered in Alexandria, Australia.

Kathmandu Holdings Limited

Kathmandu Holdings Limited designs, markets, wholesales, and retails clothing, footwear, and equipment for travel and adventure in New Zealand, Australia, the United States, and the United Kingdom. The company operates through 168 stores, as well as online. The company was founded in 1987 and is based in Christchurch, New Zealand.

J. Jill Inc.

J.Jill Inc. operates as an omni-channel retailer for women's apparel in the United States. The company targets customers 45 years and older. The company markets its products through retail stores, its website, and catalogs. As of April 3, 2019, it operated approximately 280 stores. J.Jill Inc. was founded in 1959 and is headquartered in Quincy, Massachusetts.

Lands' End Inc.

Lands' End, Inc. operates as a multi-channel retailer in the United States, the United Kingdom, Germany, and Japan. The company sells its products online through landsend.com, and affiliated specialty and international Websites; direct mail catalogs; and retail locations primarily at Lands' End Shops at Sears and Lands' End stores. As of February 1, 2019, it operated 49 Lands' End Shops at Sears stores. Lands' End, Inc. was founded in 1963 and is headquartered in Dodgeville, Wisconsin.

Myer Holdings Limited

Myer Holdings Limited operates department stores in Australia. The company offers men, women, beauty, kids and babies, home, entertainment, and gift products, as well as toys, footwear, children's wear, electrical goods, and general merchandise. The company operates approximately 61 stores under the Myer brand name. Myer Holdings Limited was founded in 1900 and is based in Docklands, Australia.

Accent Group Limited

Accent Group Limited engages in the retail, distribution, and franchise of footwear, apparel, and accessories in Australia and New Zealand. Its brands include The Athlete's Foot, Platypus Shoes, Hype DC, Sketchers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, Sperry, Palladium, Stance, Supra, Subtype, The Trybe, and Podium Sports. The company operates through 479 stores and online sites. Accent Group Limited was founded in 1981 and is based in Richmond, Australia.

Premier Investments Limited

Premier Investments Limited operates various specialty retail fashion chains in Australia, New Zealand, Singapore, the United Kingdom, Ireland, Malaysia, and Hong Kong. The company has a portfolio of retail brands consisting of Just Jeans, Jay Jays, Jacqui E, Portmans, Dotti, Peter Alexander, and Smiggle. The company provides its products through approximately 1,200 stores, as well as through online. The company was incorporated in 1987 and is based in Melbourne, Australia.

ASOS Plc

ASOS Plc operates as an online fashion retailer in the United Kingdom, the United States, Australia, France, Germany, Spain, Italy, Sweden, the Netherlands, and Russia. It sells approximately 85,000 branded and ASOS brand products primarily through its Website, asos.com, as well as through social media platforms and magazines. ASOS Plc was founded in 2000 and is headquartered in London, the United Kingdom.

boohoo Group Plc

boohoo group plc operates as an online fashion retailer in the United Kingdom, rest of Europe, the United States, and internationally. The company designs, sources, markets, and sells clothing, shoes, accessories, and beauty products for 16-30 year old men and women. boohoo group plc was founded in 2006 and is headquartered in Manchester, the United Kingdom.

N Brown Group Plc

N Brown Group plc operates as a digital fashion retailer in the United Kingdom. The company offers a range of clothing, footwear, and homeware products for men, women, and kids under the JD Williams, Simply Be, Jacamo, Oxendales, Figleaves, House of Bath, High and Mighty, Premier Man, Slimma, Diva, Dannimac, and Ambrose Wilson brands. The company was founded in 1859 and is headquartered in Manchester, the United Kingdom.

Zalando SE

Zalando SE operates as an online fashion and lifestyle retailer in Europe. It offers a range of products, including shoes, apparel, accessories, and beauty products for women, men, and children. The company also sells its products through its Zalando Lounge; and brick-and-mortar stores in Berlin, Frankfurt am main, and Cologne. Zalando SE was founded in 2008 and is headquartered in Berlin, Germany.

Appendix B – Comparable transactions

Comparable transaction analysis

The following table provides analysis of the comparable transaction multiples:

Date closed	Target	Buyer	Implied EV (AUD m)	Percent Sought	EV/EBITDA	EV/Revenue
12-Aug-19	Catch Group Holdings Limited	Wesfarmers Limited	242	100%	39.2x	0.9x
31-May-19	Gazal Corporation Limited	PVH Corp.	298	78%	16.0x	13.2x
08-May-19	Trade Me Group Limited	Apax Partners LLP; GIC Pte. Ltd.; Apax IX, L.P.	2,559	100%	18.4x	10.5x
02-Jul-18	Specialty Fashion Group Limited	Mosaic Limited	31*	100%	<2.0x	0.1x
09-Apr-18	Billabong International Limited	Boardriders, Inc.	347	81%	7.1x	0.4x
12-Feb-18	BNT Holdco Pty Limited	Hanesbrands Inc.	500	100%	10.0x	2.8x
27-Nov-17	Accent Group Limited	BBRC International Pte Ltd	567	12%	7.0x	0.9x
05-Sep-16	Pretty Girl Fashion Group Pty Ltd	Mosaic Limited	75*	100%	6.6x	0.3x
04-Aug-16	Hype DC Pty Limited	RCG Corporation Limited	105	100%	8.4x	0.9x
14-Jul-16	Pacific Brands Limited	Hanesbrands Inc.	954	100%	11.7x	1.2x
30-Jun-16	Champion Europe S.r.l.	Hanesbrands Inc.	298	100%	10.0x	N.A
09-Nov-15	The PAS Group Limited	Coliseum Capital Management; Brightleaf Capital; Blackwell Partners LLC; Coliseum Capital Partners; Coliseum Capital Co-Invest L.P.	80	26%	4.0x	0.3x
21-Aug-15	ANN INC.	Ascena Retail Group, Inc.	3,014	100%	9.2x	0.8x
29-Jun-15	Sheplers, Inc.	Boot Barn, Inc.	192	100%	9.9x	0.9x
25-Jun-15	New Look Retail Group Limited	Brait Mauritius Limited	3,934	100%	9.3x	1.4x
27-May-15	ACCENT FOOTWEAR NZ, Ltd.	RCG Corporation Limited (nka:Accent Group Limited)	200	100%	7.5x	1.1x
Minimum					2.0x	0.1x
Median					**9.1x**	**0.9x**
Mean					**11.0x**	**2.4x**
Maximum					39.2x	13.2x

*Notes: *Purchase consideration presented as implied EV is unavailable.*

Source: Capital IQ, Mergermarket, ASX announcements and PwCS analysis based on information available as at 1 October 2021.

Target company descriptions

A brief overview of each of the target companies acquired in the comparable transactions (source: Capital IQ) are provided below:

Catch Group Holdings Limited

Catch Group Holdings Limited, together with its subsidiaries, engages in online retail and e-commerce activities in Australia. The company was incorporated in 2012 and is based in Bentleigh East, Australia. As of August 12, 2019, Catch Group Holdings Limited operates as a subsidiary of Wesfarmers Limited.

Gazal Corporation Limited

Gazal Corporation Limited acts as an apparel supplier in Australasia. It offers casualwear, men's business shirts, and intimate and swim apparels primarily under the Van Heusen, Calvin Klein, Pierre Cardin, PVH Brands Australia, Nancy Ganz, and Bracks brand names. The company is also involved in the retail of Calvin Klein, Tommy Hilfiger, and Van Heusen products. Gazal Corporation Limited was founded in 1958 and is based in Banksmeadow, Australia. As of May 31, 2019, Gazal Corporation Limited operates as a subsidiary of PVH Corp.

Trade Me Group Limited

Trade Me Group Limited operates and manages an online marketplace and classified advertising platform in New Zealand. It operates through Classifieds, General Items, and Other segments. The Classifieds segment operates classified advertising sites for motors, property, and jobs. The General Items segment engages in the online marketplace business. The Other segment offers advertising, dating, payments gateway, life and health insurance comparison, and general insurance services. The company also provides new and used goods marketplace, real estate and employment, and other ancillary online services. Trade Me Group Limited was founded in 1999 and is headquartered in Wellington, New Zealand.

Specialty Fashion Group Limited

As of July 2, 2018, Millers, Katies, Crossroads, Autograph and Rivers Brands of Specialty Fashion Group Limited was acquired by Mosaic Limited. Millers, Katies, Crossroads, Autograph and Rivers Brands of Specialty Fashion Group Limited comprises apparel retail brands.

Billabong International Limited

Billabong International Limited engages in the marketing, distribution, wholesale, and retail of apparel, accessories, eyewear, wetsuits, and hard goods in the board sports sector in the Asia Pacific, the Americas, Europe, and internationally. The company provides surf, skate, snow, and sports apparel, accessories, and hardware products under the Billabong, Element, RVCA, Kustom, Palmers, Honolua, Xcel, and Von Zipper brand names. Billabong International Limited was founded in 1973 and is based in Burleigh Heads, Australia. As of April 9, 2018, Billabong International Limited operates as a subsidiary of Boardriders, Inc.

BNT Holdco Pty Limited

BNT Holdco Pty Limited was incorporated in 2008 and is based in Milperra, Australia. As of February 12, 2018, BNT Holdco Pty Limited operates as a subsidiary of Hanesbrands Inc.

Accent Group Limited

Accent Group Limited engages in the retail, distribution, and franchise of footwear, apparel, and accessories in Australia and New Zealand. Its brands include The Athlete's Foot, Platypus Shoes, Hype DC, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, Sperry, Palladium, Stance, Supra, Subtype, The Trybe, and Podium Sports. The company operates through 479 stores and online sites. Accent Group Limited was founded in 1981 and is based in Richmond, Australia.

Pretty Girl Fashion Group Limited

Pretty Girl Fashion Group Pty Ltd owns and operates fashion retail outlets that sell apparel and accessories for women in Australia. The company was incorporated in 1991 and is based in Tempe, Australia. As of September 5, 2016, Pretty Girl Fashion Group Pty Ltd operates as a subsidiary of Mosaic Limited.

Hype DC Pty Limited

Hype DC Pty Limited retails footwear and other merchandize in Australia. It operates retail stores that offer footwear for men, women, and kids, as well as apparel and accessories for men and women. The company also sells products online. The company was founded in 1998 and is based in Sydney, Australia. Hype DC Pty Limited operates as a subsidiary of RCG Corporation Limited.

Pacific Brands Limited

Pacific Brands Limited imports, manufactures, markets, distributes, wholesales, and retails consumer products in Australia and internationally. The company provides its products under the Bonds, Berlei, Jockey, Explorer, Razzamatazz, Voodoo, Rio, Holeproof, Red Robin, Sheridan, Actil, Tontine, Dunlop Flooring, Dunlopillo, Fairydown, Heartridge, Crestell, Sheer Relief, and Hestia brand names. Pacific Brands Limited sells its products through a network of wholesale channels and retail stores, as well as online. The company is based in Camberwell, Australia. As of July 15, 2016, Pacific Brands Limited operates as a subsidiary of Hanesbrands Inc.

Champion Europe S.r.l.

Champion Europe S.r.l. manufactures athletic apparel and accessories. The company offers sweatshirts, tee shirts, sweatpants, shorts, and more for men and women. It provides its products through its stores in Bulgaria, Croatia, Greece, Italy, Romania, Serbia, and Slovenia. The company also engages in online retailing of its products. It was formerly known as Champion Knitwear Company. The company was founded in 1919 and is based in Carpi, Italy. As of June 30, 2016, Champion Europe S.p.A. operates as a subsidiary of Hanesbrands Inc.

The PAS Group Limited

The PAS Group Limited operates as a retailer and wholesaler of apparel, accessories, and sports equipment for women, men, and children. The company products under several brand names including Review, JETS, Bondi Bather, Black Pepper, White Runway, Yarra Trail, Marco Polo and Fiorelli. It also offers sports products under the Everlast, Dunlop, Slazenger, Lonsdale, and Russell Athletic brands. The PAS Group Limited sells its products through retail stores, department and discount department stores, specialty and independent retailers, as well as online. The PAS Group Limited was founded in 2004 and is based in Mount Waverley, Australia.

ANN INC.

ANN INC. engages in the retailing of women's apparel, shoes, and accessories under the Ann Taylor and LOFT brands. ANN INC. was founded in 1954 and is headquartered in New York, New York. As of August 21, 2015, ANN INC. operates as a subsidiary of Ascena Retail Group Inc.

Sheplers Inc.

Sheplers, Inc. provides apparel and accessories for men, women, and children. The company sells products through its stores, an online store, and catalog. Sheplers, Inc. was founded in 1899 and is based in Wichita, Kansas. It has stores in Arizona, Colorado, Florida, Kansas, Missouri, Nebraska, Oklahoma, and Texas. As of June 29, 2015, Sheplers, Inc. operates as a subsidiary of Sheplers Holding Corporation.

New Look Retail Group Limited

New Look Retail Group Limited operates a chain of retail stores that sell apparel, footwear, and accessories for women, men, and teenage girls. The company sells its product online and operates stores in the United Kingdom, Ireland, France, Belgium, Poland, China, Germany, Eastern Europe, the Middle East, and Asia. New Look was founded in 1969 and is based in Weymouth, United Kingdom. New Look Retail Group Limited operates as a subsidiary of Top Gun Midco Limited.

ACCENT FOOTWEAR NZ Ltd.

ACCENT FOOTWEAR NZ, Ltd. retails and distributes shoes in Australasia. The company was incorporated in 1937 and is based in Auckland, New Zealand. It has sales offices in Sydney, Brisbane, and Melbourne, Australia; and Auckland, New Zealand. As of May 27, 2015, ACCENT FOOTWEAR NZ, Ltd. operates as a subsidiary of RCG Corporation Limited.

Appendix C - Statement of qualifications and declarations

Qualifications

PwCS is beneficially owned by the partners of PricewaterhouseCoopers (PwC), a large international entity of chartered accountants and business advisors. PwCS holds an Australian Financial Services Licence under the Corporations Act.

Richard Stewart OAM is a Senior Fellow of the Financial Services Institute of Australasia, Chartered Accountants in Australia and New Zealand (CAANZ) and the Society of Certified Practising Accountants in Australia. He is also an Adjunct Professor in Business Valuation at the University of Technology, Sydney and is Business Valuations Specialist Accredited, CAANZ. He holds a Bachelor of Economics and a Masters of Business Administration. He has 35 years' experience with PwC and extensive experience in preparing valuations and Independent Expert reports as well as providing merger and acquisition advice. He is also a partner of PwC, and is an authorised representative of PwCS.

Meredith Chester is an Affiliate Member of CAANZ and holds the Chartered Financial Analyst Designation and is Business Valuations Specialist Accredited, CAANZ. She also holds a Bachelor of Business (Accounting) and a Bachelor of Mathematics from Queensland University. She has more than 14 years' experience providing expertise and skills in valuations, mergers and acquisitions, financial investigations and the provision of valuation services for financial reporting and taxation purposes. She is a Partner of PwC and an Authorised Representative of PwCS.

Richard Stewart and Meredith Chester were assisted by Patrick Bersée and Kishen Purushotham in the preparation of this Independent Expert Report.

Declarations

Prior to accepting this engagement, we considered our independence with respect to Mosaic Limited by reference to ASIC Regulatory Guide 112 Independence of Experts. Accordingly, we considered the extent and nature of other service mandates with Mosaic and EziBuy, and noted no assignments related to this transaction and none were material to the interests of any PwC firm. In our opinion, we are independent of Mosaic Limited and the outcome of the transaction.

Neither PwCS nor PwC has any interest in the outcome of the Offer. PwCS is entitled to receive a fee for the preparation of this Independent Expert's Report based on time spent at our normal hourly rates for this type of work and will be reimbursed for out of pocket expenses incurred. The fee payable to us is payable regardless of the outcome of the Offer. None of PwCS, PwC, and Messrs Stewart holds securities in EziBuy and have not held any such beneficial interest in the previous two years.

A draft of this report was provided to the directors of Mosaic Limited for a review on 30 January 2022 with a final draft provided on 1 March 2022. No changes to our opinion arose as a result of this review.

Purpose of report

This Independent Expert's Report has been prepared at the request of the Directors of Mosaic Limited and should not be used for any other purpose. In particular, it is not intended that this Independent Expert's Report should serve any purpose other than an expression of our opinion on whether the Transaction is Fair and Reasonable to the Non-Associated Shareholders. This Independent Expert's Report has been prepared solely for the benefit of the Directors of Mosaic Limited and for the benefit of the existing shareholders of Mosaic Limited. Neither the whole nor any part of this Independent Expert's Report nor any reference to it may be included in or attached to any document, circular, resolution, letter or statement without our prior written consent to the form and context in which it appears.

Special note regarding forward-looking statements and forecast financial information

Certain statements in this Independent Expert's Report may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Mosaic Limited to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- General economic conditions;
- The future movements in interest rates and taxes;
- The impact of global pandemics such as COVID-19, terrorism and other related acts on broader economic conditions.
- Changes in laws, regulations or governmental policies or the interpretation of those laws or regulations to Mosaic Limited in particular; and
- Other factors referenced in this Independent Expert's Report.

Indemnity

In preparing this Independent Expert's Report, Mosaic Limited has indemnified PwCS, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by Mosaic Limited which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

In addition, Mosaic Limited has agreed that if it makes any claim against PwC or PwCS for loss as a result of a breach of our contract, and that loss is contributed to by its own actions, then liability for its loss will be apportioned having regard to the respective responsibility for the loss, and the amount Mosaic Limited may recover from PwCS will be reduced by the extent of its contribution to that loss.

Consent

PwCS has consented in writing to this Report in the form and context in which it appears being included in the Explanatory Memorandum which will be issued by the directors of Mosaic Limited and which will be distributed to Shareholders.

Neither PwCS nor PricewaterhouseCoopers has authorised or caused the issue of all or any part of the Explanatory Memorandum other than this report. Neither the whole nor any part of this report nor any reference to it may be included in or with or attached to any other document, circular, resolution, letter or statement without the prior consent of PwCS to the form in which it appears.

APES 225 "Valuation Services"

This Independent Expert report has been prepared in accordance with APES 225 "Valuation Services".

Appendix D - Sources of information

In preparing this Independent Expert's Report, we have had access to and relied upon major sources of information, including:

- ASX announcements for Mosaic Limited
- Pro-forma accounts for EziBuy Limited
- Discussions with management and the advisers to Mosaic Limited
- Other information provided by management of Mosaic Limited
- Information obtained from Bloomberg, Capital IQ, Mergerstat, Broker Reports and IBISWorld Industry Reports
- Other publicly available information including information from websites

We have not performed an audit, review or any other verification of the information presented to us. Accordingly, we express no opinion on the reliability of the information supplied to us.

In forming our opinion PwCS has assumed that:

- Matters such as compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed.
- The information set out sent by Mosaic Limited to its shareholders is complete, accurate and fairly presented in all material aspects.
- The publicly available information relied on by PwCS in its analysis was accurate and not misleading.

In addition, PwCS assumes no responsibility and offers no legal opinion or interpretation on any issue in respect of legal issues relating to assets, properties, or business interests or issues regarding compliance with applicable laws, regulations and policies.

Appendix E - Glossary

Term	Definition
AUD or A$	Australian dollar
Alceon	Alceon Group Pty Limited
Alquemie	Alquemie Group Holdings Pty Ltd, or the Acquirer
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CAANZ	Chartered Accountants in Australia and New Zealand
CoE	Capitalisation of future maintainable earnings
Corporation Act	Corporations Act 2001 Section 661A
Consideration	$11 million, being the exercise price (undiscounted) of the Buyer Option
COVID-19	Novel Coronavirus 2019
DCF	Discounted cash flows
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EV	Enterprise value
EziBuy	EziBuy Limited, or the Target
FSG	Financial Services Guide
FY	Fiscal Year (01 July to 30 June)
GST	Goods and services tax
IER	Independent Expert's report
Independent Directors	Independent directors of Mosaic Limited
LTM	Last twelve months
m	Million
Non-Associated Shareholders	Non-Associated Shareholders of Mosaic Limited
Mosaic	Mosaic Limited, or the Company
NTA	Net tangible assets
NZ$	New Zealand dollar
Peer Group	Comparable public company peer group
Buyer Option	An option for Mosaic to acquire the remaining 49.9% of EziBuy on or before 30 June 2022 for cash payment of A$11.0 million
Proposed Initial Transaction	Acquisition of a 50.1% interest in EziBuy for A$1 consideration on 23 December 2019 (Proposed Initial Transaction)
Transaction	The Exercise of the Buyer Option
PwC	PricewaterhouseCoopers

PwCS	PricewaterhouseCoopers Securities Ltd
RG76	Regulatory Guide 76 (Related party transactions)
RG111	Regulatory Guide 111 (Content of expert reports)
RG112	Regulatory Guide 112 (Independence of experts)
Second SPA	Share Purchase Agreement between Mosaic Brands and Alquemie for the acquisition of the remaining 49.9% shares in EziBuy
Exercise Date	30 September 2021

Appendix A. - Financial Services Guide

PricewaterhouseCoopers Securities Ltd

This Financial Services Guide (FSG) is dated 14 March 2022.

About us

PwCS (A54 003 311 617, Australian Financial Services Licence No 244572) has been engaged by Mosaic Limited to provide an addendum report in the form of an Independent Expert's report (IER).

This financial services guide

This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about PwCS generally, the financial services we are licensed to provide, the remuneration PwCS may receive in connection with the preparation of the IER, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds and deposit products.

General financial product advice

The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

PwCS charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages PwCS to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are approximately $80,000.

Directors, authorised representatives or employees of PwCS, PricewaterhouseCoopers (PwC), or other associated entities, may receive partnership distributions, salary or wages from PwC.

Associations with issuers of financial products

PwCS and its authorised representatives, partners, employees and associates may from time to time have relationships with the issuers of financial products. For example, PwC may be the auditor of, or PwCS may provide financial advisory services to, the issuer of a financial product in the ordinary course of its business.

Complaints

If, for any reason, you are not satisfied with the advice or service you receive from PwCS or from our authorised representatives, you are entitled to make a complaint. If you wish to make a complaint please initially lodge your complaint with your adviser. We have established procedures to ensure all complaints are resolved quickly and fairly. A copy of our internal complaints handling procedure can be provided to you upon request.

If you do not receive a satisfactory outcome to your complaint, you have the right to contact the Australian Financial Complaints Authority ("AFCA"). AFCA provides independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Tel: 1800 931 678 (Free Call)
E-mail: info@afca.org.au
Website: www.afca.org.au

PwCS is a member of AFCA. You will not be charged for using the AFCA service.

Contact details

PwCS can be contacted by sending a letter to the following address:

Mr Richard Stewart
Authorised Representative
PricewaterhouseCoopers Securities Ltd
GPO Box 2650
SYDNEY NSW 1171