

PRESS RELEASE

GERRY WEBER: Vast majority of creditors approve insolvency plan

- **Fashion producer makes decisive step in the financial restructuring and makes good progress in the ongoing operational repositioning**
- **Closure of insolvency proceedings under self-administration expected within this year**

Bielefeld, 18 September 2019 – At today's discussion and voting meeting, the vast majority of the creditors meeting of GERRY WEBER International AG (GWI) has approved the insolvency plan for the continuation of the group. The insolvency plan was approved by all creditor groups but the current shareholders, which shall leave the company within the scope of the planned financial restructuring of GWI.

With their approval, the creditor groups make the implementation of the future concept possible, which includes the financial restructuring of the fashion company as well as the continuation of the already launched operational restructuring and repositioning.

Now, the implementation of the insolvency plan is subject to the approval by the insolvency court, which requires the fulfillment of certain previously defined precedent conditions as stated in the insolvency plan. Within the scope of the ongoing proceedings, the court may substitute the missing consent by the shareholders in accordance with § 245 German Insolvency Statute (*Obstruktionsverbot*) and thereby support the implementation of the insolvency plan.

At today's court meeting, one creditor filed a request for minority protection according to § 251 Insolvency Statute. The insolvency court will decide on these requests within the scope of the plan confirmation. GWI expects, that this request has no likelihood of success, since this creditor group is not disadvantaged by the insolvency plan, as all provided comparative calculations of GWI show. Based on the result of the vote, Trustee Stefan Meyer expects the closure of the insolvency proceedings under self-administration within this year and that the restructuring of the company can be continued and closed outside the insolvency proceedings.

The insolvency plan dictates all measures for the fiscal restructuring of the group. As previously communicated, in a first step, funds managed by Robus Capital Management Ltd. and Whitebox Advisors LLP shall become sole shareholders of GWI. For this purpose, the capital stock of the group will be subject to a capital reduction from currently €45,895,960 to €8,733 with a subsequently capital increase to

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€1,025,000 by issuance of new shares. The new shares will be exclusively provided to the investors, which in turn have committed to provide up to €49.2 mn to satisfy creditors and finance operations. Shares remaining after the capital reduction will be transferred without indemnity to the funds of the new owners; existing shareholders will leave the company without compensation.

The creditor groups will receive different offers to satisfy their claims, specifically tailored to their set of interests. The respective insolvency quota contains – varying by group – different elements, as for instance a fixed cash quota of 12.0%, additional proceeds from the future divestments of the group (logistics center Ravenna Park, remaining shares in HALLHUBER) or from receiving value recovering financial instruments such as bonds and convertible bonds. In total, the calculatory satisfaction quotas range from about 32% to up to more than 50% of the respective claims, which is substantially above the quota of a liquidation and significantly above the average of self-administration proceedings in Germany. For the group of previous shareholders, insolvency law provides no satisfaction quota as long as creditor claims are not satisfied by 100%.

Before, the creditors of GERRY WEBER Retail GmbH & Co. KG (GWR) have approved the insolvency plan for the subsidiary of GWI. Both insolvency proceedings are chronologically and substantively coordinated.

Johannes Ehling, Spokesman of the Managing Board of GWI, comments: “The creditors’ approval to our insolvency plan is great news for all of us and after the countless, partially already implemented measures, a clear signal to continue the repositioning of our company with new vigor. I would like to thank our creditors and, on behalf of my colleagues in the Managing Board, the entire staff of GERRY WEBER, for their trust. For us, the clear vote of the creditors is equally motivation and responsibility to return GERRY WEBER on its path to success.”

Dr. Christian Gerloff, Chief Representative of GWI continues: “This insolvency proceeding is a prime example for how insolvency law measures can provide a new chance for a company with restructuring potential, without neglecting creditor interests. The vote by the creditors meeting is a sign of trust in the future of GERRY WEBER.”

Trustee Stefan Meyer of PLUTA Rechtsanwalts GmbH adds: “At today’s discussion and voting meeting, GERRY WEBER has made the decisive step into a safe and good future. I am very pleased, that this renowned company and important regional player with its 40 subsidiaries worldwide and still more than 3,600 employees will remain within its core structure, while the highly creatively tailor-made insolvency concept provides best possible satisfaction of creditor claims, which is the key purpose of the insolvency proceedings. Creditors will be satisfied with an above average quota, while

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they can also freely choose whether to be satisfied by cash quota or to leave their financial assets in the company to participate in a value recovery mechanism to profit from the anticipated positive development. With this tailor-made insolvency plan we are able to satisfy the various creditor interests ideally. This good and for the size of the proceedings relatively quickly implemented result was only possible due to the professional and trustful collaboration of all participants and the unremitting efforts of the GERRY WEBER employees, whom I specifically want to thank.”

Background

Since 25 January 2019, GERRY WEBER International AG undergoes insolvency proceedings under self-administration. 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 (Gerloff Liebler Lawyers), a lawyer well-versed in the fashion industry.

GERRY WEBER Group

GERRY WEBER International AG, headquartered in Halle/Westphalia, is a worldwide 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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