

city chic collective

15 June 2020

Negotiations with Landlords Finalised

City Chic Collective Limited ("City Chic") refers to ASX announcements on 27 March 2020 and 25 May 2020 which provided updates on the impact of COVID-19 on the business including ongoing rental negotiations with store landlords.

City Chic is pleased to advise that it has now finalised negotiations with landlords and has agreed reduced rents during store closures and market appropriate go-forward rents. As part of this process, City Chic has decided to close 14 holdover stores where it was unable to reach agreement on appropriate post COVID-19 rents. The impact of these store closures on the company's future earnings is expected to be minimal as customers are redirected to nearby stores and the online channel.

Phil Ryan, Chief Executive Officer and Managing Director of City Chic said: "The decision to close these stores reflects our focus on appropriate store economics. We remain committed to opening new stores and converting stores to larger formats where deals can be structured to reflect the current retail environment. As an omnichannel retailer we will continue to engage with our customers across multiple touch points, but recognise the ongoing shift to online and are well positioned to execute on our digital strategy. I would like to take this opportunity to acknowledge the incredible contribution of all our store team members and I am pleased that the majority of the team were able to be redeployed."

The portfolio of 92 stores across Australia and New Zealand has now fully reopened following the COVID-19 restrictions.

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 and Hips & Curves. City Chic, including youth oriented CCX, appeals to fashion forward women and its omni-channel model comprises of a network of 92 stores across Australia and New Zealand; multiple websites operating in Australasia 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 and Hips & Curves is an intimates brand; both are online only with a significant customer following throughout the US.

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