

CORPORATE NEWS

GERRY WEBER International AG: Court submits insolvency plan for review and schedules creditors' meeting

- **Creditors to vote on the financial restructuring of the fashion company on 18 September 2019**
- **Innovative concept for satisfying creditors' claims provides for far above-average quotas of more than 50% on claims in some cases**

Halle/Westfalen, August 23, 2019 – The insolvency plans submitted by GERRY WEBER International AG (GWI) and GERRY WEBER Retail GmbH & Co. KG (GWR) in the insolvency proceedings under self-administration have been laid down by the Bielefeld Local Court in accordance with Section 234 of the Insolvenzordnung (InsO – German Insolvency Statute). This means the respective plan can now be viewed by the parties to the proceedings now that the court has completed its preliminary examination. The insolvency creditors will be provided with the insolvency plans, including all of the annexes, in digital form.

Pursuant to Section 235 InsO, the court has scheduled a creditors' meeting (discussion and coordination meeting) in Bielefeld on 18 September 2019 at 1:30 p.m. to decide on the acceptance of the plan submitted by GWI. The discussion and coordination meeting on the insolvency plan for the subsidiary GWR, which is also to be restructured by means of an insolvency plan, will be held that same day at 10:00 a.m.

The GWI insolvency plan forms the basis for the financial restructuring of the GERRY WEBER Group. It is based on the investment agreement which GWI concluded on 15 July 2019 with the consent of the trustee, lawyer Stefan Meyer, and the funds managed by Robus Capital Management Ltd. and Whitebox Advisors LLP.

The insolvency plan for GWI provides for GWI's creditors to be divided into six groups in order to best meet their individual needs. GWI's shareholders will also be part of a separate group and participate in the voting on the insolvency plan. Further details will be published in the electronic Federal Gazette (elektronischer Bundesanzeiger).

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The various interests of the creditors are to be taken into account through differentiated offers. Depending on the group, the amount of the respective insolvency ratio will be made up of various components, e.g. a fixed cash ratio of 12.0%, additional funds from future disinvestments of the company (Logistics Centre Ravenna Park, remaining stake in HALLHUBER) or from the purchase of value-recovering financial instruments such as bonds and convertible bonds.

Smaller creditors with claims of up to EUR 2,500 and the company's employees are to receive an increased fixed cash ratio of 27.0% as well as additional ratios (but no financial instruments), which could lead to an overall ratio of nearly 50% for this group of creditors.

No quota satisfaction is possible for GWI's existing shareholders for reasons of insolvency law.

In total, the satisfaction rates calculated and therefore non-binding, range from around 32% to more than 50% of the respective claims.

Creditors who choose options for earlier quota payment will receive lower satisfaction rates than creditors who leave their claims in the company for longer. This means each option is expected to offer a significantly above-average satisfaction rate for an insolvency proceeding. Creditors with claims of more than EUR 2,500 will be offered capital market instruments in the form of fixed-interest bonds (straight bonds) and, for large creditors, convertible bonds as options to the cash ratio. By exercising their options on convertible bonds and converting them into shares, these creditors will even have the chance of having their claims fully satisfied if restructuring is successful and the share price develops accordingly.

Robus and Whitebox have agreed to provide up to EUR 49.2 million to finance the insolvency ratios for both insolvency plans and working capital for the GERRY WEBER Group. In order to re-establish a solid capital base, there are plans to reduce the share capital of GWI AG from currently EUR 45,895,960 to EUR 8,733 (restructuring capital cut) and carry out a subsequent capital increase to EUR 1,025,000. The new shares are to be fully subscribed to by the funds managed by Robus and Whitebox. The old shares remaining after the capital cut will also be transferred to the funds, which will thus become the sole owner of GWI AG in a first step. On the basis of conditional capital increase measures in the insolvency plan, the creditors of GWI who have chosen the convertible bond and the management of the GERRY WEBER Group are also to participate up to a maximum of 70% resp. up to a maximum of 10% in the share capital at a later date.

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The operational restructuring and realignment of GERRY WEBER, which was initiated in 2018, will continue to be pursued at full speed.

The confirmation of the GWI insolvency plan is subject to customary market conditions such as antitrust and tax approvals as well as the acceptance of the separate insolvency plan for the subsidiary GWR by its creditors. The goal is to complete both insolvency proceedings by the end of 2019 at the latest.

Dr. Christian Gerloff, Chief Representative of GWI: “The insolvency plan for GERRY WEBER International AG is an innovative approach for insolvency proceedings of this magnitude in Germany. The concept takes into account the fact that creditors have different needs depending on the size and nature of their claims, particularly with regard to the binding nature and timeliness of a quota payment.”

Stefan Meyer, trustee (PLUTA Rechtsanwalts GmbH): “I am convinced that this creative and tailor-made insolvency plan will optimally meet GERRY WEBER’s concrete, entirely different creditor interests. In addition, a very high quota will be offered to creditors in both proceedings. Together with the management and the consultants involved, all of whom have done an excellent job in terms of time and content, this complex concept can now be submitted to the creditors for approval on the basis of the insolvency plans submitted. The acceptance of the insolvency plans would be a breakthrough for sustainable restructuring of GERRY WEBER.”

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Background information

GERRY WEBER International AG has been conducting insolvency proceedings under self-administration since 25 January 2019. Proceedings were opened on 1 April 2019. At the subsidiary GERRY WEBER Retail GmbH & Co. KG, insolvency proceedings under self-administration were opened on 1 May 2019. In both cases, the respective court appointed lawyer Stefan Meyer of PLUTA Rechtsanwalts GmbH as trustee. The Managing Board of GERRY WEBER International AG, consisting of Johannes Ehling (Spokesman of the Managing Board as well as Chief Sales Officer and Chief Digital Officer), Florian Frank (Chief Restructuring Officer) and Urun Gursu (Chief Product Officer) are supported by Chief Representative Dr. Christian Gerloff, a lawyer well-versed in the fashion industry...

GERRY WEBER Group

GERRY WEBER International AG, headquartered in Halle/Westphalia, is an international operating group, uniting three strong brand families under one roof: GERRY WEBER, TAIFUN and SAMOON. Furthermore, GERRY WEBER holds a non-strategic stake of 12% in HALLHUBER GmbH.

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