city chic collective

ASX ANNOUNCEMENT

17 September 2020

Unsuccessful bid at Court-run auction for Catherines' eCommerce assets

City Chic Collective Limited ("City Chic", "Company") advises that it has not been successful in winning a Court-run auction for the eCommerce assets of Catherines, which are being sold by US-listed Ascena Retail Group Inc. as part of a Chapter 11 bankruptcy process.

On 24 July 2020, City Chic informed the market that it had been nominated as the Stalking Horse Bidder for the eCommerce assets of Catherines, which was subject to the completion of an auction process. On 16 September, that auction took place in the United States, and City Chic was not the highest bidder. Notwithstanding the strategic merits of the transaction, the winning bid of US\$40.8m (A\$55.5m) was above City Chic's assessment of the value of these assets. The Board maintains a disciplined approach to inorganic growth, ensuring capital is deployed in line with its growth strategy and which enhances value for shareholders.

Phil Ryan, Chief Executive Officer and Managing Director of City Chic said: "Although it was disappointing not to win the assets at auction, we have a very good understanding of the plus size market and the value of the assets, and we did not want to overpay. We have a focused strategy to grow our global digital presence and will execute this strategy through our extensive organic growth program and evaluating any inorganic opportunities on their merits. Given current market conditions, we continue to see opportunities to add brands to our collective and more aggressively take market share organically. We are well positioned financially and operationally to capitalize on these opportunities to scale globally."

Ends

The release of this announcement was authorised by the Board.

About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. It is a collective of customer-led brands including City Chic, Avenue, CCX, Hips & Curves and Fox & Royal. City Chic, including youth oriented CCX, appeals to fashion forward women and its omni-channel model comprises of a network of 94 stores across Australia and New Zealand (ANZ); websites operating in ANZ and the US; marketplace and wholesale partnerships with major US retailers such as Macys and Nordstrom; and a wholesale business with European and UK partners such as ASOS and Zalando. Avenue targets value-conscious women with a long history and significant online customer following in the US. Hips & Curves and Fox & Royal are online intimates brands in the US and ANZ respectively.

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