

Press Release

GERRY WEBER to strengthen retail partnerships under restructuring

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Major decisions aimed at securing the company's future have been taken in the ongoing restructuring of GERRY WEBER. The manufacturer of women's fashion will focus its future sales strategy on significantly strengthening its partnership with wholesale retailers while at the same time making considerable cuts to its own network of stores in Germany. This move has been preceded by intensive business analysis of every single one of the 171 self-owned domestic stores and outlets in its portfolio.

"By decisively focusing on the wholesale business, GERRY WEBER is going back to its roots," declared CEO Ms Angelika Schindler-Obenhaus. "At the same time, we are definitively ending the course taken more than ten years ago with the overly ambitious expansion of our own retail presence. This has proven to be out of step with market requirements and is not sustainable. We will focus on the healthy core of GERRY WEBER, with attractive self-owned stores in consistently good locations in which we can provide a true fashion experience for our customers. At the same time, we will make every effort to offer our retail partners additional value through attractive concepts."

The group's entire German retail business is bundled within GERRY WEBER Retail GmbH, which will close 122 stores and outlets in the country as part of the systematic

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PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at www.pluta.net.

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restructuring. This is necessary to protect GERRY WEBER's sound core and put it on a viable footing. The company will also completely withdraw from the German concession business. Locations in the future store network will have to be profitable already and also offer significant future potential in today's very challenging domestic retail market as a whole.

The closures are expected to be completed by late September 2023. Based on current information, these measures will result in the loss of approx. 350 full-time positions at GERRY WEBER Retail GmbH. The downsizing will be undertaken on the basis of a binding balance of interests agreement negotiated with the works council and a social plan.

GERRY WEBER Retail GmbH filed an application for debtor-in-possession insolvency proceedings on 20 April of this year. The Local Court of Bielefeld, as the competent court, ordered the proceedings to be opened today. The court has appointed attorney Mr Stefan Meyer from PLUTA Rechtsanwalts GmbH as insolvency monitor. He had already been acting as provisional monitor in the provisional debtor-in-possession proceedings.

During its reorganisation and alignment with the marked change in conditions in the fashion industry, the company will also focus on improving process efficiency and further streamlining central functions while boosting their effectiveness. Around 75 full-time positions at GERRY WEBER International AG and Life-Style Fashion GmbH at the group headquarters in Halle/Westphalia will be impacted by the job cuts. The reduction in staff numbers



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will be achieved through natural fluctuation, a hiring freeze and compulsory redundancies. Following intensive negotiations, the management board and workers' representatives have made a binding commitment to a balance of interests agreement and social plan for this adjustment as well.

Dr Christian Gerloff, Chief Restructuring Officer at GERRY WEBER Retail GmbH, said, "Although the decisions underpinning the realignment are profoundly impactful, especially for the employees concerned of course, GERRY WEBER has to systematically use this restructuring process to create a sustainably profitable basis for its business, despite all adversities in the market. The company will not get another chance to do this."

In parallel to the restructuring of its retail subsidiary, GERRY WEBER is working with great urgency on its financial restructuring. This process initiated under the German Corporate Stabilisation and Restructuring Act (StaRUG) for the parent company GERRY WEBER International AG, also in mid-April of this year, has started as planned. The next step is to submit the restructuring plan to the competent restructuring court in Essen. This is scheduled for mid-July. Constructive negotiations on the specific shape of the restructuring plan are currently being held with investors and all relevant creditor groups.

Restructuring expert and attorney Mr Stefan Meyer (PLUTA Rechtsanwalts GmbH), also appointed restructuring officer for GERRY WEBER International AG by the court in Essen, said about the state of the restructuring, "I am convinced that GERRY WEBER is now on the right path and I am

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confident that the StaRUG proceedings can also be brought to a swift and successful conclusion. I have seen for myself in recent weeks and months how all involved have wrestled with the measures and found it anything but easy to make the systematic and essential cuts in the retail business given the jobs that will be lost. However, the course now being pursued is the only way to protect the core of GERRY WEBER that is worth preserving and to give the group a robust, resilient and financially solid foundation in the market going forward.”

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