

LE CHÂTEAU

ACQUISITION OPPORTUNITY

Hilco Streambank is seeking indications of interest for certain assets of Le Château Inc. and Château Stores Inc. ("Le Château"). For over 60 years, Le Château has been leading Canada's specialty retail scene with exclusively designed and manufactured apparel, footwear, and accessories for contemporary and style-conscious women and men of all ages. Le Chateau operates 116 stores in 9 provinces and the e-Commerce website: www.lechateau.com.

INDICATION OF INTEREST SUBMISSION DEADLINE

April 7, 2021 at 5:00 pm EDT

POTENTIAL SALE STRUCTURES

Full-Service Omnichannel Retailer

e-Commerce Platform

Brand & Intellectual Property

- 80 Internationally Registered Trademarks
- 60 Years of Goodwill
- Database of ~560K Active Customers
- 18 Domain Names
- Social Media Accounts

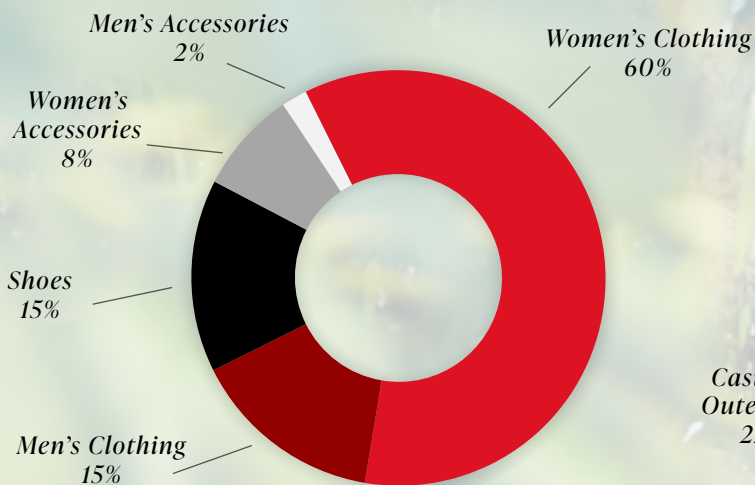
- \$23.1M e-Commerce Sales FY 2019
- Built on Combination of Salesforce, Oracle, and Proprietary Technology

- \$175.9M Gross Revenue FY 2019
- 116 Negotiable Retail Leases
- e-Commerce Platform
- Local Manufacturing and Processing Facilities

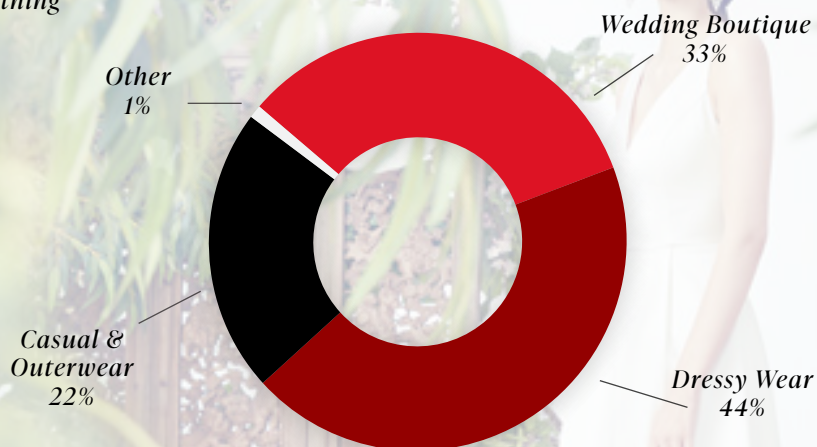
ESTABLISHED BRAND RECOGNITION

Le Château opened its doors in 1959 and is listed on the NEX board of the TSX Venture Exchange. Originally a men's boutique, the brand was swept up in the teen spirit raging throughout the 1960s and quickly became the go-to shop for young women to find weekend and special occasion dresses. Over the ensuing decades, the brand has stayed true to its Canadian heritage and carries with it a deep reputational value. The company's skilled designers closely monitor local trends and maintain decades-long partnerships with world-class Canadian fashion institutes. Since its founding, Le Château has emphasized local manufacturing, and, to this day, approximately 30% of its apparel is manufactured in its Montreal-based facility.

Total Sales by Product Category



Total Sales by Product Segment



Dominant Position in Dress Market



Weekend Wear



Wear-To-Work



Special Occasion



Women's Plus Sizes



Wedding Boutique



Local Trend Insights



6- to 8-Week Lead Times



Responsive In-Season Turnaround



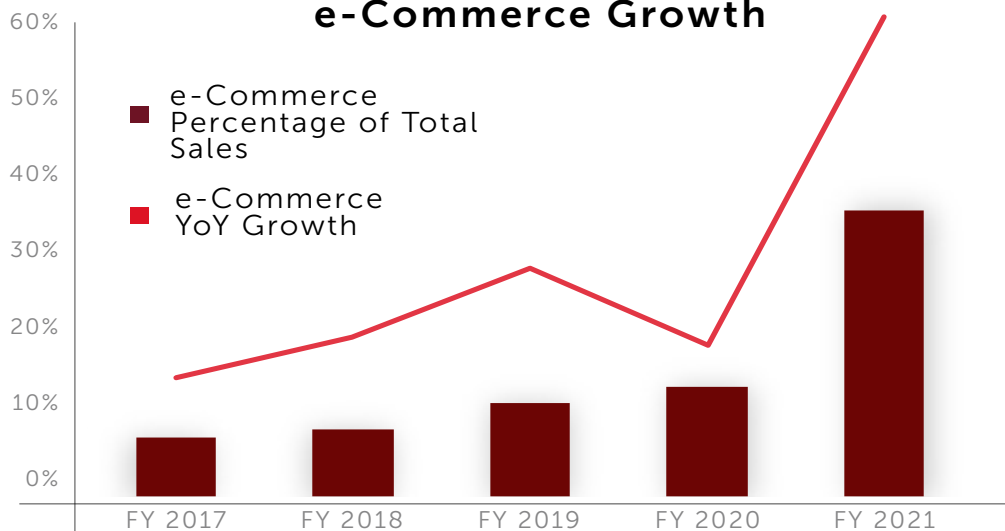
Vertically Integrated Design & Manufacturing

ADVANCED E-COMMERCE PLATFORM READY ON DAY ONE

Since 2010, the company has invested more than \$10M to develop a world-class e-Commerce platform with seamless omnichannel functionality. Customers may freely shop in both the digital and physical environments through a suite of integrated offerings, including mobile shopping, find-in-store, order-in-store, and ship-from-store. The platform is built on a combination of Salesforce, Oracle, and proprietary technology. E-Commerce sales are fulfilled from a dedicated, modern distribution center leased in Montreal.

The growth of the company's e-Commerce capabilities has tracked alongside a strategic reduction of more than 80 redundant brick and mortar stores, leaving open only the most profitable locations, and allowing space for e-Commerce to grow more rapidly. A buyer has the opportunity to select retail locations as part of its purchase to maintain a local retail presence.

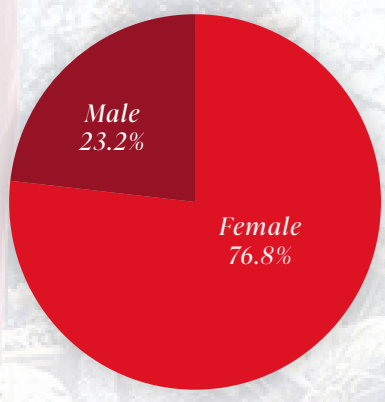
e-Commerce Growth



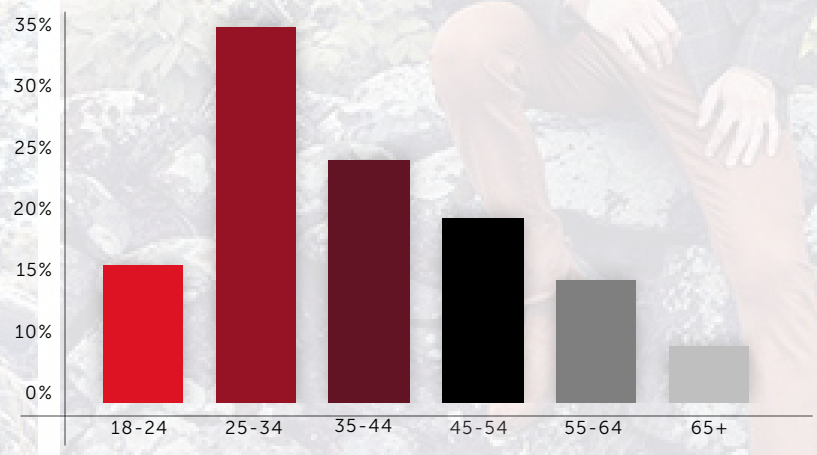
LOYAL & DESIRABLE CUSTOMER BASE

Le Château has become an icon for a loyal base of fashion forward women and men. The average patron is a Canadian woman between the ages of 25 and 44 with refined taste. She is a repeat customer who seeks out Le Château directly for her attire, spending approximately \$113 per order. Le Château enjoys a 68% direct search conversion rate and a 41% email conversion rate.

Gender Demographic



Age Demographic



ASSETS AVAILABLE FOR SALE

- E-Commerce Platform**
 - Oracle
 - Salesforce
 - Proprietary ERP
 - Additional Support Systems

Opportunity to Acquire Public Entity with Associated Tax Benefits

Toll Free Numbers

- Social Media Assets**
 - ~269k likes
 - ~94k followers
 - ~39k followers
 - ~9k followers

- TM Trademarks**
 - 80 International Registrations including Canada, US, EU, Asia, Latin America, and the Middle East

- Customer Data**
 - Approximately 560,000 Active Customers
 - Data Compliant with Canada's CASL

- Domain Names**
 - 18 Unique Domains
 - Includes www.leChâteau.com

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SALE PROCESS

Please contact one of the Hilco Streambank representatives listed below with any questions concerning the Sale Process, to request a Non-Disclosure Agreement to obtain access to a virtual data room, or to obtain a process letter outlining the submission requirements for an indication of interest. Le Château is operating in a CCAA Proceeding filed in the Quebec Superior Court, District of Montreal. The sale will be subject to approval of the Quebec Superior Court.

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