



CROWD-SOURCED FUNDING OFFER DOCUMENT MAY 14, 2024

**OFFER OF FULLY-PAID ORDINARY SHARES IN
CITIZEN WOLF PTY LTD AT A\$ 0.71 PER SHARE
TO RAISE A MAXIMUM OF A\$ 600,000.**

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Citizen Wolf Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer – Citizen Wolf Pty Ltd ACN 608197191
Intermediary – Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

Always consider the general CSF risk warning and offer document before investing.

TABLE OF CONTENTS

SECTION 1: RISK WARNING	3
SECTION 2: INFORMATION ABOUT CITIZEN WOLF	4
→ 2.1 Letter from the Cofounders	5
→ 2.2 Company details	7
→ 2.3 Description of the business	8
→ 2.4 Scorecard (Birchal 2022)	12
→ 2.5 Business and revenue model	13
→ 2.6 Business strategy	14
→ 2.7 Why us? Why Now?	19
→ 2.8 Organisational structure	20
→ 2.9 Team	21
→ 2.10 Key Risks	24
→ 2.11 Financial information	25
→ 2.12 Capital structure	30
SECTION 3. INFORMATION ABOUT THE OFFER	33
→ 3.1 Terms of the Offer	34
→ 3.2 Use of funds	35
→ 3.3 Rights and obligations associated with shares	36
→ 3.4 What can I do with my shares?	37
→ 3.5 Details of previous CSF offers	37
SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS	38
→ 4.1 Cooling-off rights	39
→ 4.2 Communication facility for the Offer	39
→ 4.3 Proprietary company corporate governance obligations	40
→ 4.4 Company updates	40
SECTION 5: GLOSSARY	41

RISK WARNING

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

SECTION 2: INFORMATION ABOUT CITIZEN WOLF



FLOW CITIZEN WOLF

LETTER FROM THE CO-FOUNDERS



Rahul Mooray
Technology

Eric Phu
Operations

Zoltan Csaki
Product

SECTION 2.1

Hello Citizen!

We're Zoltan, Eric and Rahul, Co-founders of Citizen Wolf: a certified B Corp fashion/tech company on a mission to unf*ck the fashion industry and save our planet by making mass production obsolete.

That's no small nor easy task, and we've been thrilled by the overwhelmingly positive feedback from our customers, investors and the broader community, especially over the last few weeks as we've shared our market-beating YTD performance and our plans to disrupt the \$1.2 billion Australian uniforms industry.

Launched in 2016, we've custom-made 72,000+ garments in our state of the art Sydney factory and proprietary Magic Fit® technology. Magic Fit® is the easiest way to get tailored clothes online – with no measuring tapes, body scans or awkward photos in your knickers. All we need is your height, weight, age and a note about your body to create a 94% accurate mathematical 3D twin for us to make completely personalised, custom-fit clothes in your choice of style, fabric and colour.

In 2022 we launched our first CSF campaign on Birchall so we could do three things, and 499 people just like you invested over \$1 million to make this a reality:

- Scale our product range beyond T-shirts
- Scale our factory to efficiently make more garments
- Scale our business globally

In the two years since, we've:

- Launched a range of polos, sweats and shirting
- Improved factory output by 31%
- Launched a new globally-optimised website and built an in-house performance marketing team

These critical, foundational improvements have transformed Citizen Wolf into a better business than we were two years ago. Our Return on Ad Spend (ROAS) has improved 50% to 2.4, helping us acquire more new customers than ever. Our Average Order Value (AOV) has improved 35% to \$203, meaning each customer is spending more with us. And the overall result is that our Customer Lifetime Value (LTV) has increased a whopping 33% to \$401, strengthening the long-term stickiness of our "custom-fit made easy" value proposition.

Though the Australian fashion market dropped 8.6% in 2023¹, we've bucked the trend by recording our strongest financial year to date ever with 19% YoY growth over the last 9 months to March 31, 2024. Additional proof that our differentiated business model is working, even in the toughest conditions.

Importantly, these investments unlocked new opportunities that weren't possible two years ago with our limited product range and production capabilities. Specifically, expanding into polos and button-down shirts has opened up the uniforms market where our technology solves a number of critical headaches:

- Staff love our infinite size range because we solve the fit and comfort problem, regardless of their size or shape.
- CFOs love our Made To Order (MTO) system because it eliminates overstocked inventory, freeing up cashflow and reducing expensive wastage at the end of any contract.
- Mother Earth loves our zero waste + zero inventory model because we're 100% circular with 48% less carbon / unit.

The great news is that making uniforms isn't new for us. We've been winning corporate t-shirt contracts for years without chasing them, with over 50 clients including Koala, JLL, LinkedIn, Campos Coffee and Planet Ark.. We're also now an accredited Australian Government supplier, having recently won the contract to create the most sustainable polos and corporate shirts possible for 300 staff at the Great Barrier Reef Marine Park Authority (GBRMPA).

And it's not surprising there is demand, with over 7.5 million Australian workers wearing uniforms every day², and 87% of ASX200 companies implementing stringent ESG targets³.

Plus, governments at all levels are beginning to legislate local content quotas for procurement, with Victoria's 'Ethical Suppliers Register' leading the way.

With the demand in place, and our technology validated, we're thrilled to be back on Birchall to raise funds to disrupt the Aussie uniforms market by:

- Building a dedicated production line for uniforms
- Building a dedicated sales team to win more contracts
- Extending and licensing our proprietary tech stack to larger uniform suppliers, giving them a competitive edge in their next tender, and giving us access to massive contracts where clothing forms only a small part of a much wider product mix: like fire, police and hospitals.

Crucially, this is not a pivot.

Our existing direct-to-consumer business isn't changing, and continues to grow. This *is* about monetising our tech in an adjacent market where it is the immediately available painkiller to expensive problems across the industry. To help us capitalise on this opportunity, we're also thrilled to have Nigel Whelan - the former GM of the two largest uniform companies in Australia - join our advisory team with his wealth of experience and contacts.

We've built the technology.

We've built the factory.

We've proven the demand.

Plus we've validated our unfair advantage in delivering the most sustainable uniforms in Australia. And despite doing zero advertising, uniforms are already 9% of our revenue. So we're incredibly excited by how transformational it will be having a dedicated team focused on growing this opportunity.

We can't wait to welcome you as the 500th Citizen Wolf shareholder so together we can take this next step in scaling our mission to unf*ck the fashion industry.

1 - Auspost eCommerce Report, 2024

2 - YouGov, 2018

3 - PWC, 2023

COMPANY DETAILS

Company Name	Citizen Wolf Pty Ltd
ACN	608197191
Date of incorporation	September 11, 2015
Registered office and contact details	Suite 2, Level 2/37-39 The Corso, Manly NSW 2095 howl@citizenwolf.com
Principal place of business	65 Marrickville Rd, Gadigal Land, Marrickville, NSW, 2204
Directors	Eric Phu and Zoltan Csaki
Company Secretary	Zoltan Csaki
Share registry	https://www.cakeequity.com/
Website	www.citizenwolf.com

This offer of shares is made by Citizen Wolf Pty Ltd.
ACN 608 197 191 (the Company or Citizen Wolf).



OUR BUSINESS

Citizen Wolf is a direct to consumer, fashion brand and technology company started in Sydney in 2016 with ethics and sustainability baked into its DNA.

We've redesigned the experience of buying clothes – and it starts with a profound change that's as simple as it is radical – we make only what we sell. Instead of guessing what people might want to buy in the future, we ask them what they want right now (they choose colour, fabric and style) and then we make it: custom-fit to their body using our proprietary Magic Fit® technology. We have zero inventory, a zero waste manufacturing process and zero garments sent to landfill as a result.

We know that standard size breaks fail 81% of customers⁴ and the lack of standardisation in sizing is what drives sky-high fashion ecommerce returns of 30-50%⁵. Our Magic Fit® technology solves this problem, creating 4x lower returns than the ecommerce industry average. And because fit drives loyalty, Magic Fit® also keeps customers coming back for more, driving 3.5x higher customer loyalty than the industry average⁵.

To make this possible, Citizen Wolf has developed a proprietary technology stack integrated into our highly-customised website and married to our own state-of-the-art factory in Sydney built for Made To Order (MTO) manufacturing. Our factory is proudly open to the public for maximum transparency and we wholeheartedly invite you to visit us and see where the magic happens.

Put another way, everything we make at Citizen Wolf is the result of data instead of fuzzy guesswork and our innovation has created a product that is fundamentally better for the customer.

At the same time, MTO manufacturing is also better for the planet and our system produces 48% less carbon per garment compared to the mass-produced equivalent. As a certified B Corp we've gone even further by enshrining the principles of triple bottom line accounting into our company constitution as a guiding principle of Citizen Wolf, obligating us to consider the wider impact of our decisions on people and planet, as well as profit.

With over \$6.3 million in sales to date and 72,000+ garments made, Citizen Wolf is now scaling its proven Magic Fit® technology to the Australian uniforms market. With more than 7.5 million Australians wearing uniforms daily (that's 50% of workers), it's a \$1.2 billion market⁶ that's ripe for disruption.

Citizen Wolf successfully raised over \$1 million from 499 investors through a Birchal crowdfunding raise in 2022. We have been covered extensively by the Australian press over the years, featuring on national TV as well as every major print publication from Vogue to the AFR.

We've also won multiple design, innovation, and sustainability awards including Finder's Green Fashion Brand of the Year (2021), Good Design Award Gold in the Fashion Impact category (2019), and Innovation Champion of the Year at the National Retail Association Awards (2019).

PUT ANOTHER WAY, EVERYTHING WE MAKE AT CITIZEN WOLF IS THE RESULT OF DATA INSTEAD OF FUZZY GUESSWORK.

OUR INNOVATION HAS CREATED A PRODUCT THAT IS FUNDAMENTALLY BETTER FOR THE CUSTOMER AND THE PLANET.



4 - Rakutan Research, 2016

5 - Shopify Fashion & Apparel Industry Report, 2022

6 - Ernst & Young, 2021

OUR TECHNOLOGY

Our proprietary tech stack consists of three separate, yet interdependent layers that together re-engineer the way clothes are made at scale. This allows our customers to choose their colour, fabric and style and then Magic Fit® ensures that their new favourite clothes fit their body perfectly, guaranteed.

But Magic Fit® is not just better for the customer – it's also better business, driving 3.5x higher customer loyalty and 4x lower returns than the industry average⁷.

LAYER 1 - MAGIC FIT®

Magic Fit® is the first layer in our tech stack as well as the customer-facing value proposition of the Citizen Wolf brand.

Magic Fit® needs only your height, weight and age to generate a mathematical model of your body faster and more accurately than a human tailor by distilling over 196 million data points. Beyond the biometric input, we also invite the user to leave a note about their body so Magic Fit® can adjust the statistical model to suit their unique body thus achieving 94% accuracy.

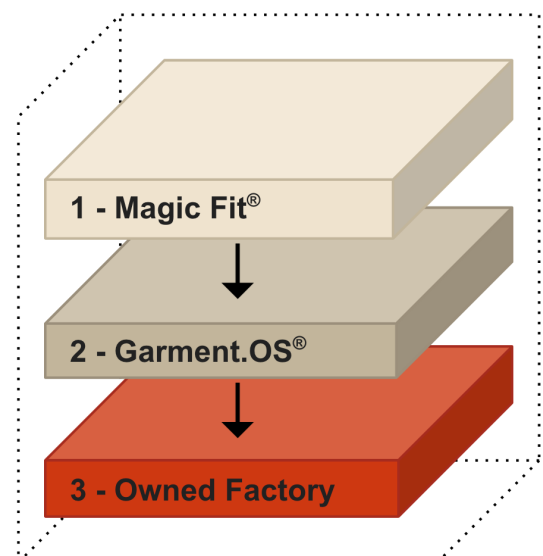
Magic Fit® has also very intentionally been designed to be the simplest possible experience, with all the hard work being done in the background to minimise drop-off in the customer purchase journey – no appointments, no measuring tapes, no 3D body scans, no configurator and no awkward photography in your knickers either. It's deceptively simple but the results speak for themselves – over 3,700 5-star reviews from ecstatic customers.

LAYER 2 - GARMENTOS®

GarmentOS® is the second layer in our proprietary tech stack. It's the software we built to power our state-of-the-art factory which contains several functions:

1. Pattern generation → Each customer has a unique Magic Fit® which in turn generates unique garment patterns to be cut and sewn into perfectly fitting clothing.
2. Integrated Nesting → Our integrated nesting ensures that minimal waste is created and generates cut files overnight.
3. Production management → This includes our production algorithm which optimises for speed as well as tracking of garments through the production line. GarmentOS® is also connected to our email systems to keep customers updated in real-time on the status of their garment/s.

MAGIC FIT® IS NOT JUST BETTER FOR THE CUSTOMER. IT'S ALSO BETTER BUSINESS, DRIVING 3.5X HIGHER CUSTOMER LOYALTY AND 4X LOWER RETURNS THAN THE INDUSTRY AVERAGE.



⁷ - Shopify Fashion & Apparel Industry Report, 2022

LAYER 3 - OUR FACTORY

Our custom-made clothes are only possible thanks to the third and final layer in our proprietary tech stack – the factory we’ve built right here in Sydney. We created our own factory because we couldn’t find anyone in the existing supply chain in Australia that wanted to change the way they work from mass-production to Made-To-Order (MTO).

Built from scratch in a modular way around the principles of single-piece production, we have perfect visibility (and plenty of data) over every sub-process within the production of your garment and we harness this data to ruthlessly optimise for efficiency as we scale. And because we have owned and operated our factory for many years now, our knowledge and experience also ensures we tightly control our excess capacity to minimise COGS.

INTELLECTUAL PROPERTY

Citizen Wolf® is a registered trademark in both Australia and the USA. Magic Fit® and GarmentOS® are registered trademarks in Australia. Further trademark applications will be undertaken as relevant following international market testing and expansion.

We often get asked if Magic Fit® has been patented. The short answer is no.

The longer answer is that we’ve been advised by our lawyers to keep Magic Fit® as a trade secret instead, just like the formula for Coca-Cola. By applying for the patent, we would need to disclose the "secret sauce" of our algorithms into the public domain. This would make it possible for anyone to replicate a key part of what we do, with only expensive lawsuits to rely on for enforcement. There is also a time limit placed on patents, forcing a much shorter window of opportunity to develop the potential of our technologies.

That said, we will likely explore process patents in the future as appropriate, but right now, we are in control of what makes Citizen Wolf uniquely defensible and able to exploit that to our advantage for longer.

THE LONG TERM OPPORTUNITY AROUND PLATFORMING MAGIC FIT®

The fashion industry is notoriously fragmented and customer loyalty is fickle with only 9.7% of a comparable fashion brand’s sales coming from returning customers⁸.

Our commitment to R&D since the beginning has allowed Citizen Wolf to create an end-to-end solution that is miles ahead of anything else on the market. And the results speak for themselves, with our Magic Fit® technology driving 3.5x higher customer loyalty while reducing returns by 4x and creating zero waste and zero landfill.

While the rest of the industry hesitates to change, we plan to continue growing the Citizen Wolf brand quickly as the only brand in the world powered by Magic Fit®.

But we believe the wider industry will not be able to ignore the environmental benefits of custom-made nor the category-leading business metrics forever. And when they are finally ready for change – either due to pending legislation like we’re starting to see in the EU, or customer sentiment (or both) – we expect Magic Fit® will be one of the most mature technologies for scalable custom-made clothes in market.

OUR CERTIFICATIONS

Certified



This company meets the
highest standards of social
and environmental impact

Corporation



ethical
clothing
AUSTRALIA

B CORP

The B Corp certification is a voluntary process for anyone wanting to hold themselves genuinely and transparently accountable for their business decisions. The easiest way to understand how that's different from a regular company is to know the distinction between shareholders and stakeholders.

Limited liability companies have a legal, fiduciary duty to maximise returns for shareholders only. This is what drives the stock market and quarterly earnings reports (and myopic short-term thinking)⁹.

B Corps by contrast, have a legal duty to consider all 'stakeholders' in any business decision. Investors are stakeholders (obviously), but so are employees, customers and suppliers as well as the local community and the environment more broadly. It's a much more complex and nuanced approach, with the ultimate goal of using business as a force for good.

We're proudly B Corp certified scoring over 100 points on our first application. To put that into context, anyone can qualify with 80 points as a minimum, but the average score for company applications is only 51 points.

ETHICAL CLOTHING AUSTRALIA

Our factory has been proudly Ethical Clothing Australia accredited since 2018, ensuring that all employees are paid fair, living wages (above award wage) with safe working conditions. The ECA accreditation program maps our entire supply chain from design to dispatch and we undergo annual compliance audits conducted by the TCF Union team.

Buying from ECA accredited businesses means you can shop guilt-free knowing the people who made your clothes have been paid fairly and are working under the right conditions – sadly, all too rare in the fashion game.

9 - Milton Friedman, 1970

SCORECARD

BIRCHAL 2022

STRATEGY	DELIVERABLE	PROGRESS	
SCALE PRODUCT	Launch Polos	Completed. Polos now represent 14% of sales (last 12 months)	✓
	Launch Sweats	Completed. Sweats now represent 5% of sales (last 12 months)	✓
	Launch Shirting	Completed. Shirting now represents 8% of sales (last 12 months)	✓
SCALE FACTORY	New laser cutter	Custom-built state of the art laser cutter installed and fully operational. Cutting capacity and speed has been doubled to 30 garments per hour.	✓
	New production lines	New production lines created, including specialist machines (eg. button holes) plus skilled staff, resulting in a 31% increase in factory output. Currently production timelines: - Tees take 7-10 days - Polos & Sweats take 10-12 days - Shirting takes 15-20 days	✓
	Upgrade Magic Fit®	Magic Fit® has been upgraded to incorporate these new products and also woven fabrics, having previously been limited to knitted jersey (for T-shirts), as well as our first garments for the lower half of the body (sweatpants and shorts).	✓
	Upgrade GarmentOS®	GarmentOS® has been upgraded to automate as many previously manual tasks as possible such as marker layouts for the laser cutter. Over 22,000 tailored garments have been made since the previous Birchal raise with these automations in place.	✓
SCALE INT'L	Build inhouse ad team	Hired full time content creator to improve quality and velocity of video ads. This has resulted in a 50% lift in ROAS to 2.4	✓
	International ad tests	Initial tests were run in the US and EU with mixed results. The website was identified as a major roadblock for conversion due to critical UX issues, such as non-native currency (forcing checkout in AUD) and other localisation requirements including tariffs.	✓
	New eComm site	Complete rebuild of the website to be international and mobile friendly completed in February 2024 (the first rebuild since 2016).	✓
	International sales	The new website is currently undergoing a post-launch optimisation process to eliminate bugs and resolve any unforeseen issues. Once completed, international ad testing will resume to find the most receptive single geography to focus on as the next step. Financial year to date, \$40,219 in sales have been generated from international sales.	✖ WIP

BUSINESS + REVENUE MODEL

We've spent the last 8 years building our proprietary technology and validating the business model around custom-fit clothing. To date we've achieved:

- 72,000+ Magic Fit® garments sold
- \$6.3 million in lifetimes sales
- 3.5x higher customer loyalty (repeat purchase) vs industry average
- 4x lower return rates vs industry average

OUR ULTIMATE AMBITION IS FOR MAGIC FIT® TO CREATE ANY GARMENT, FOR ANY BODY, ANYWHERE IN THE WORLD, WITHIN ONLY A FEW DAYS.

Unlike most other fashion brands, we do not have a wholesale business, we do not hold inventory, and we never need to go on sale as a result. Instead, we have a streamlined DTC business model that makes only what we sell, with sales broken down by the following channels:

- 83% via our website (www.citizenwolf.com)
- 8% via our shop (attached to the factory)
- 9% via our uniforms offering

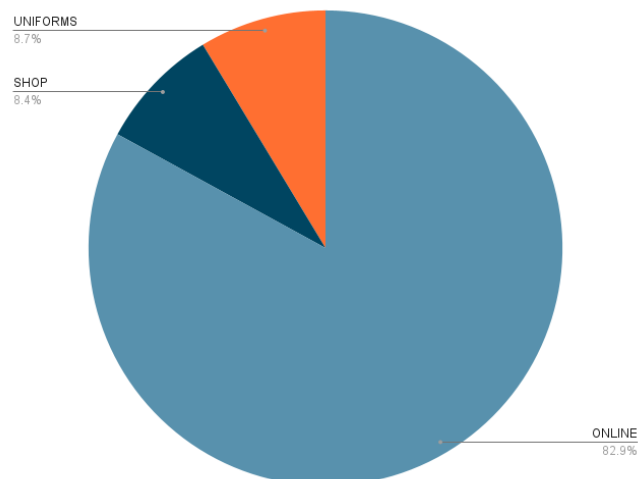
Our Magic Fit® garments are priced from \$89-\$199 for T-shirts (depending on fabric and style), to \$329 for Oxford shirts. Our average order value is \$203, with an average margin of 68%.

Crucially, we are profitable on the first order from every single customer we acquire. Over time, we expect this to further improve, not only as we add more (and higher-priced) products to our range, but also because we are able to scale revenue largely independently of operational costs on the marketing side as an ecommerce brand. It's also important to note that we do include salary costs in our Customer Acquisition Cost calculation.

Each customer buys 3.8 garments on average over 1.6 years with an LTV of \$401, generating \$171 in gross profit. As we expand our product offering we expect this lifetime value to increase as it has done since we started adding new products in 2022. We will also continue investing in increasing retention rate to further increase LTV.

Scaling up our uniforms / teams offering to take on the wider uniforms market will also dramatically improve our underlying business metrics, with larger volumes, significantly larger order sizes, and longer term contracts to complement our DTC retail business.

NOTE – prices quoted are on the consumer side by the single piece. Uniforms has a different pricing structure based on volume discounts.



1ST ORDER (NEW CUSTOMERS)

AVG. OVER 12 MONTHS

\$150	1.6 GARMENTS ¹
- \$55	COGS ²
\$95	GR. MARGIN
- \$83	CAC ³
\$12	GR. PROFIT ⁴

LTV

OVER 1.6 YEARS

\$401	3.8 GARMENTS ¹
- \$145	COGS ²
\$256	GR. MARGIN
- \$85	CAC ³
\$171	GR. PROFIT ⁴

1 – ORDER VALUE INCLUSIVE OF DISCOUNTS
2 – INCLUDES PROVISION FOR REMAKES
3 – CUSTOMER ACQUISITION COST INC. SALARIES
4 – GROSS PROFIT EXCL. OVERHEADS

BUSINESS STRATEGY

OUR CONSUMER STRATEGY

Our vision is to make mass-production obsolete, by using our Magic Fit® technology to custom-make any garment, for any body, anywhere in the world in only a few days and in the most sustainable way possible.

As one of the largest industries on earth worth more than \$2.5 Trillion (McKinsey, 2021), the fashion industry has been able to hide deep structural problems and inefficiencies by accepting them as the default way of doing things. By contrast, we've spent the last 8 years validating a new blueprint for the industry that is better for people, planet and profit all at the same time.

Today, the fashion industry is in direct opposition to the Paris Agreement to decarbonise the economy as a direct result of this "business as usual" approach. We cannot solve climate change without first changing the fashion industry and so addressing these issues represents an incredible opportunity to create a more sustainable business model as outlined on the next page.

Starting with T-shirts as a proof of concept for both the technology, processes and business model, Citizen Wolf has since successfully expanded to a range of polos, sweats and shirting. Product development is ongoing and methodical, with the goal of making any classic garment including jackets, pants and ultimately denim jeans.

With a wider range of products available, the opportunity now exists to apply them to the adjacent uniforms market where our technology, processes and manufacturing capability is 100% transferable and provides a much needed solution to several pain points for that sector.

OUR UNIFORMS STRATEGY

The Australian uniforms market is worth over \$1.2 billion a year, with 50% of the workforce wearing uniforms for work. That's 7.5+ million people that are touched by this problem every single day.

The market consists of two segments -

- ~60% is "Total Apparel Management (TAM)", which are the bespoke uniforms contracts for the likes of say Qantas, the NSW Police Force or the Country Fire Authority (VIC).
- ~40% is workwear sold at retail, for example Hard Yakka high-vis worn by tradies and bought at Lowes.

Citizen Wolf's opportunity is not in the high volume (and low margin) retail side of workwear, but rather in the bespoke TAM space where large corporations and governments have very specific, very individual requirements meaning that every single contract is unique.

The local TAM market is dominated by 4 large players who collectively have 50+% market share: Workwear Group (WWG), Australian Defence Apparel (ADA) and Stewart & Heaton (SH) and Belgravia Apparel (formerly Bizwear).

Within the TAM market, the opportunity for Citizen Wolf is three fold:

- Win more contracts like the Great Barrier Reef Marine Park Authority where we are the primary vendor
- Solve the two biggest headaches for the large suppliers by making the garments that no one else in their existing supply chain wants to:
 - ° Phase 1 – Made To Measure (MTM) solution
 - ° Phase 2 – Made To Order (MTO) inventory solution
- License our tech stack to the large players to create / upgrade their own internal short run MTO factory.

	TRADITIONAL FASHION ☹	CITIZEN WOLF ✓
PEOPLE	POOR FIT - Standard size breaks fail 81% of customers (Rakutan Research 2016) 30-50% eCommerce return rates (Ernst & Young, 2021) <10% repeat purchase (Yotpo, 2021) POOR ETHICS - Only 2% of garment workers globally are paid a living wage, and often in dangerously unsafe workplaces (Fashion Revolution, 2019)	MAGIC FIT® - Eliminates guesswork by providing custom fit via 3D body algorithm <8% remakes & returns 35% repeat purchase B CORP + ECA CERTIFIED - Made in Australia and independently audited to ensure fair pay and safe working conditions
PLANET	RISING CO2 - Fashion uses 10% of world's carbon budget today, forecast to rise 50% this decade and 200% by 2050 (World Bank, 2020) 60% of all clothing made with synthetics – carbon intensive petroleum derivatives (UNEP, 2019) LANDFILL 60 million km2 fabric scraps landfilled annually (Common Objective, 2019) 12,000 Tonnes of uniforms disposed in Australia annually (ACTA, 2021)	48% LESS CO2 - Made To Order eliminates overproduction whilst cutting carbon emissions by 48% 100% natural fibres produce significantly lower carbon emissions compared to synthetics/ polyesters (MIT, 2015) ZERO LANDFILL - Zero-waste manufacturing via upcycling 100% circular via Take-Back Scheme creating recycled fabrics to create new garments
PROFIT	FLAWED FORECASTING 33% of stock landfilled, unsold (Australian Circular Textiles Association, 2019) 40% of stock sold at discount (Business of Fashion, 2022) HIGH WORKING CAPITAL - Traditional wholesale models requires large capital outlays on stock and warehousing with risk of unsold stock being returned 90+ day payment terms	MADE TO ORDER - Zero inventory = Zero waste - No sales needed to clear stock LOW WORKING CAPITAL - Make only what we sell (zero inventory) - Payment upfront before production (DTC ecommerce)

UNIFORMS GO-TO-MARKET STRATEGY

WINNING MORE CONTRACTS OURSELVES

Over the years, Citizen Wolf has won over 50 uniform contracts, despite a limited product range of only Tees for the first 6 years. This was due to our combination of strong sustainability credentials, local & ethical manufacturing, exceptional quality, infinite size range, Made To Order (MTO) production, low minimums and high levels of customisation. Crucially, we have never chased these contracts. They have all been inbound, mostly as a result of an individual customer in our DTC consumer business loving their CW clothes so much they ask if we can fit their entire staff or team.

With more “corporate” style products now available (such as polos and shirting), there are more opportunities for Citizen Wolf to significantly grow this revenue stream.

This is an end-to-end, turn-key ESG solution for clients where Citizen Wolf manages every aspect of the contract. We will use the exact same technology, fabrics and factory from our consumer business setup on a newly separated production line.

CONTRACT MANUFACTURING FOR OTHERS PHASE 1: SOLVE THEIR MTM HEADACHE.

All large corporate / government contracts have a mandatory Made To Measure (MTM) component to ensure all staff get uniforms they can actually wear. These MTM garments are ~2% of the total contract volume, but it takes the same amount of effort and internal resources to solve them as it does to solve the other 98% of standard size breaks¹⁰.

The result? Everyone hates MTM. The suppliers' internal teams as well as their supply chain, because no one is setup to make one single garment. Everyone wants to make product only in bulk.

What tends to happen with these mandatory MTM garments is that they get de-prioritised and timeframes inevitably slip when people that should be working MTM get re-assigned to the mass lines. It's not uncommon to have 6+ week turnarounds for anything MTM. Even then there's no guarantee that it'll fit meaning that some staff have to wait up to 18+ weeks to get uniforms they can actually wear.

This is a huge problem for the big suppliers who win these very large contracts, and it's our first opportunity.

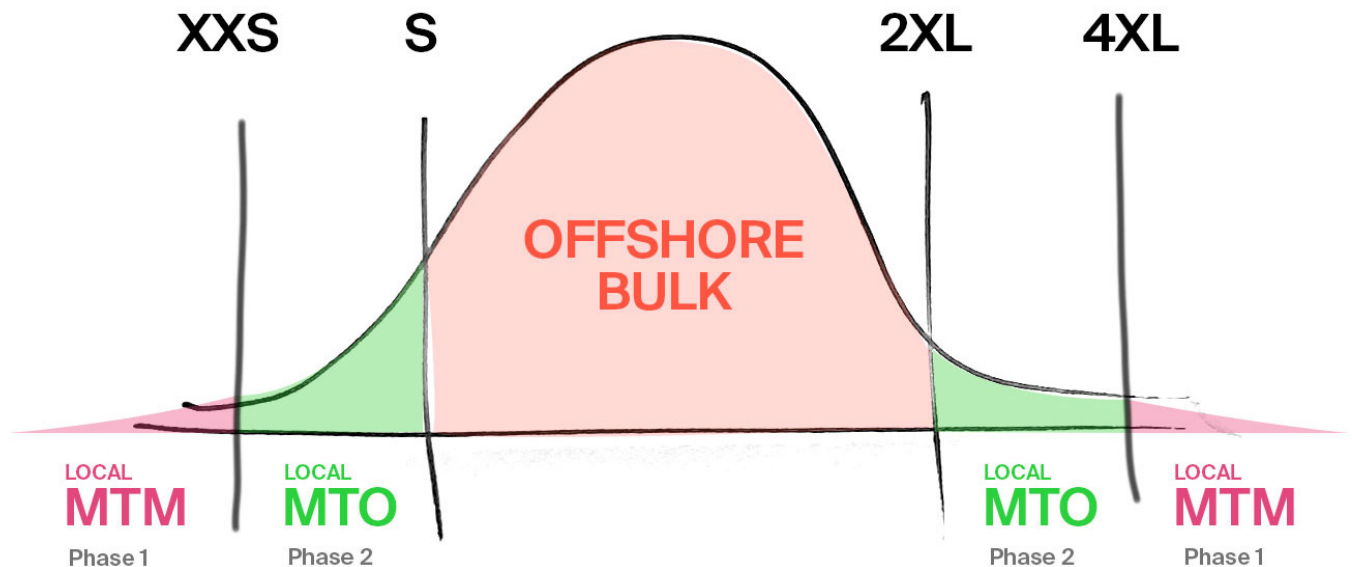
Our factory has been created from scratch around single piece production, and our Magic Fit® technology reduces the marginal cost of tailoring to zero. We have a turn-key solution that is not only ready, but validated in the market to create fully MTM clothes within only a few days. In other words, our technology is the painkiller that solves this very real, ongoing and expensive headache that exists for everyone working with very large uniform contracts.

Put simply, we're not interested in the bulk that every other factory wants. We love making what everyone else hates! And because the volumes are small, there is much less price sensitivity around MTM, with 2-3x the bulk assembly cost (exc. materials) being broadly acceptable.

Our strategy is to start by approaching the four large players simultaneously to offer this service, proving ourselves with a pilot around a single SKU before scaling into other products. An example of this pilot might be making Polos for the NSW Police Force.

It should be noted that becoming a supplier to the large uniform vendors means that we are not in control of fabric or design decisions. Additionally, a short exclusivity period is likely where we can work with only one of the big four players for the first 6-12 months. This will be balanced with guaranteed production volumes during that period.

¹⁰ - Internal research, 2024



CONTRACT MANUFACTURING FOR OTHERS PHASE 2: SOLVE THEIR INVENTORY HEADACHE.

Once we've proven ourselves a reliable partner in solving their MTM headache, we will move into the second phase of our strategy to solve their inventory headache.

Approximately ~60% of the total volume in any large uniforms contract is shipped immediately in the 'roll-out' phase as soon as the first batch of production is completed¹¹. The remaining ~40% of volume is reserved for new hires and/or replacements and drips out over the duration of the contract, often over many years. It's a contractual requirement for the supplier to hold a certain quantity of every size and every SKU over this duration. Whenever inventory levels drop below a certain threshold (different for every size and SKU), then the supplier is given 60-90 days to refresh their inventory to ensure unbroken supply, and if they don't, they face financial penalties for being in breach of contract¹².

The challenge here is that they may be low in stock in only a few sizes (usually on the edges of the sizing bell curve) and by only a few units each, but it's impossible to buy only what they need. They are forced to buy the factory's MOQ and by doing so, they overstock the entire bell curve to get back into contractual compliance for just a few pieces. The result is they end up being over-stocked in the main sizes (in the middle of the bell-curve).

For example, XS and 2XL might drop under the contractual thresholds by say 5 pieces each. To get back into compliance, the supplier only needs 10 pieces. But they can't buy 10 pieces because their entire supply chain is setup for bulk manufacturing. To get their factories to make anything, they have to meet their Minimum Order Quantity (MOQ) of say 300 pieces. So they buy 5 pieces of XS and 5 pieces of 2XL as well as 290 pieces they don't need, spread across the bell curve of sizes because they have to.

It's insane. And, it's our second opportunity.

This approach locks up huge amounts of cash in inventory that simply wasn't needed. It may take years to recoup that investment, and there's a distinct possibility that these overstocked items end up being the 15% of units that are wasted (on average) at the end of every contract¹³. That's one in every seven pieces!

By contrast, our MTM manufacturing technology is built around a core of Made To Order (MTO) single piece production. But our system doesn't care if it's making a tailored garment or a standard size. We can easily remove the Magic Fit® tailoring layer and use our tech stack to create single pieces in standard size breaks to backfill inventory holes by the individual unit.

Returning to the example above, we are set up (and happy!) to supply only the 10 pieces they need to get back into compliance. And next time they have a different size break drop into non-compliance, we can then backfill that hole by the single piece on a rolling basis. By adopting Citizen Wolf's tech stack, these large uniform suppliers can be moved to a Just In Time inventory model which has been impossible to achieve in garment manufacturing, until now.

And even with an assembly cost (exc. materials) of 2-3x more than what they pay their bulk factories offshore, they still win by being able to make only what they need. And they avoid millions of dollars being tied up in unwanted (and unmoving) inventory.

More importantly, working this way reduces the 15% average wastage in every contract to zero which more than offsets any increased per unit costs of working this way. Plus, filling these stock holes almost always requires airfreight to get the garments within the 60-90 days contractual timeframe. By contrast Citizen Wolf can supply a single piece (or any number of single pieces) within only 2 weeks. Avoiding the exorbitant airfreight charges also reduces the delta between our onshore per piece price and what they'd be paying to land something made offshore. Plus delivering in 2 weeks means we instantly reduce their non-compliance risk to zero.

¹¹ - Internal research, 2024

¹² - Internal research, 2024

¹³ - Internal research, 2024

which increases their chances of retaining and renewing the contract over time.

In summary, being able to backfill inventory holes by the single piece, on a rolling basis with guaranteed delivery timeframes will make Citizen Wolf indispensable to every procurement manager in the uniforms market.

PHASE 3: LICENSE OUR MTO TECH STACK TO UPGRADE OTHER FACTORIES

For the largest industry players where exclusivity, in-house capabilities, or existing factory relationships are paramount, we’re able to help upgrade their existing production lines by licensing our tech and processes. This allows CW to monetise our IP without needing further investments in capex to expand our own factory, and provides another foundation to our mission of making mass production obsolete.

ESTABLISHING A NEW LEGAL ENTITY FOR CONTRACT MANUFACTURING.

Historically, every uniform contract we’ve won has been under the Citizen Wolf brand. In the longer term, we do foresee the need to spin the uniforms division into a separate business unit to properly manage typical business conflicts such as:

- Brand - for white labeling or competitive purposes where the CW Brand is inappropriate
- Exclusivity and NDAs - for when silos are needed for managing competing clients
- Certifications - Where we are sub-contracted for only a portion of the production, we may not have the ability to certify parts of the supply chain outside of our control. For example, performance based technical fabrics may be mandatory to use (such as a Inherently Fire-Retardant (IFR) fabrics) which likely won’t have the same properties nor certifications as the fabrics we work with under the CW brand.

At such time when the split occurs, and the unit is spun into a separate legal entity, all existing shareholders will be entitled to the same proportional ownership of the new entity.



WHY US?

WE HAVE FULL END-TO-END CAPABILITY.

The technology we've built for our consumer business is 100% transferable to the uniforms business. We know this because we have serviced over 50 uniforms contracts under the Citizen Wolf brand.

Our experience in efficiently managing small production runs comprised of unique style customisations with an infinite size range means we're perfectly positioned to solve the MTM and MTO problems that the larger uniform providers face.

UNIFORMS COMPLEMENT OUR CONSUMER BUSINESS.

Crucially, uniforms are not a pivot away from our existing DTC business. Instead it is an opportunity to grow a revenue stream that already represents 9% of our sales and further strengthen our operations. The nature of corporate contracts means:

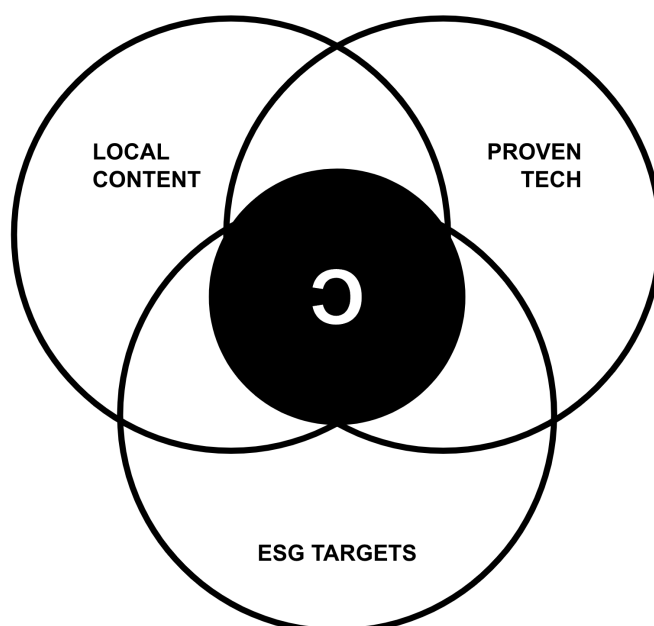
- More stable and long term revenue to assist smoothing out less predictable retail sales
- Greater efficiencies through higher volumes of both sourcing and production
- Complementary product development opportunities, as equipment and skills can be easily shared internally between uniforms and the consumer business – the obvious example here is pants
- Building relationships with the other players in the industry for future collabs, joint ventures, and further monetisation opportunities for our IP.

In summary, uniforms complement our consumer business. This is not a pivot.

WHY NOW?

This moment in time is the confluence of multiple tailwinds that Citizen Wolf is extremely well placed to leverage:

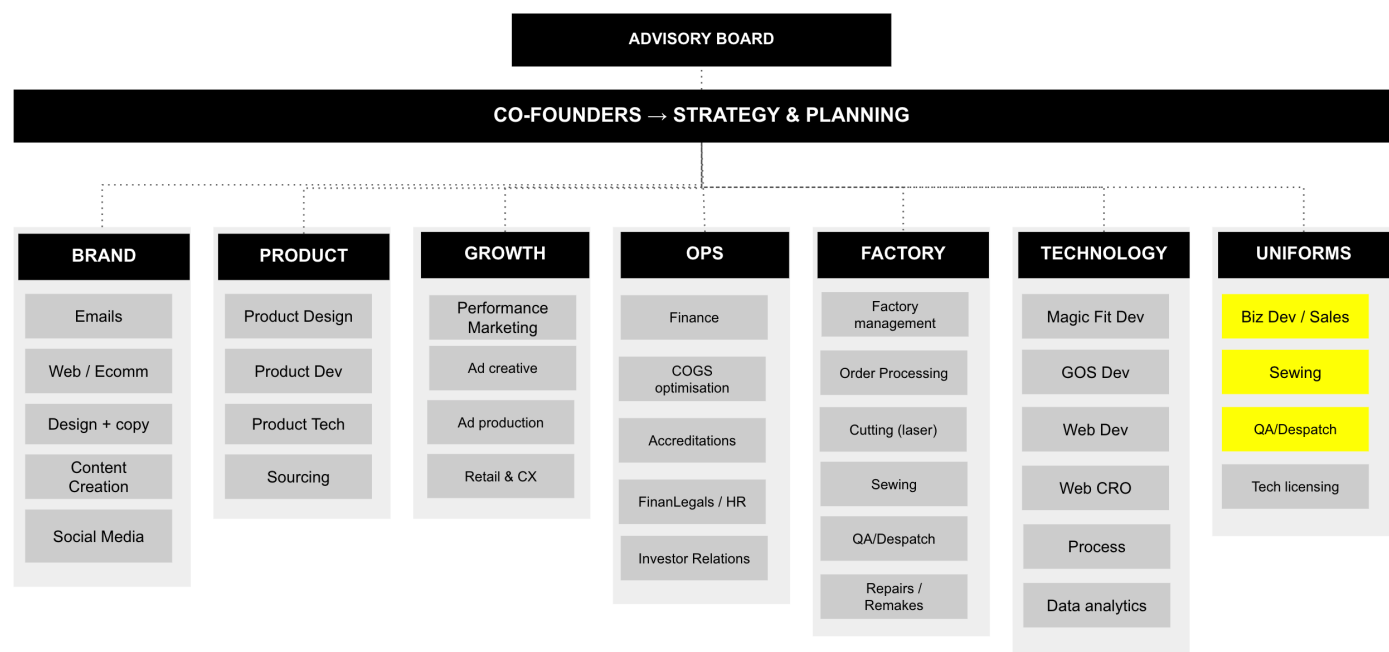
- There is the political will, with governments across all levels pushing for higher local manufacturing and sustainability quotas (such as Victoria's "Ethical Supply Register", and the Commonwealth's proposed "Future Made in Australia" legislation).
- ESG goals have become the default criteria for most companies, with over 87% of ASX200 companies establishing targets.
- Citizen Wolf has the proven technology to massively reduce unnecessary over-production for uniforms at scale. Crucially, Citizen Wolf is also uniquely positioned having the tech, supply chain and local manufacturing capability to provide a complete end-to-end solution for the market to meet sustainability and local manufacturing requirements. The sooner we can build out this advantage, the stronger and more defensible our position is in the long term.



ORGANISATIONAL STRUCTURE

Citizen Wolf is a lean team of 13 by design with 9 in the factory. We have a relatively flat organisational structure as you can see below, with grey boxes indicating existing roles divided among the team with multiple roles / person.

Yellow boxes represent new hires related to achieving the maximum subscription amount.



OUR DIRECTORS



→ **ZOLTAN CSAKI**
→ COFOUNDER + CO-CEO

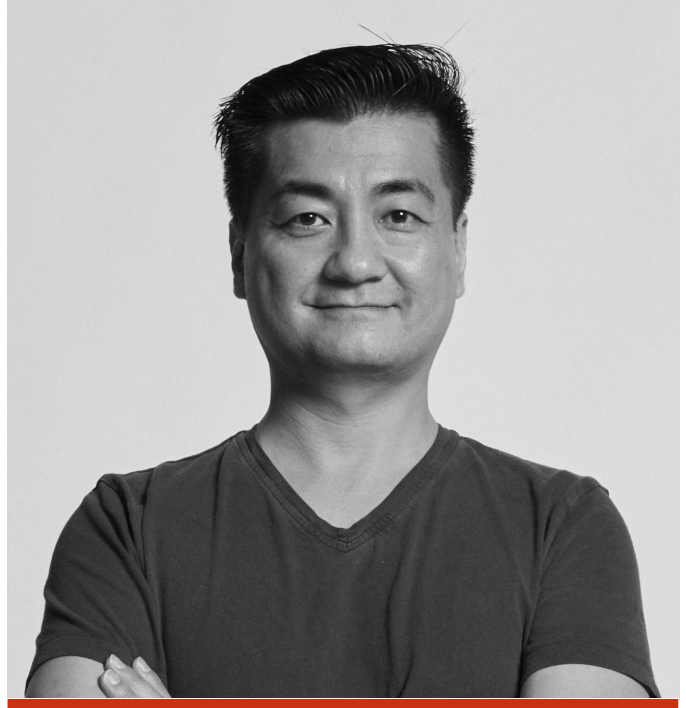
B Design (Visual Communications), UTS
B Arts (International Studies), UTS

Citizen Wolf is Zoltan's third startup and he looks after brand, creative and product. Every word and every pixel are honed through his previous experience working as an art director for the biggest advertising agencies and global brands around the world for over a decade.

Zoltan is asked to speak regularly on behalf of Citizen Wolf at conferences and is also a brand ambassador for Good Design Australia, having judged their prestigious annual awards for 4 years running.

Zoltan has been named:

- Good Design Australia Ambassador
- Top 50 People in Ecommerce by Inside Retail (2022 + 2023)
- Tech 20 Most Influential People in Fashion by Ragtrader (2020).



→ **ERIC PHU**
→ COFOUNDER + CO-CEO

B Commerce, UNSW

Eric is responsible for both growth and operations. With a proven track record leading award-winning ad agencies in Australia and across Asia, Eric brings a wealth of business management experience to keep things running smoothly, from the numbers to legals. Eric has also worked extensively in the conservation field with several international NGOs such as WWF, the Wildlife Conservation Society and the International Union for the Conservation of Nature (IUCN).

Eric is on the governance committee for Ethical Clothing Australia.

Eric has been named:

- Future 60 by Vogue (2019).

OUR SENIOR MANAGERS

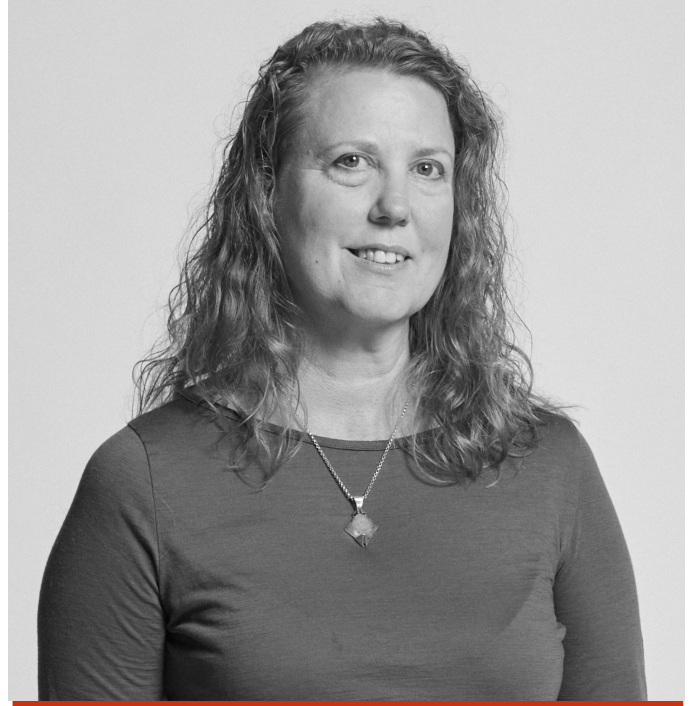


→ **RAHUL MOORAY**
→ **COFOUNDER + CTO**

B Engineering (Mechatronics), UNSW

Rahul handles technology, drawing on his management consulting experience alongside his engineering foundation to make effective decisions on the direction and implementation of Citizen Wolf's technology stack. He is also passionate about the intersection of creativity and analytics and leverages his ability to jump between the two worlds to lead our website Conversion Rate Optimisation (CRO) efforts.

Rahul is the creator of the Magic Fit® and GarmentOS® technologies.



→ **ALDONA BRANGWIN**
→ **PRODUCTION MANAGER**

Diploma of Arts in Fashion Design, TAFE

Aldona has been working in the fashion industry for 29 years, starting as a pattern maker before moving into production management. Before Citizen Wolf, Aldona was with Cue Clothing Company for 16 years as their local manufacturing Production Manager during which time they were the largest manufacturer of women's clothing in Australia.

OUR ADVISORS

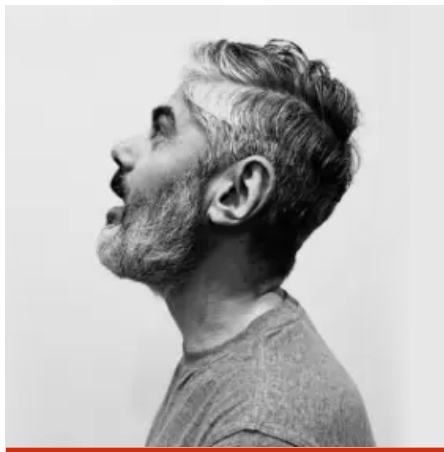


→ MARK KELLY
→ COO ORDRE

Currently based in London, Mark is an investor, Director and Chief Operating Officer of The ORDRE Group, developing cutting-edge B2B & B2C technology solutions for the luxury fashion industry. He has deep experience in capital raising, business transformation and cross-platform content development and creation.

In a previous life, Mark was the Publisher of Vogue, InStyle and Marie Claire in Australia (among many other titles). Mark was also the Founding Chair of the Fashion Targets Breast Cancer Australia (FTBC) a not-for-profit project that raised more than \$2.8m to fund research.

Mark is an investor in Citizen Wolf.

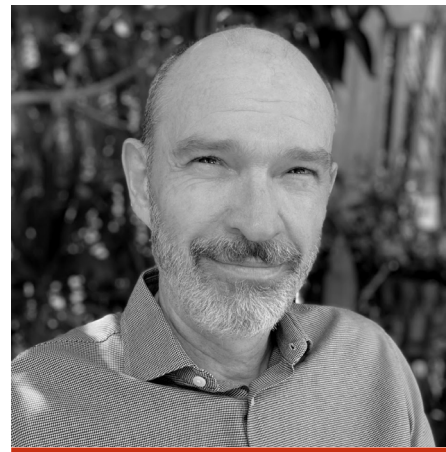


→ PAUL ALEXANDROU
→ CEO MODERN EQUIVALENT

An early investor and former Chief Brand Officer of game-based unicorn Kahoot!, Paul has worked inside and alongside startups that have run the billion-user gauntlet, then helped them evolve to what's next.

Paul now supports forward-thinking founders, C-suites and venture partners dealing with epic disruption, high-stake transformations, white-knuckle pivots, uninspired and limiting cultures, confusion, and radical change.

Paul is an investor in Citizen Wolf.



→ NIGEL WHELAN
→ CO-FOUNDER, HATCH + MAKE

25 years as a senior uniforms executive working for Australian Defence Apparel, Stewart & Heaton and the Yakka Group.

Extensive knowledge of the Australian uniforms market, garment manufacture and technical fabrics with a keen focus on supporting sustainable local manufacture.

Nigel has recently co-founded a MTO knitwear manufacturing business based in Melbourne called Hatch + Make – a partner for premium knitwear design and advanced manufacturing, working toward a circular economy.

→ LPR ADVISORY
→ ACCOUNTANTS

LPR Advisory are a boutique Chartered Accounting firm that specialise in partnering with startups and small businesses to provide the financial guidance needed to grow. In addition to accountancy and compliance requirements, LPR specialises in Business Advisory and consultancy services focused on innovation and financial profitability, with specific expertise for the federal Research and Development grants.

→ ALLIED LEGAL
→ LAWYERS

Allied Legal are a specialist law firm that guides companies through all stages of their business development, from incorporation through expansion and exit. Focused on working with startups, Allied Legal have strong experience in the rapidly evolving commercial legislation for capital raising through crowd-funding.

KEY RISKS FACING THE BUSINESS

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

RISK	DESCRIPTION
LOSS OF KEY MANAGEMENT PERSONNEL	Citizen Wolf is susceptible to the loss of key team members as they are considered critical to our continued success. Key team members have deep experience in, and knowledge of, our business and the market in which it operates. The loss of key management personnel, or any delay in their replacement, may adversely affect Citizen Wolf's future performance.
COMPETITORS AND NEW MARKET ENTRANTS	Fashion is a notoriously fragmented market with only 4 players globally claiming >1% market share. Whilst new competitors offering similar custom fit products may arise, the risk is mitigated by the high barrier to entry created by Citizen Wolf's proprietary technology stack and owned factory (see page 9).
CASH FLOW RISK	The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, and/or its ability to meet future objectives.
FUNDING RISK	The Company is in the process of raising funds to achieve its strategic objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives. The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.
INSOLVENCY RISK	The Company is not yet profitable. The Company is seeking to obtain further funding to achieve its objectives. The Company has access to several short term loan facilities to bolster its working capital position. However, there is no guarantee that future funding will be available on favourable terms or that the Company will receive any further funding.
SUPPLY CHAIN DISRUPTION	Whilst 86% of our fabric is knitted locally in Melbourne, there is a risk of delays in raw material yarn delivery coming from overseas. Citizen Wolf mitigates these risks by maintaining good relationships and sufficient inventory, although external factors such as government restrictions (e.g. COVID-related) can still disrupt our supply chain.
FAILURES OR DISRUPTION OF TECHNOLOGY STACK	Citizen Wolf's technology stack is critical to its Made To Order (MTO) manufacturing and there is a risk that these systems may fail to perform as expected or be adversely impacted by external factors outside the control of Citizen Wolf, including third party server providers, targeted attacks or network providers. Citizen Wolf's operational processes and contingency plans may not adequately address every potential event and this may adversely impact Citizen Wolf's performance and reputation.
INTELLECTUAL PROPERTY	Other than Trademarks, Citizen Wolf's IP does not currently have patent protection. This is a deliberate strategy (see page 10), but should Citizen Wolf's trade secrets be revealed, there may be limited legal recourse available. Citizen Wolf takes extreme care to isolate and limit access to its proprietary technology to Cofounders only.
REGULATORY	Fashion has very limited regulations, especially compared to other industries. However, proposed new regulations around fashion textile waste and green-washing (EU, 2022) may impact the broader industry by adding substantially to the cost base for production Citizen Wolf is well placed and ahead of the curve due to already being B Corp certified and has already taken these considerations into account.
GOVERNMENT / POLICY CHANGES	Legislative and policy changes in future may materially impact the market. A change in government may result in an overhaul of procurement policy, with new criteria that makes Citizen Wolf less competitive in the uniforms market.

BALANCE SHEET

Below are the financial statements of the Company for the financial year ended 30 June 2023, which have been prepared in accordance with the Accounting Standards. Financial information for the 9 months ended 31 March 2024 have also been included. The information has been prepared on a consistent basis based on management accounts, and accordingly may be subject to change.

As at 31 March 2024

	31 MAR 2024	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash & Cash Equivalents	154,998	433,581	122,509
Inventories	96,200	86,789	88,675
Trade & Other Receivables	31,133	14,447	14,004
Other Current Assets	116,482	123,855	74,741
Total Current Assets	398,814	658,671	299,928
Non-Current Assets			
Property, Plant & Equipment	39,711	54,150	18,716
Other Non-Current Assets	16,500	16,500	16,500
Total Non-Current Assets	56,211	70,650	35,216
Total Assets	455,025	729,321	335,144
Liabilities			
Current Liabilities			
Trade & Other Payables	56,569	75,060	43,530
Tax Payables	31,182	50,625	36,013
Provisions	88,213	97,163	71,895
Total Current Liabilities	175,964	222,848	151,438
Non-Current Liabilities			
Financial Liabilities	85,549	41,044	91,814
Other Non-Current Liabilities	7,124	7,124	1,251,653
Total Non-Current Liabilities	92,673	48,168	1,343,468
Total Liabilities	268,637	271,016	1,494,906
Net Assets	186,387	458,305	(1,159,762)
Equity			
Retained Deficit	(1,984,125)	(1,712,207)	(1,169,762)
Share Capital	2,170,512	2,170,512	10,000
Total Equity	186,387	458,305	(1,159,762)

"Provisions" are for staff entitlements, such as annual leave.

"Financial liabilities" are working capital loans. Note that this total differs from section 2.8.3 due to repayments made since 31st March 2024.

PROFIT AND LOSS STATEMENT

For the 9 months ended 31 March 2024

	9 MONTHS JUL 2023-MAR 2024	12 MONTHS 30 JUNE 2023	12 MONTHS 30 JUNE 2022
Revenue			
Sales	951,064	1,127,204	1,214,820
Total Revenue	951,064	1,127,204	1,214,820
Cost of Sales			
Opening Stock	82,855	85,953	-
Contractors	38,925	94,833	159,459
Fabric Costs & Samples	130,112	223,435	206,520
Freight, Courier & Packaging	67,708	98,528	115,939
Other Direct Costs	25,067	54,042	56,956
Closing Stock	(92,252)	(82,855)	(85,953)
Total Cost of Sales	252,414	473,936	452,921
Total Gross Profit	698,650	653,268	761,900
Expenses			
Advertising	183,856	244,641	304,306
Depreciation	16,921	40,756	24,833
Employment Expenses	648,504	792,384	600,738
Event Costs	3,696	8,235	7,797
Insurance	6,217	4,301	3,621
Interest & Finance Charges	18,803	29,881	11,251
Occupancy Expenses	91,542	124,550	102,626
Photoshoots	17,111	34,494	31,720
Software & Subscriptions	97,342	84,698	23,787
Other Operating Expenses	28,608	20,294	29,232
Total Expenses	1,112,601	1,384,235	1,139,912
Other Revenue			
Export Market Development Grant	18,000	18,000	-
Government Grants	-	5,041	45,565
Other Revenue	28,471	39,493	7,631
Wage Subsidy	-	3,000	-
Total Other Revenue	46,471	65,534	53,196
Net Loss Before Taxation	(367,480)	(665,433)	(324,816)
Income Tax			
Income Tax Refund	(95,562)	(122,989)	(23,430)
Net Loss After Tax	(271,918)	(542,445)	(301,387)
Other Comprehensive Income (OCI)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(271,918)	(542,445)	(301,387)

"Sales" - Financial YTD Sales of \$951,064 (exc. GST) represents a 19% increase for the same period in 2022-3, and an 11% increase on our previously best ever performance in 2021-22.

"Fabric costs and samples" - a significant focus this year has been to be more efficient in managing our fabric inventory levels and options. Combined with the more efficient projector system from the new laser cutter, this has resulted in a 23% reduction in average monthly spend on fabrics.

"Employment expenses" - includes all staffing, including external contractors and agencies, such as product design experts,

ecommerce website specialists and software/hardware technicians. With the completion of major investments promised in our first CSF campaign, we expect employment expenses to drop if current sales are maintained.

"Income Tax Refund" - This refund is due to the R&D Tax Incentive, which the Company has successfully utilised for the past six years. The \$95,562 is the anticipated rebate for this financial year based on R&D expenses to the end of 30 March 2024. Further R&D expenses will be incurred for the remaining April-June 2024 period, with resulting additional refunds proportional to that spend.

CASH FLOW STATEMENT

For the 9 months ended 31 March 2024

	9 MONTHS 31 MAR 2024	12 MONTHS 30 JUN 2023	12 MONTHS 30 JUN 2022
Operating Activities			
Receipts from grants	-	-	44,715
Receipts from rental income	24,975	35,822	4,997
Receipts from customers	935,895	1,125,093	1,211,102
Payments to suppliers and employees	(796,148)	(1,056,017)	(892,947)
Interest received	3,496	6,193	113
Finance costs	(627)	(7,244)	(12,454)
GST	3,504	4,509	7,462
Cash receipts from other operating activities	18,000	21,000	-
Cash payments from other operating activities	(474,079)	(613,712)	(641,156)
Net Cash Flows from Operating Activities	(284,985)	(484,357)	(278,169)
Investing Activities			
Payment for property, plant and equipment	(2,481)	(74,967)	(18,080)
Other cash items from investing activities	(2,039)	(45,464)	(107,708)
Net Cash Flows from Investing Activities	(4,520)	(120,432)	(125,788)
Financing Activities			
Proceeds from borrowings	50,000	6,599	200,586
Repayment of borrowings	(60,924)	(1,311,592)	(178,339)
Loans from related parties	-	9,693	100,000
Other cash items from financing activities	21,554	2,210,583	146,414
Net Cash Flows from Financing Activities	10,631	915,284	268,661
Net Cash Flows	(278,874)	310,495	(135,296)
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	433,581	122,509	256,601
Net change in cash for period	(278,874)	310,495	(135,296)
Effect of exchange rate changes on cash	292	577	1,203
Cash and cash equivalents at end of period	154,998	433,581	122,509

STATEMENT OF CHANGES IN EQUITY

For the 9 months ended 31 March 2024

	ISSUED CAPITAL	RETAINED PROFITS	TOTAL EQUITY
2022			
Balance at 1 July 2021	10,000	(868,375)	(858,375)
Loss after income tax expense for the year	-	(301,387)	(301,387)
Other comprehensive income for the year, net of tax	-	-	-
Contributions of equity net of transaction costs	-	-	-
Total 2022	10,000	(1,169,762)	(1,159,762)

	ISSUED CAPITAL	RETAINED PROFITS	TOTAL EQUITY
2023			
Balance at 1 July 2022	10,000	(1,169,762)	(1,159,762)
Loss after income tax expense for the year	-	(542,445)	(542,445)
Other comprehensive income for the year, net of tax	-	-	-
Contributions of equity net of transaction costs	2,160,512	-	2,160,512
Balance at 30 June 2023	2,170,512	(1,712,207)	458,305

	ISSUED CAPITAL	RETAINED PROFITS	TOTAL EQUITY
March 2024			
Balance at 1 July 2023	2,170,512	(1,712,207)	458,305
Loss after income tax expense for the year	-	(271,918)	(271,918)
Other comprehensive income for the year, net of tax	-	-	-
Contributions of equity net of transaction costs	-	-	-
Balance as at 31 March 2024	2,170,512	(1,984,125)	186,387

MANAGEMENT COMMENTS ON HISTORICAL PERFORMANCE AND OUTLOOK

The past 24 months has been extremely challenging for fashion retail in Australia, squeezed between rising costs (due to inflation, higher wages and financing rates) and lower discretionary spending (due to cost of living pressures). This has resulted in overall fashion spend dropping 8.6% in 2023¹¹, with a further 4.3% drop in Q1 2024¹².

Despite the headwinds, Citizen Wolf has achieved its best ever YTD results on record, with sales of \$951,064 (exc. GST) in the first nine months of this financial year. This is 19% higher than the same period last year, and 11% higher than our previous record in 2022.

Our growth is due, in large part, to the investments made with the funds raised from our first CSF campaign on Birchal. Our overall strategy has delivered growth in a market that has seen many of our peers declining.

The year immediately after our first CSF round (2022-23) saw significant increases in expenses as we started executing our plans. The result was a net loss of \$542,445 for the financial year. This is not surprising, as this was the purpose of choosing to raise money in the first place.

The bulk of the expenses were increased employment costs, which includes contractors (external product development, website redesign and dev), as well as 2 award rate increases for staff per Ethical Clothing Australia requirements. Other major expenses included factory upgrades, such as the dedicated new laser cutting machine.

Crucially, the current 2023-24 financial year has seen a significant improvement, with the net loss reducing substantially to \$271,918 in the 9 months to 31 March 2024. With the majority of the executional work - and therefore cost - promised in the first Birchal campaign now completed, we anticipate continued improvement to the bottom line.

In particular, with our wider product range and upgraded factory capabilities, we are now in a position to focus on growing our uniforms business. They are both larger in volume and longer in duration, as illustrated by our successful win last year with the GBRMPA - where a single uniforms contract with a small government unit (300 staff) has provided 10% of our total YTD revenue, with the option for annual renewals.

This CSF investment round will accelerate our ability to secure more of these contracts, positively impacting our forward revenue. We are a much improved business than we were at the first Birchal round in 2022, and with more pieces in place to leverage further growth.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by the Company and has not been validated by an independent third party.

¹¹ - Auspost eCommerce Report, 2024

¹² - Australian Bureau of Statistics, April 2024

CAPITAL STRUCTURE

As at the date of this Offer Document, the Company has 15,473,518 ordinary shares on issue. The majority of shares are held by the Company's founders. The Company also has the authority to issue up to 20% of the Company's issued share capital under the Company's Employee Share Option Plan. Table 1 below sets out the issued capital of the Company before the Offer.

ISSUED CAPITAL OF CITIZEN WOLF PTY LTD BEFORE THE OFFER

SHAREHOLDER	SHARE TYPE	SHARES	OPTIONS
Eric Phu	Ordinary	6,085,838 (37.38%)	0 (0%)
Zoltan Csaki	Ordinary	5,000,000 (30.71%)	0 (0%)
#Shareholders holding <5%	Ordinary	3,027,518 (18.59%)	0 (0%)
#ESOP (issued & allocated) *	Ordinary	1,360,162 (8.35%)	807,964 (4.96%)
TOTAL SHARES		15,473,518 (95.12%)	807,964 (4.88%)

* NOTE: Rahul Mooray Pasala is the 3rd largest shareholder, with 1,166,666 shares and 83,334 options under the ESOP.

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options are exercised).

ISSUED CAPITAL OF CITIZEN WOLF PTY LTD AFTER THE OFFER

SHARES	MIN SUBSCRIPTION	MAX SUBSCRIPTION
Existing Ordinary Shares	14,113,356 (82.51%)	14,113,356 (78.63%)
ESOP (Issued & Allocated)	2,168,126 (12.68%)	2,168,126 (12.08%)
ESOP (unallocated)	682,714 (3.99%)	823,559 (4.59%)
Offer Shares	140,845 (0.82%)	845,070 (4.71%)
TOTAL SHARES	17,105,041 (100%)	17,950,111 (100%)

NOTE: Existing shareholders may elect to make an application for shares under this CSF offer.

RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

As at the date of this Offer, the only class of shares on issue are ordinary shares. The Company has also adopted an Employee Share Option Plan.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

ORDINARY SHARES

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

- All ordinary shares have the same voting rights and the same rights to receive dividends.
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.
- The Company has the discretion to approve a transfer of shares to a third party.
- The Constitution includes a definition of a "Major Shareholder" which means a shareholder with an equity proportion of 20% or more.
- The Major Shareholder concept relates to shareholder reserved matters regime, ie. provisions requiring a "Substantial Shareholder Majority" which is a resolution approved by 50% or more of the votes cast on a resolution by the Substantial Shareholders.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 below.

EMPLOYEE SHARE OPTION PLAN (ESOP)

The Company has implemented an employee share option plan (ESOP) to attract, retain and incentivise key employees and advisors. The maximum number of options that can be issued under the existing ESOP is 20% of the share capital of the Company. As at the date of this CSF Offer Document, the Company has issued and allocated a total of 2,168,126 options under the Company's existing ESOP, of which 1,929,751 options have vested and have been exercised by existing participants in the ESOP. 654,545 options under the ESOP remain unissued and unallocated.

SHAREHOLDERS AGREEMENT

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

SOURCES OF FINANCING, INCLUDING DEBT FINANCING AND OTHER FINANCING

To date, the business has been funded through a combination of operating income, equity, loans and grants.

EQUITY

To date, the Company has raised approximately \$2.25 million from professional investors, crowdfunding and founder loans.

FOUNDER LOANS

To date, the founding shareholders have loaned funds of \$430,000 in total to the Company in the form of Convertible Notes. The loan amount was converted to ordinary shares in the previous Birchal Crowdfunding round (2022), and no debt is owed by the company to the founding shareholders. There are no founder loans to be repaid with the funds raised under the Offer.

CONVERTIBLE NOTES

There are no outstanding convertible notes.

The Company had issued convertible notes with a face value of \$1,250,000 to pre-seed investors. The convertible notes fully converted to ordinary shares in the previous Birchal Crowdfunding round (2022), and no debt is owed by the company to the founding shareholders.

GRANT FUNDING

The Company has received \$50,000 in Government grants via the HotDesQ start-up initiative during its first year of operation.

Additionally, the Company has utilised other sources of government incentives such as the Export Market Development Grant (\$36,000) and the R&D Tax Incentive (\$448,068 to date).

DEBT FUNDING

As at the date of this Offer, the Company has debt financing to fund its business activities, as well as access to additional, but unactivated, short term (6-12 month) loan facilities to supplement working capital and cash flow requirements as needed. As at the date of this Offer, the Company has the following outstanding loans:

Shopify

Description - Working capital facility
Principal amount borrowed - \$100,000
Amount outstanding - \$43,625
Interest - \$8,000 fixed fee
Repayment date - July 2024
Security - unsecured

Wayflyer

Description - Working capital facility
Principal amount borrowed - \$50,000
Amount outstanding - \$18,814
Interest - \$2,450 fixed fee
Repayment date - June 2024
Security - unsecured

Note that the total amount outstanding is lower than appears in the financial information in section 2.11 due to repayments made after 31st March 2024.

SECTION 3: INFORMATION ABOUT THE OFFER



NEZILIO WOLF

TERMS OF THE OFFER

Shares	Fully-paid ordinary shares
Price	A\$ 0.71
Minimum Subscription	A\$ 100,000
Maximum Subscription	A\$ 600,000
Opening date	14 May 2024
Closing date	30 May 2024

THE COMPANY IS OFFERING UP TO 845,070 SHARES AT AN ISSUE PRICE OF \$0.71 PER SHARE TO RAISE UP TO \$600,000.

THE KEY TERMS AND CONDITIONS OF THE OFFER ARE SET OUT ABOVE.

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

USE OF FUNDS

USE OF FUNDS	MIN. SUBSCRIPTION	MAX. SUBSCRIPTION
Capex – Dedicated production line for uniforms	\$30,000	\$80,000
Tech Dev – Licensing Magic Fit® for others to use	\$0	\$100,000
Product Dev – design, tech integration + launch	\$0	\$120,000
New Staff	\$40,000	\$150,000
Supply chain audit	\$0	\$25,000
New uniforms website	\$10,000	\$25,000
Customer acquisition and management (B2B)	\$12,100	\$62,100
Third Party Loan Repayment	\$0	\$0
Offer Costs	\$7,900	\$37,900
TOTAL	A\$100,000	A\$600,000

The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary), plus \$1,900 for administration and setup costs. The Offer costs are exclusive of GST.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18-24 months.

If this CSF Offer is unsuccessful, or if only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we will scale back on staff costs, advertising and product development, and continue to focus our cash resources on reducing Cost of Goods Sold.

RIGHTS AND OBLIGATIONS ASSOCIATED WITH SHARES

Immediately after issue, the shares under this Offer will be fully-paid ordinary shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

VOTING RIGHTS

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

DIVIDENDS

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

At present there are no plans to issue dividends, as the Company believes it is better to reinvest in longer term business growth.

GENERAL MEETINGS & NOTICES

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 20% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

ELECTION AND REMOVAL OF DIRECTORS

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

WINDING-UP

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company.

RESTRICTIONS ON SALE AND TRANSFER

Drag along and tag along rights

The Constitution contains drag and tag-along rights, as follows:

- Drag rights - If Shareholders who together hold 65% of the shares on issue propose to sell all of their shares to

a third party, they can 'drag' the remaining 35% to sell their shares on the same terms. The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.

- Tag rights - If Shareholders who together hold 75% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining 25% may also 'tag'-along and sell their shares on the same terms.

If the Company has no CSF shareholders and is regulated under Chapter 6 of the Corporations Act, the Constitution contains a mechanism to 'turn off' the drag along and tag along provisions (as these provisions cannot functionally apply if the Company is regulated by Chapter 6 of the Corporations Act).

Exit provisions

The Board may propose an Exit Event including an IPO, share sale, asset sale or another transaction which results in a change of control, or which the Board determines is an Exit Event. A Substantial Shareholder Majority must approve the Exit Proposal. If an Exit Proposal is approved by a Substantial Shareholder Majority, all Shareholders (and Directors) must exercise all rights and do all things to enable the Exit Event to occur.

Pre-emptive rights on transfer

If a Shareholder provides a notice to transfer its shares (other than as a permitted disposal), the Company must first offer each other Shareholders the right to purchase those shares. The Board may vary this procedure, provided that each Shareholder has an opportunity to acquire their pro rata entitlement to the Sale Shares and there is no material adverse impact on a Major Shareholder.

Discretion to refuse to register a transfer of shares

The Company has the discretion to approve a transfer of shares to a third party.

On-sale restrictions under the Corporations Act

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

AMENDMENTS TO THE CONSTITUTION

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 65% of the voting members of the Company must vote in favour of the resolution for it to pass.

WHAT CAN I DO WITH MY SHARES?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.

PREVIOUS CSF OFFER DETAILS

On 29 June 2022, the Company made a CSF Offer on the Intermediary's platform.

Under that CSF Offer, the Company offered up to 1,666,666 ordinary shares at a \$0.75 share price. The CSF Offer was successfully completed and \$1,001,459 was raised.

Under that CSF Offer, the directors of the Company were Eric Phu and Zoltan Csaki.

SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS



FLOW CITIZEN

COOLING-OFF RIGHTS

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (Cooling-off Period).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

COMMUNICATION FACILITY FOR THE OFFER

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

ANNUAL REPORT

The Company is required to prepare an annual financial report and directors' reports at the end of each financial year and lodge these with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

DISTRIBUTION OF ANNUAL REPORT

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address <https://app.cakeequity.com/> (free of charge).

RELATED PARTY TRANSACTIONS

The rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

TAKEOVERS

The takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

COMPANY UPDATES

The Company will provide regular updates to investors via the Company's share registry website at the following address <https://app.cakeequity.com/> and via the investor's registered email.

GLOSSARY

TERM	DESCRIPTION
Cooling-off Period	means the period ending five business days after an application is made under this Offer, during which a retail investor has a right to withdraw their application and be repaid their application money
CSF	means crowd-sourced funding under Part 6D.3A of the Corporations Act
INTERMEDIARY	means Birchall Financial Services Pty Ltd ACN 621 812 646 AFSL 502618
MAXIMUM SUBSCRIPTION	means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer
MINIMUM SUBSCRIPTION	means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of the Offer
OFFER	means an offer of fully-paid ordinary shares by the Company under this CSF offer document
RETAIL INVESTOR	has the meaning given to the term “retail client” under the Corporations Act
COMPANY	means Citizen Wolf Pty Ltd ACN: 608 197 191

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