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28 October 2024

Circular to Creditors and Suppliers

Dear Sir/Madam

Mosaic Brands Limited ACN 003 321 579
Noni B Holdings Pty Limited ACN 614 340 537
W.Lane Pty Ltd ACN 003 115 124
Pretty Girl Fashion Group Pty. Ltd. ACN 051 283 900
Pretty Girl Fashion Group Holdings Pty Ltd ACN 089 304 941
Noni B Holdings 2 Pty Ltd ACN 626 335 760
Rivers Retail Holdings Pty Ltd ACN 626 380 934
Crossroads Retail Pty Ltd ACN 626 380 541
Katies Retail Pty Ltd ACN 626 380 158
Autograph Retail Pty Ltd ACN 626 380 390
Millers Retail Pty Ltd ACN 626 380 309
Noni B HoldCo Pty Ltd ACN 627 001 389
Ezibuy Pty. Limited ACN 058 215 722

(All Receivers and Managers Appointed) (All Administrators Appointed) **(Collectively referred to as 'Mosaic Brands Group' or 'the Group')**

Gayle Dickerson, Ryan Eagle, Amanda Coneyworth and I were appointed Receivers and Managers (**Receivers**) to the assets and undertakings of the Mosaic Brands Group on Monday, 28 October 2024 by the holder of an all present and after acquired property security interest.

The effect of the appointment is that the Receivers are now control the Mosaic Brands Group, which includes its business operations, and assets. All enquires relating to these matters should be directed to the Receivers.

The Receivers' appointment follows the appointment of Vaughan Strawbridge, Kate Warwick, Kathryn Evans and David McGrath of FTI Consulting as Voluntary Administrators to the Mosaic Brands Group on 28 October 2024.

The appointment of the external administrators follows what has been a difficult period for the business which has faced a number of challenges and disruptions. The Mosaic Brands Group sees this process as a chance to reset and a pathway to accelerate its plans to focus on its core brands (Katies, Millers, Noni B and Rivers), resolve legacy issues and right size the store network to ensure the ongoing success of the business.

Over the next few weeks, the Receivers will be focused on:

- Stabilising the business, including stabilising relationships with key suppliers and stakeholders;
- Undertaking an assessment of the business, to identify other areas of improvement and upside; and
- Working with Hilco to conduct a stock realisation and store consolidation process.

Concurrently, the Voluntary Administrators will shortly be commencing an EOI process for the sale and/or recapitalisation of the business. The secured lender is supportive of a process that results in the successful recapitalisation or restructure of the business.

1 Trading

The Receivers intend to trade the Group's business in the ordinary course and we request that you attend to the following as a matter of urgency:

1.1 Trading accounts

The Receivers request that all suppliers attend to the following as a matter of urgency.

- Close your accounts with the Mosaic Brands Group in respect of goods supplied and / or services rendered up to 28 October 2024, and submit a final invoice to the Voluntary Administrators.
- Open a new account in the name of the relevant Mosaic Brands Group entities in receivership with the suffix "(Receivers and Managers Appointed)" for the ongoing supply of authorised goods and services to the Receivers.

1.2 Orders received during the receivership period

From 28 October 2024, liability will only be accepted by the Receivers in respect of the purchase of goods or services authorised by the Receivers or their representatives, whose specimen signatures are attached to this letter. Accounts will be paid in accordance with your usual terms of credit.

As such, to provide suppliers with certainty that an order submitted during the receivership period has been authorised by the Receivers, a Purchase Order (PO) system will be implemented by the Receivers, which means that any order made by the Mosaic Brands Group for provision of goods or services will include a PO signed by one of the Receivers or their authorised representatives.

Should you receive an order from the Mosaic Brands Group that does not include a signed PO, please request a PO to be issued to you prior to delivering goods or services, as liability for the work will not be accepted by the Receivers without a valid PO.

We acknowledge that a PO system may not be appropriate for all suppliers, particularly for suppliers who provide a significant volume of goods or services, or for suppliers who issue invoices on a periodic or direct debit arrangement. Alternate authorisation methods will be considered depending on the specific circumstances, however such arrangements will need to be approved by the Receivers or their representatives.

If there are any outstanding or unfulfilled orders placed by the Mosaic Brands Group prior to our appointment, including those under which there are goods in transit, please contact MOZcreditors@kpmg.com.au to obtain written confirmation that the order should proceed.

1.3 Invoices during receivership period

Please continue to issue all receivership invoices to your normal Mosaic Brands Group contact unless otherwise directed, and please send a copy to MOZcreditors@kpmg.com.au.

Where a PO has been issued for the provision of goods or services, please include a reference to the PO number on all invoices.

As outlined in section 1.1 above, accounts that are authorised by the Receivers will be paid in accordance with your usual terms of credit.

If you are currently a customer of the Mosaic Brands Group and also a creditor, please note that any goods supplied to you after the date of our appointment must be paid for by you. You cannot off set an amount due to the Receivers, for goods or services supplied after our appointment, against a pre appointment account owed to you by the Mosaic Brands Group.

1.4 Consignment stock, goods subject to purchase money security interests and liens / pledges

If you supplied consignment stock to the Company, or believe you provided stock subject to a purchase money security interest (**PMSI**) (formerly a 'Retention of Title' clause), or claim a lien/pledge over any of the Company's assets, please contact our office as a matter of urgency.

Please see the attached short guide to the Personal Property Securities Act for your information.

1.5 Contracts / agreements

The Receivers expressly refrain from personally adopting any of the Mosaic Brands Group contracts existing at the date of their appointment. All contracts are currently under review and we will advise the status of contracts as soon as practicable. Payment for use of goods or services is not an adoption of a contract or liability.

1.6 Property used but not owned by the Mosaic Brands Group

In accordance with section 419A of the Act, the Receivers' liability under hire or lease agreements does not commence until seven days after their appointment.

We will write separately to known hire and lease creditors regarding such assets. Please contact this office if you do not receive our letter.

2 Employees

We have written separately to all Mosaic Brands Group employees regarding our appointment.

3 Pre-appointment claims

Any amounts owed to you up to the date of our appointment will rank as an unsecured claim against the Company. At this stage, it is not known whether there will be sufficient funds to pay a dividend to unsecured creditors.

The Receivers' appointment follows the appointment of Vaughan Strawbridge, Kate Warwick, Kathryn Evans and David McGrath of FTI Consulting as Voluntary Administrators to the Mosaic Brands Group on 28 October 2024.

Any amounts owed to you up to the date of our appointment will rank as an unsecured claim against the Mosaic Brands Group. These claims will be handled by the Voluntary Administrators and can be emailed to mosaicbrands.creditors@fticonsulting.com.

4 Further information

For further information concerning the receivership process and KPMG, you may wish to visit our website <https://kpmg.com/au/en/home/creditors/mosaic-brands-group.html>. Insolvency information sheets for directors, employees, creditors and shareholders can also be accessed from the Australian Securities & Investments Commission website at www.asic.gov.au/insolvencyinfosheets.

Should you have any questions, please contact us at mozcreditors@kpmg.com.au.





Yours faithfully

Mosaic Brands Group



David Hardy
Receiver and Manager

Signatures – Receivers and their authorised representative

| Authorised name | Authorisation limit | Signature |
|------------------------|----------------------------|---|
| David Hardy | Unlimited |  |
| Gayle Dickerson | Unlimited |  |
| Ryan Eagle | Unlimited |  |
| Amanda Coneyworth | Unlimited |  |
| Sarah Arnfield | \$25,000 | Sarah Arnfield |
| James O'Connell | \$25,000 | James O'Connell |

Short guide to the Personal Property Securities Act

What is Personal the Property Securities Act?

The Personal Property Securities Act 2009 (PPSA) established national legislation governing security interests in personal property. It replaced a large number of existing Commonwealth, State and Territory laws. "Personal Property" is any property that is not "Real Property" being land and buildings or fixtures. Personal Property generally includes all property (tangible and intangible) other than land, fixtures, most water rights and some statutory licences. It includes goods or inventory, intellectual property, shares, debts and contractual rights.

There is a single national Register for parties to record their interests in personal property, called the Personal Property Securities Register (PPSR); on which all security interests in personal property can be registered. The PPSR replaced a number of State and Commonwealth registers, including the ASIC Register of Company Charges and all State Registers of Encumbered Vehicles (REVs). Any holder of a security interest in a personal property must register to ensure they have a priority to claim that property.

The PPSA has changed the way security interests are dealt with across Australia. Legal title to personal property in some situations is no longer enough to protect owners, as this legislation overturns fundamental personal property law concepts.

What is a 'Security Interest'?

A security interest is an interest in personal property, created by a transaction that secures payment or performance of an obligation.

Security interests can include:

- Interests of owners in assets leased to other parties;
- Interests of sellers of goods subject to hire purchase agreements;
- Interests of suppliers in stock delivered but subject to retention of title arrangements.

The PPSA states that a security interest exists regardless of the form of the transaction, or the identity of the person who has title to the property. The concept of a security interest under PPSA covers a broader range of interests than traditional security concepts.

If you have a security interest, it must be perfected. If you have not perfected your security interest, usually by registration on the PPSR, you may lose the ability to enforce your claim.

How does PPSA impact your business?

There are some significant implications for businesses arising from the PPSA, for example:

Retention of title arrangements

Some transactions that were not previously security interests are now registrable on the PPSR. For example, if you sell goods on retention of title terms, you may need to review your terms of trade and register an interest on the PPSR to protect your interest in stock delivered but not paid for.

Leases

Under the PPSA, 'title' or 'ownership' of goods can have a lower status than possession or control of goods if the owner of the goods has not registered their interest on the PPSR. You should register your security interest to 'perfect' your rights. If you do not register, then you may not be able to recover your goods or receive payment if the customer becomes insolvent. You may also lose your rights to another creditor of the customer who has 'perfected' their security interest over the property.

You should seek legal advice about the implications of the PPSA to your individual circumstances.

SecuriSearch is an Android, iOS and Windows application allowing users to search and review the PPSA quickly and easily from a mobile device. Visit our website at: <http://www.securisearch.com.au/>

This document is intended to provide commentary and general information only. It is not intended to provide legal or professional advice, is not intended as a substitute for legal or professional advice, and should not be relied upon as such. Readers of this document should seek their own legal or professional advice with respect to their own circumstances