

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

PRELOVED FASHION

REBORN RETURNS

Off-Season FASHION

GLOBAL  
MARKETPLACES  
100M + CUSTOMERS

## AZURA FASHION GROUP

enabling global brands to be circular citizens

# CROWD-SOURCED FUNDING OFFER DOCUMENT

Dated 28th June 2022

Offer of fully-paid ordinary shares in Azura Consulting Pty Ltd (Trading as Azura Fashion Group) at \$1.00 Per share to raise a maximum of \$1,000,000.

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

Issuer Azura Consulting Pty Ltd. ACN 617 598 651  
Intermediary Birchall Financial Services Pty Ltd AFSL 502618

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## 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.

## Letter from the CEO

We are pleased to invite you to become a shareholder in Azura Fashion Group. A dynamic Australian startup fast becoming an instrumental player in global circular fashion economy.

Today's consumers are very conscious of the planet's predicament and the need for less wastage and more sustainable garments. In just a few short years Azura have managed to build a strong global business in the Circular Fashion space.

We have done this by supplying the world's largest marketplaces with:

- Off-Season luxury fashion
- Pre-loved fashion (one of the worlds largest catalogs)
- Recycling returns as Pre-loved through our global logistics network.

In a snapshot, what we do is receive feeds of products from fashion boutiques, brands, wholesalers and distributors .... manipulate the data with sophisticated AI technology so it becomes compliant with global fashion marketplace requirements ... list the products ... then manage the process from order placement to shipment to customer and (if needed) receiving a return into one of our global warehouses. We then relist this return as pre-loved and recycle.

Currently we feed into 55 marketplaces in 17 countries with an estimated total active customer base of 100m. We believe no one else does this end to end. Certainly, no-one else in this space has the capability to manage the returns as pre-loved and recycle the fashion as we do.

Consumers love it because they can access luxury brands like Louis Vuitton , Gucci and Dolce Gabbana for a fraction of full retail price.

Naturally, they also greatly appreciate the minimisation of wastage and making the whole process simple and seamless.

Similar to FY2020 ... Azura has doubled its revenue over the last 12 months. With newly negotiated contracts with Farfetch, The Iconic and Vestiaire Collective in place (and a few new exciting innovations to come) we believe this will be the same next year.

I thank you for reading this Offer Document. We hope you'll join us as part of Azura's next exciting phase.

Sincerely,



**Sam Wood**

CEO

Azura Fashion Group

## Section 2. Information about the Company.

### 2.1 Company details

This offer of shares is made by Azura Consulting Pty Ltd, ACN 617 598 651 (**Company**) trading as Azura Fashion Group.

<b>Company Name</b>	Azura Consulting Pty Ltd (trading as Azura Fashion Group)
<b>ACN</b>	617 598 651
<b>Date of Incorporation</b>	24th February 2017
<b>Registered office</b>	Registered Office Level 10/171 Clarence St, Sydney NSW 2000
<b>Principal Place of Business</b>	Principal Place of Business Level 10/171 Clarence St, Sydney NSW 2000
<b>Subsidiaries</b>	Azura Fashion Group BV (Netherlands) (100% wholly-owned)
<b>Other</b>	Azura Marketing Pty Ltd (Non-operational)* Azura Retail Pty Ltd (Non-operational)*

\*These companies are not part of the Azura Fashion Group and not part of the CSF offer.

## 2.2 Description of the business

### THE BUSINESS

Azura Fashion Group (Azura) has built a strong global business to business then to consumer (B2B2C) business at the intersection of fashion, digital and the circular economy.

While the massive growth in popularity of marketplaces with consumers is undeniable, many fashion suppliers have struggled to take advantage of the opportunities for two reasons:

1. The different data requirements of each individual marketplace.
2. The complexity of managing returns across multiple marketplaces and countries.

Azura has created the plug and play ability for fashion boutiques, brands, suppliers and wholesalers to access these marketplaces with minimal risk.

Essentially, we help brands can move off-season and end-of-line stock quickly and easily via previously untapped markets - currently 55 marketplaces in 17 countries with around 100m combined customers.

Azura manages the process from end to end. From the listing ... the sale ... the shipment ... the and if required, the return for brands like Gucci, Chanel, Calvin Klein, Tommy Hilfiger and Dolce & Gabbana - and many more!

The Azura system allows products to be sold through each marketplace in real time, so the inventory risk to the brand is significantly reduced, and the traditional challenge and cost of customer acquisition is nullified.

We also use sophisticated AI technology to generate tags and attributes for each product as they comes into our system so they global marketplace listing ready.

With pre-loved items, the Azura system is really effective. Each of these items has an available quantity of 1 - so needs to be instantly updated across global marketplaces once sold.

Essentially, Azura is capable of serving 100m+ customers a virtually unlimited amount of products, ensuring scalability of the business





## 2.2 Description of the business (continued)

### THE BUSINESS (CONTINUED)

Azura manage returns for our customers through our global logistics network with warehouses in Australia, United States, Netherlands, Europe, Asia and the UK.

Every returned product goes through a quality control process and are repriced and relisted as pre-loved. If they aren't sold within a given period they are defined as end-of-life and go to charity for resale through their networks ... significantly helping to reduce fashion landfill.

Wherever possible we use electric and green logistic solutions.

### SERVICE BREAKDOWN

- Access to 55 marketplaces in 17 countries and 100 million customers globally.
- Sophisticated AI technology to curate global marketplace ready listings.
- End-to-end management with real time updates for products, price & quantity.
- Management of returns (and relisted as pre-loved) through global logistics network.
- Reduction in waste for global brands by enabling them to sell off-season and end-of-line product in new markets.

### CONCLUSION

In addition to our robust technology platform, Azura has built strong relationships with key suppliers and marketplaces around the world.

Azura has also contracts with Farfetch, The Iconic and Vestiaire Collective to supply their vast range of pre-loved products

This has enabled 200% revenue growth YOY, with our Preloved catalogue currently being 40% of revenue.

Constantly growing and evolving, the Azura omnichannel ecosystem is now plug and play. A supplier can be selling their products on a marketplace anywhere within 48 hrs within a circular fashion ecosystem that reduces waste for all fashion citizens.

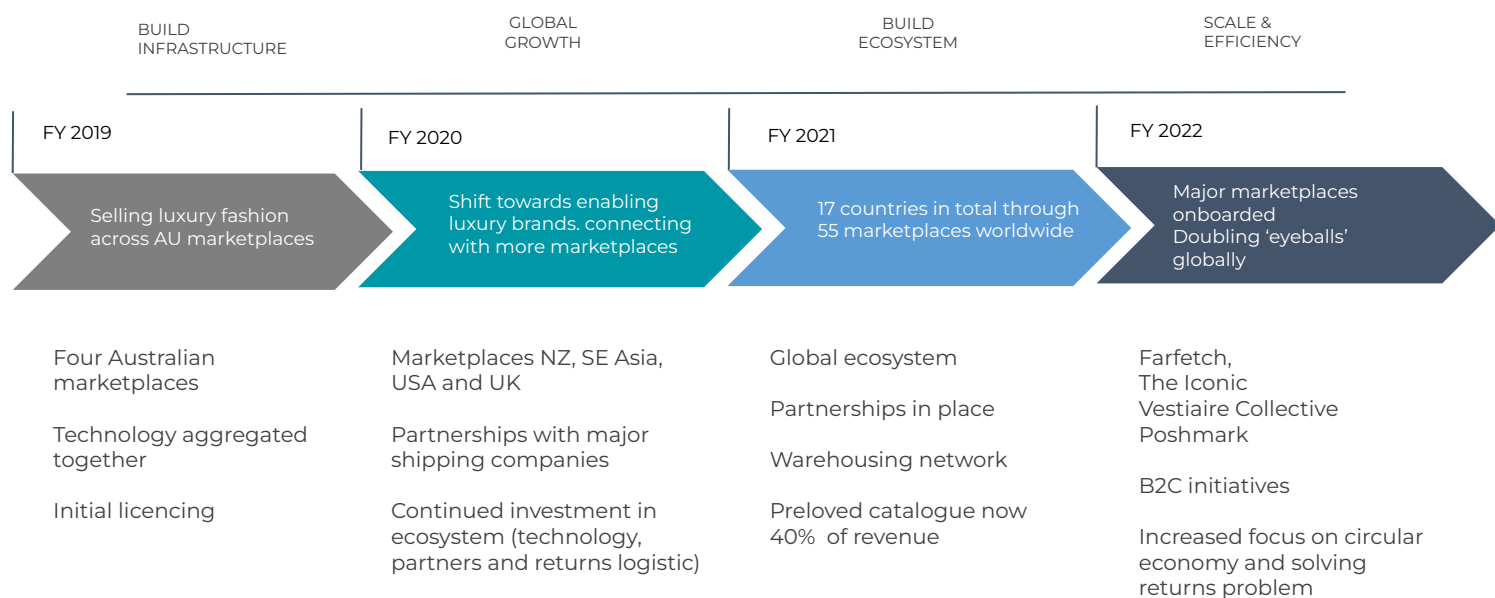


## Section 2. Information about the Company.

### 2.2.1 Business Timelines



1	2019
	<ul style="list-style-type: none"> <li>Aggregates three technologies that enables listing to marketplaces for luxury brands</li> <li>Launched four marketplaces in AU</li> </ul>
2	2020
	<ul style="list-style-type: none"> <li>NZ and SE Asian marketplaces launched</li> <li>UK and US marketplaces launched</li> <li>Additional luxury brand suppliers onboarded, including Calvin Klein, Gucci, D&amp;G, Chanel, Prada, Fendi, &amp; Tommy</li> </ul>
3	2021
	<ul style="list-style-type: none"> <li>42 global marketplaces in 17 countries.</li> <li>CSF Capital Raise - Strategic Objectives                             <ul style="list-style-type: none"> <li>Warehousing in US, Europe, Netherlands and Australia // Completed</li> <li>Technology integration to simplify onboarding marketplaces // Completed</li> </ul> </li> <li>Circular fashion ecosystem built.</li> <li>Sam Wood named NSW Young Entrepreneur of the Year - Fashion and Design.</li> </ul>
4	2022
	<ul style="list-style-type: none"> <li>AI and machine learning system enables 370,000 products from 1,200 brands and suppliers within 48 hours.</li> <li>Azura is selling on premier fashion marketplaces around the world, including the US, UK, EU, SE Asia, Australia and NZ. Contracts with the Iconic, Farfetch and Vestiaire Collective</li> </ul>





## Section 2. Information about the Company.

### 2.2.2 Key Differentiators

Marketplace enablement Leader	<ul style="list-style-type: none"> <li>Azura enables luxury and fashion brands simple, seamless and reliable access to the world's leading eCommerce marketplaces for off-season, end-of-line and pre-loved products. Managing listing, sales, distribution and returns.</li> </ul>
Unique Problem Solution Fit	<ul style="list-style-type: none"> <li>Reduction in waste and fashion landfill.</li> <li>Strong technology platform feeding 370,000 products - in real time - to 55 marketplaces in 17 countries with an estimated 100m active customers</li> <li>Automated AI technology transforms product information into data-rich, market-ready listings for global fashion marketplaces..</li> <li>Manage, reprice and relist returns as pre-loved, creating a true global circular economy approach to fashion.</li> <li>Contractual agreements with Farfetch to supply pre-loved items to The Iconic and Vestiaire Collective (the world's biggest pre-loved marketplace).</li> </ul>
Leveraging High Growth Global Sector	<ul style="list-style-type: none"> <li>The global eCommerce fashion market is US\$760 billion and is forecast to grow to US\$ 1 trillion by 2025.<sup>1</sup></li> <li>Online sales of luxury goods skyrocketed at a pace equivalent to 5 years of growth, doubling its market share from 12% in 2019 to 23%<sup>2</sup></li> <li>The circular economy market is currently \$56 billion but estimated it will be worth \$3 trillion by 2050.<sup>3</sup></li> </ul>
Omnichannel On Trend	<ul style="list-style-type: none"> <li>Azura's omnichannel approach to sales, with direct data integrations into premier fashion marketplaces minimises the reliance on any one channel, reduces marketing expenditure and ensures a strong, reliable and proven revenue stream.</li> </ul>

1. <https://commonthreadco.com/blogs/coachs-corner/fashion-ecommerce-industry-trends>

2. <https://www.bain.com/insights/the-future-of-luxury-bouncing-back-from-covid-19/>

3. <https://www.mckinsey.com/-/media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2022/the-state-of-fashion-2022.pdf>

## Section 2. Information about the Company.

### 2.2.2 Market and Competitors

Azura Fashion Group operate at the nexus of Luxury brands off-price stock, Marketplaces and Circular Fashion.

Brands have large portfolios of off-season and end-of-line stock they need to sell. Azura digitises this and feeds it out to (currently) 55 global marketplaces.

#### Off Price

Off-price is the sale of excess brand stock at a discounted price. Instead of it going into landfill it is discounted and sold.

This has increasingly become a growth engine: set to grow five times faster than the full-price segment from 2025 to 2030.

The pricing lends itself to online fashion purchases so it is capturing an increasing percentage of shoppers moving online.

There will always be overstock, and Azura enables brands to monetise excess inventory in a more sustainable way.<sup>1</sup>

#### Marketplaces

Marketplaces are now fashion shoppers destination of choice. The pandemic accelerated shopping shifting to digital channels.

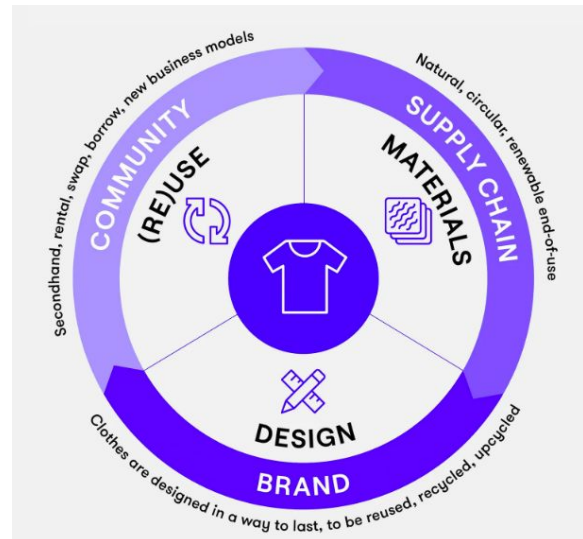
Range, competing products & prices, mean 57% of ecommerce apparel purchases now go through global marketplaces.<sup>2</sup>

This is a \$760 bn market.<sup>3</sup>

#### Circular Fashion

COVID changed consumer behaviour. It dialled up our awareness of climate change, the environment and the impact consumption has on the planet.

Millenials and Gen Z led this charge but they were already changing the way consumers view fashion.



With \$165B purchasing power they were demanding change from global brands.<sup>3</sup>

Authenticity and Sustainability have become critical in brand choice.<sup>4</sup> Brands that weren't addressing this were losing market share.

Circular Fashion has come into focus and today the industry is worth 56bn. And estimated to grow US \$3tn by 2050<sup>1</sup>

The fashion industry faces heavy pressure to be sustainable, reduce emissions and waste. A new generation of consumers are demanding more environmental accountability. This has given added impetus to circularity.<sup>1</sup>

Circular business models, including re-commerce, could enable the industry to cut around 143 million tonnes (~315B lbs) of GHG emissions in 2030.<sup>5</sup>

That's a major benefit to brands, consumers and the planet. Though consumer consciousness of a generation is the force behind the Circular Economy, is digitisation.

Azura bring Circular Fashion to Marketplaces.

1. Off Season - McKinsey
2. Power Retail
3. Iabla and Circular Fashion Summit
4. Wunderman Global Report 2021
5. The Fulfillment Lab
6. Fashion on Climate - McKinsey

## 2.3 Business and Revenue Model

### THE BUSINESS

At the core of Azura is the omnichannel (multiple marketplace) B2B2C model.

The Azura platform itself has been built through a combination of bespoke and specialist technologies enabling the bulk of our revenue to be derived from global fashion marketplace sales. This makes us extremely scalable.

All things being equal, if we double the suppliers and double the marketplaces we will double our revenue.

But it is the change in consumer attitude toward anti-waste and sustainability that is driving the accelerated revenue growth.

Azura is positioned to exactly meet these consumer demands and enable others to become more circular in nature.

While off-season and end-of-line stock will remain a strong contributor to our future revenue, it is the increased focus on pre-loved items where we will see the real benefit.

Currently 40% of our revenue is derived from pre-loved products. With the contractual arrangements with Farfetch, The Iconic and Vestiaire Collective about to go live, we expect both the percentage of pre-loved items sold and the overall revenue to dramatically increase.

The global returns we receive from these marketplaces have moved from being a pain point and risk to the business, to become an asset and revenue stream.

With the massive growth in desire for recycled fashion, all our returns are no longer a balance sheet item needed to be liquidated ... but re-listed as pre-loved and suddenly highly desirable.

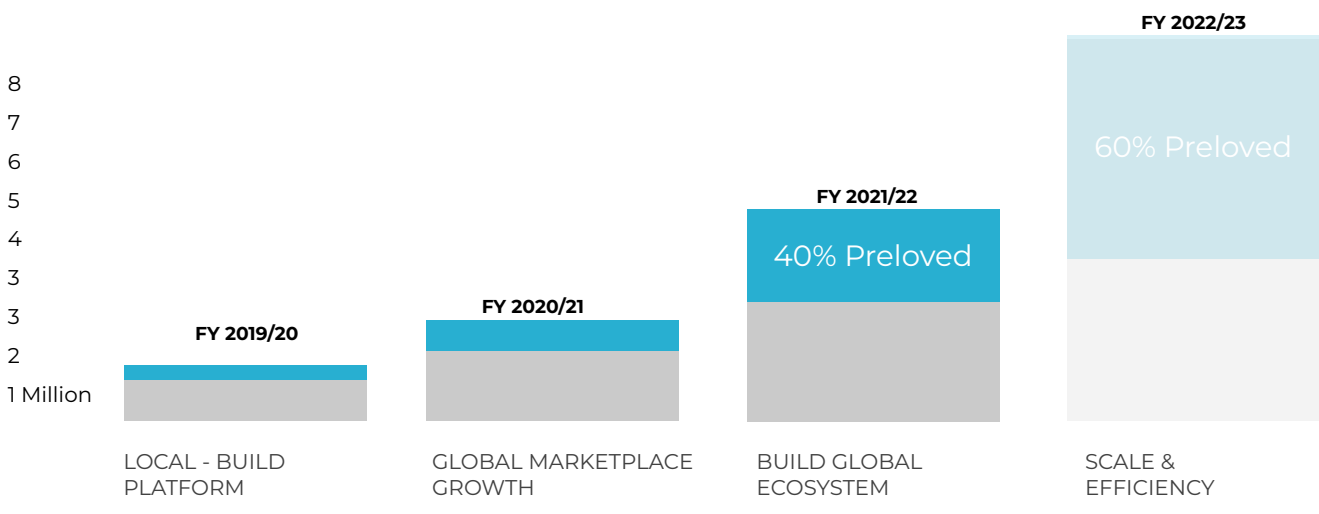
Unlike other eCommerce businesses, our Customer Acquisition Cost is very low. We feed products into marketplaces where the customers already are ... so we don't have large digital marketing costs.

From the beginning we wanted to build a zero inventory model that could allow consumers anywhere on the globe get the products they want at the right price. Conversely, enable brands and fashion suppliers to access these fashion shoppers. The whole thing had to be simple and seamless.

Other revenue streams currently in developmental / testing stage are:

Buyback - enabling customers to sell back luxury product to us direct via web.

Rental - using existing inventory to enable customers to rent luxury goods rather than buy.

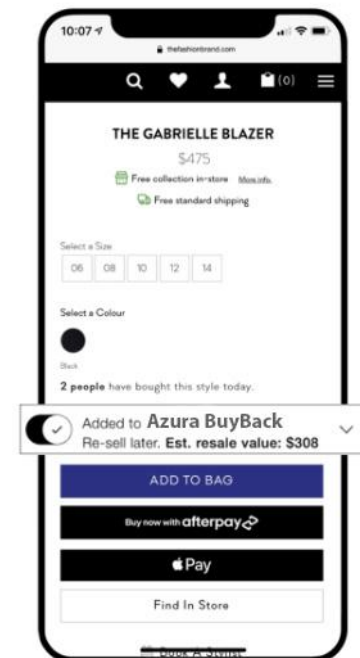


## 2.4 Business Strategy

### THE BUSINESS STRATEGY

Azura enables luxury and fashion brands simple, seamless and reliable access to the world's leading eCommerce marketplaces. Managing listing, sales, distribution and returns. This circular approach to fashion isn't going away. We see growth coming from:

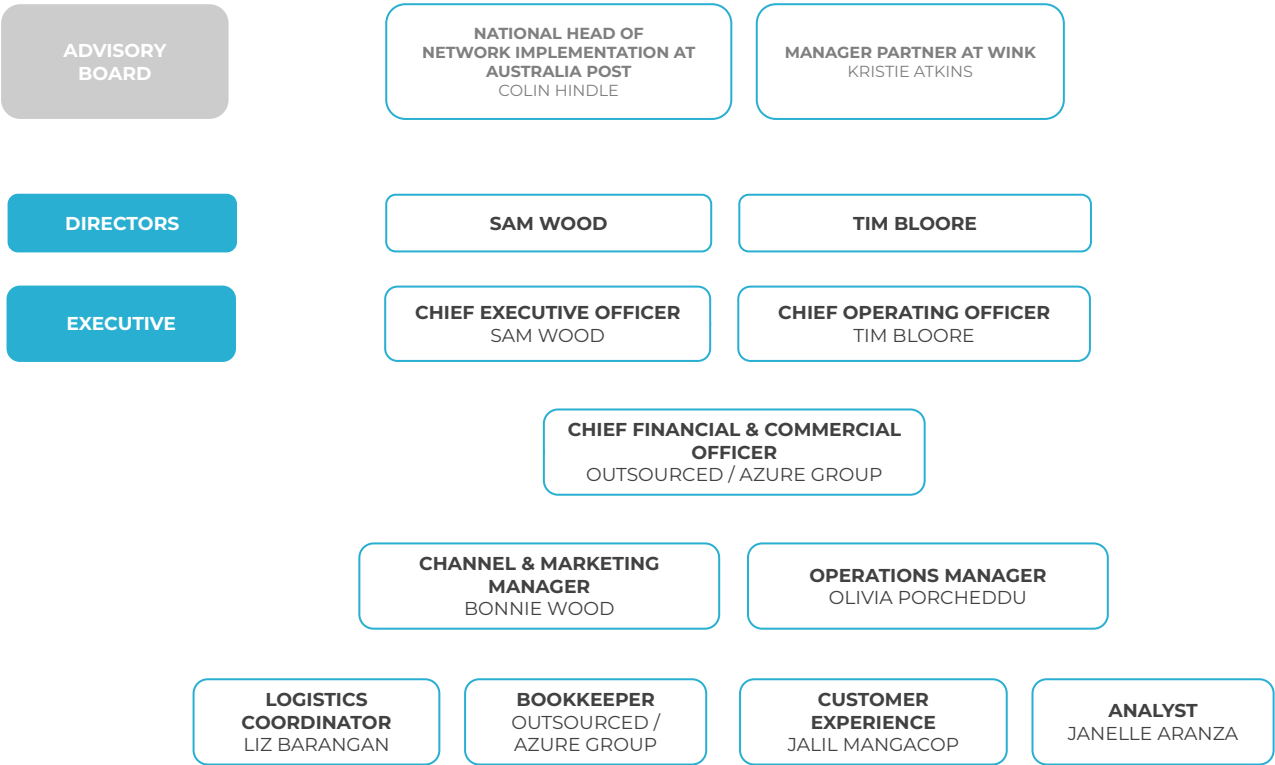
1. The Circular Economy
  - a. This will continue to grow, driven by consumer demand, the increased desire for luxury items with the ability to recycle. People aren't going to become less fashion conscious but they are becoming more conscious about fashion.
  - b. Brands need to display themselves as better global citizens whilst still maintaining exclusivity and moving excess stock.
  - c. Azura enables circular citizens. As markets and marketplaces continue to seek more sustainable, more circular product with our platform and global network we are well placed to service that need.
2. Addition of new marketplaces
  - a. We currently have contracts with 3 out of 10 the top marketplaces. We intend to increase this due to inventory, technology and brand reputation. We already have a pipeline for (conservatively) 20 new specialist fashion marketplaces.
  - b. Two of these we will bring on in July doubling our shopper exposure from 100 million to 200 million.
3. Addition of new suppliers
  - a. There is a growing pool of off price stock as brands are overwhelmed by the complexity of marketplace integration and management. It is a buyers market. Our data driven approach enables us to determine what products will work in what markets.
4. Preloved inventory.
  - a. It currently accounts for 40% of our revenue. With growing consumer preference for secondhand and preloved product / bolstered by new contracts with The Iconic, Farfetch, Vestiaire Collective and Poshmark.
  - b. The fulfillment of these contracts we believe will see us as a dominant player in the pre-loved space.
  - c. This will be bolstered by our two major B2C initiatives for 2022 for Azura Reborn.
    - i. Buyback - enabling customers to sell as back Preloved luxury fashion items. Launched in June.
    - ii. Rental - enabling customers to rent luxury items from Azura instead of purchasing. Due to launch late July.



Section 2. Information about the Company.

## 2.5 Organisational Chart

Azura is co-founded by entrepreneurs Sam Wood & Tim Bloore. With their extensive Retail and Marketing experience, they have assembled a highly skilled team of seven full time staff, and are backed by an Advisory Board of eCommerce & logistics specialists.



## Section 2. Information about the Company.

# 2.6 Capital Structure

## 2.6.1 Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 10,308,700 ordinary shares on issue. The majority of shares are held by the Company's founders/directors

The table below sets out the issued capital of the Company before the Offer.

Shareholder	Share Type	Shares	Options
Bonsam Pty Ltd (Beneficial owners Samuel & Bonnie Wood)	Ordinary	5,000,000 (48.5%)	-
Tuka Family Trust (Beneficial owner Iain Timothy Bloore)	Ordinary	5,000,000 (48.5%)	-
OnMarket CSF	Ordinary	308,700 (3%)	-
ESOP	NA	NA	-
Total		10,308,700 (100%)	-

## 2.6.2 Issued capital of the Company following the Offer

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). Under this CSF raise the Company is offering up to 1,000,000 shares at an issue price of \$1 each to raise up to \$1,000,000.

Shares	Minimum Subscription	Maximum Subscription
Existing shares <sup>#</sup>	10,308,700 (99.04%)	10,308,700 (91.16%)
CSF Offer shares	100,000 (0.96%)	1,000,000 (8.84%)
Total shares on issue (diluted)	10,408,700 (100%)	11,308,700 (100%)

## 2.6.3 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Company has the discretion to approve a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3 below. A copy of the Company's Constitution is available on the Intermediary's platform.



## Section 2. Information about the Company.

### 2.6.3 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Company has the discretion to approve a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

### 2.6.4 Sources of Funding

Azura has been funded to date through a mixture of co-founder invested equity and medium term loans.

The majority of the financing is non-current and includes a government-backed loan and related party loans. Azura also utilises trading partner credit terms as and when required. This following table outlines key items related to Azura's debt. No related party loans will be repaid out of the funds raised under the CSF Offer.

Instrument	Term	Amount
CBA SME Government Guarantee loan	4.5% per annum principal and interest term 20/5/20 - 19/05/23	\$100,000
Related Party Loan	10% per annum interest only	\$150,000
Related Party Loan	8% per annum interest only	\$500,000
ClearCo	Working Capital Loan	\$249,837

## 2.7 Directors and Senior Managers



**Samuel Wood**  
CO-FOUNDER & CEO

- Director
- Chief Executive Officer
- Responsible for the growth of Azura Fashion Group. Business development, relationship management, partnerships and core company business.

### **History**

- 10+ years experience in retail and eCommerce.
- Former Managing Director of The China Principle, an international eCommerce, marketing and distribution company.
- Previous roles include Business Director for Ovato Communications managing brands such as Uber and Audi.
- Strong background in sales and marketing, and in-depth product knowledge of the fashion industry.



**Iain (Tim) Bloore**  
CO-FOUNDER & COO

- Director
- Chief Operating Officer
- Responsible for the logistics, platform and product integration, platform and technology.

### **History**

- 25 years experience running Agencies specialising in marketing and technology.
- Senior management roles with global media brands including Dentsu.
- Executive level knowledge with an emphasis on strategy, innovation and brand development.

## Section 2. Information about the Company.

### 2.8 Business Risk

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 Azura Consulting (trading as Azura Fashion Group) (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

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, future prospects, and its ability to meet its business objectives.
Funding risk	<p>The Company is in the process of raising funds to achieve its strategic business 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.</p> <p>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.</p>
Dilution Risk	There is a reasonable likelihood the company will need to raise further capital in the future. A shareholder's interest may be diluted if they do not participate in future fundraisings.
Supply Chain Risk	Disruption to the Company's supply chain could affect the Company's ability to source inventory at commercially acceptable cost, and in a timely manner, which would have a direct impact on the Company's revenue and profitability.
Key Personnel General Risk	As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be
Technology Risk	The Company uses a number of sales, marketing and member communication technology solutions. Despite the Company's measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt the Company's ability to sell or communicate with customers, which could have a direct impact on revenue and profitability.
Startup Risk	<p>The Company has a limited operating history and will build the business with the funds raised through this crowd-sourced funding offer.</p> <p>As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.</p> <p>The commercial success of the business will depend on many factors including the Company's ability to attract and retain quality staff and loyal customers</p>

## 2.9 Financial Information

### 2.9.1 Balance Sheet

Below are the financial statements of the Company for the financial years ended 30 June 2021 and 30 June 2020, which have been prepared in accordance with the Accounting Standards. Financial information for the 11 months ended 31 May 2022 have also been included, based on management accounts, and accordingly may be subject to change.

BALANCE SHEET	FY 2020	FY 2021	FY 2022
	For the 12 months ended 30 June 2020	For the 12 months ended 30 June 2021	For 11 months ended 31 May 2022
Cash	\$ 148,357	\$ 347,495	\$ 138,603
Marketplace Receivables	\$ 121,852	\$ 167,429	\$ 125,925
Stock	\$ -	\$ 372,987	\$ 490,052
Capitalised Development	\$ 120,570	\$ 432,820	\$ 922,730
Other	\$ 924	\$ 66,433	\$ 402,687
Goodwill		\$ 2,000,000	\$ 4,000,000
<b>Total Assets</b>	\$ 391,703	\$ 3,387,163	\$ 6,079,996
Supplier Payables	\$ 32,614	\$ 339,802	\$ 572,318
GST, Super & PAYG	\$ 75,304	\$ 122,512	\$ 365,486
Current Loans	\$ 4,996	\$ 42,889	\$ 283,669
Non Current Loans*	\$ 409,588	\$ 829,861	\$ 784,004
Total Liabilities	\$ 522,502	\$ 1,335,064	\$ 2,005,477
<b>Net Assets</b>	-\$ 130,799	\$ 2,052,099	\$ 4,074,519
Current Year Earnings	-\$ 117,420	-\$ 220,014	\$ 23,322
Share Capital	\$ 100	\$ 403,011	\$ 403,011
Retained Earnings	-\$ 13,479	-\$ 130,899	-\$ 350,914
<b>Total Equity</b>	-\$ 130,799	\$ 52,098	\$ 75,419

## Section 2. Information about the Company.

# 2.9 Financial Information

## 2.9.2 Profit and Loss

Financial Information Below are the financial statements of the Company for the financial year ended 30 June 2022, which have been prepared in accordance with the Accounting Standards. Financial information for the month ended 30 May 2022 have also been included, based on management accounts, and accordingly may be subject to change.

PROFIT & LOSS	FY 2020	FY 2021	FY 2022
	For the 12 months ended 30 June 2020	For the 12 months ended 30 June 2021	For the <b>11 months</b> ended 31 May 2022
Sales	1,299,697	2,310,686	4,163,829
Other Income	73,095	24,365	30,000
<b>TOTAL INCOME</b>	<b>1,372,792</b>	<b>2,335,051</b>	<b>4,193,829</b>
Cost of Goods Sold	964,157	695,730	1,818,515
Shipping	21,860	536,166	671,072
Marketplace Commissions	1,532	505,403	820,076
<b>GROSS PROFIT</b>	<b>385,243</b>	<b>597,752</b>	<b>884,167</b>
<b>EXPENSES</b>			
Staff Costs (inc. development staff costs)	288,851	299,075	452,585
Other Expenditure	188,479	518,692	298,028
Financing (Interest)	25,334	72,331	110,230
<b>TOTAL EXPENSES</b>	<b>502,664</b>	<b>890,097</b>	<b>860,843</b>
<b>Profit (Loss)</b>	<b>-117,421</b>	<b>-292,345</b>	<b>23,324</b>
<b>Site Development</b>	120,570	350,903	460,910

**Management Commentary :** Site Development and Investment in technology have been capitalised. The investment is fundamental to the business, enabling Azura to feed, move and track 100,000's products across multiple marketplaces globally.

## 2.9 Financial Information

### 2.9.3 Cash Flow

CASH FLOW	FY 2020	FY 2021	FY 2022
	For the 12 months ended 30 June 2020	For the 12 months ended 30 June 2021	For the 12 months ended 30 June 2022
Cash Flows from Operating Activities			
Receipts from Customers	\$ 1,251,730	\$ 2,310,834	\$ 4,323,625
Payment to Suppliers & Employees	-\$ 1,618,596	-\$ 3,020,530	-\$ 4,730,099
Cash receipts/ Payments from other activities	\$ 82,937	-\$ 44,318	-\$ 73,093
<b>Net Cash Flow from Operating Activities</b>	<b>-\$ 283,929</b>	<b>-\$ 754,014</b>	<b>-\$ 479,567</b>
Cash Flows from Investing Activities			
Cash items from Investing Activities	\$ 12,925	-\$ 161,545	-\$ 260,864
Cash Flows from Financing Activities	\$ 12,925	-\$ 161,545	-\$ 260,864
Cash Flows from Investing Activities			
Cash items from Investing Activities	\$ 417,128	\$ 1,016,166	\$ 385,476
Cash Flows from Financing Activities	\$ 417,128	\$ 1,016,166	\$ 385,476
<b>Net Cash Flows</b>	<b>\$ 146,124</b>	<b>\$ 100,607</b>	<b>-\$ 354,955</b>
Cash and Cash Equivalents			
Cash and cash equivalents at the beginning of the period	\$ -	\$ 135,387	\$ 225,145
Net change in cash	\$ 146,124	\$ 100,607	-\$ 354,955
Exchange effects on cash	-\$ 10,737	-\$ 10,850	-\$ 12,417
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 135,387</b>	<b>\$ 225,144</b>	<b>-\$ 142,227</b>



## 2.9 Financial Information

### 2.9.4 Statement of changes in Equity

EQUITY	FY 2020	FY 2021	FY 2022
	For the 12 months ended 30 June 2020	For the 12 months ended 30 June 2021	For the <b>11 months</b> ended 30 June 2022
Opening Balance	(13,479)	(130,800)	52,097
Current Year Earnings	(117,421)	(220,014)	23,322
Share Capital	100	402,911	0
<b>Total Equity</b>	<b>(130,800)</b>	<b>52,097</b>	<b>75,419</b>

## 2.9 Financial Information

### 2.9.5 Management Commentary

The company's historical performance has been in keeping with a growth start up and with management expectations.

In FY 19/20 the initial costs associated with building infrastructure with a strong technology component across a global playing field was capital intensive.

Over the past three years the company as built strong revenue. Each fiscal year we have continued to add new marketplaces, new suppliers and new features to the system.

With the maturity of the system this has become simpler, less time consuming and less capital intensive. At the end of FY 20/21 we started to see the benefits of this as we moved past the initial startup costs.

In FY 21/22 we have become more focused on our Preloved component in keeping with our vision and consumer and industry trends. This meant building and stabilising our logistics component, so we could manage returns for customers globally. This created extraordinary cost associated with onboarding marketplaces in the US and Europe, establishing regional warehousing and logistics and consultancy fees.

As the infrastructure is now in place and these costs have now been absorbed we continue to see a growth in revenue and margin.

Due to the Circular Economy continued growth in both the Australian and global markets we have a very positive outlook for continued growth of Azura Consulting Pty Ltd. We now have a global platform and partner network that can facilitate this for existing and new customers.

We believe this positive outlook can also in part be substantiated by our; new contracts with Farfetch, Vestiaire Collective and the Iconic around supplying Preloved; as well as our forays into rental and buyback which are a natural growth progression for the company.

## Section 3. Information about the offer

### 3.1 Terms of Offer

Azura Consulting Pty Ltd is offering up to 1,000,000 fully paid ordinary shares at an issue price of \$1.00 per share to raise up to \$1,000,000.

The key terms and conditions of the offer are set out below.

Term	Details
Shares:	Fully-paid ordinary shares
Price per share:	\$1.00
Maximum raise:	\$1,000,000
Minimum raise:	\$100,000
Minimum investment size:	\$100.00
Opening Date:	28th June, 2022
Closing Date:	14th July, 2022

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 platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at [www.birchal.com](http://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.

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.

## Section 3. Information about the Offer

### 3.2 Use of Funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts. .

Intended Use	Minimum Subscription AUD\$	Maximum Subscription AUD\$
	\$100,000	\$1,000,000
<b>Working Capital</b> to enable further expansion into Europe and the US	\$50,000	\$300,000
<b>Staff</b> Additional Customer Service, Sales staff, Marketplace Account Managers, Admin & Logistics Support	-	\$200,000
<b>Loan Repayment</b> Reducing working capital loan and interest payments increasing cash flow and profitability	-	\$250,000
<b>Technology &amp; Mktg</b> Integration into and promotion on additional fashion marketplaces. Onboarding global suppliers	\$35,000	\$170,000
<b>Offer Costs</b>	\$15,000	\$80,000
<b>Total</b>	<b>\$100,000</b>	<b>\$1,000,000</b>

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 \$2,800 for administration and setup costs. 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 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 12–18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime, debt funding or other investment activities. Until additional funding is obtained, we will scale back staff and technology investments and continue to focus our cash resources on working capital.

## 3.3 Investors Rights

Immediately after issue, the shares will be fully-paid 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.

### 3.3.1 Voting rights

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

### 3.3.2 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).

### 3.3.3 General meetings and 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 5% 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.

### 3.3.4 Election and removal of directors

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

### 3.3.5 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.

## 3.4 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, but are not limited to:

- 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.



## 3.5 Details of previous CSF offers.

Reason for raise	Expansion into Europe
Provider	OnMarket
Date of Raise	April 2021
Amount raised	\$308,700
Distributed Equity	3%
Investors	134

## Section 3. Information about the Offer

### 3.6 Early Stage Investment Company

From 1 July 2016, if you invest in a qualifying early stage innovation company (**ESIC**), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

- a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.
- a modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

More information about the ESIC regime is available from the ATO website here - <https://www.ato.gov.au/Business/Tax-incentives-for-innovation/In-detail/Tax-incentives-for-early-stage-investors/>

Based on an objective self-assessment with the assistance of advisors, the Company has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives.

The Company does not warrant or guarantee that it will qualify under relevant rules as an ESIC, and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives. Neither the Company nor Birchall Financial Services Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or the Company. We recommend that investors seek independent tax advice about their investment.

### 3.7 Rewards

In addition to being a shareholder of Azura Fashion Group, a range of rewards are being offered for investors. Please refer to profile for rewards information.

## 4.0 Information about Investors Rights

### 4.1 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 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.

### 4.2 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.

## Section 4. Information about Investors Rights

### 4.3 Proprietary company corporate governance obligations

#### 4.3.1 Annual report

While the Company is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports 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.

#### 4.3.2 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 website at the following address <https://www.azurafashiongroup.com> or can purchase the report from ASIC.

#### 4.3.3 Related party transactions

If we successfully complete this Offer, 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).

#### 4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, 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.

## Section 4. Information about Investors Rights

### 4.4 Company Updates

The Company will provide regular updates to investors on the Company's website at the following address <http://www.azurasahiongroup.com>, via the Company's share registry website and via the Intermediary platform.

## Section 5.

# Glossary

**Circular Economy** means a movement to reuse and recycle all materials, eliminating waste and pollution and regenerating the environment in a “circular model”.

**Company** means Azura Consulting Pty Ltd ACN 617 598 65

**Cooling-off Period** means the period ending five business days after an application is made under this Offer, during which an 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

**B2C** means business to consumer via digital interface (web page, app, bot)

**Intermediary** means Birchall Financial Services Pty Ltd AFSL 502618

**Maximum Subscription** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer

**Minimum Subscription** means the amount specified in this CSF offer document as the minimum amount sought to be raised by 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

**\$ Financial amounts** in this offer document are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this offer document are due to rounding.



# ENABLING GLOBAL BRANDS TO BE CIRCULAR CITIZENS

**AZURA**  
FASHION GROUP