



## PRESS STATEMENT

### **Esprit enters restructuring in the face of COVID-19 shutdowns, to preserve operations and protect the future of the brand**

(27 March 2020, Ratingen), Today Esprit announced several of its German subsidiaries have applied for Protective Shield Proceedings under German Law. The proceedings shelter the companies from liquidity challenges the industry is facing due to the COVID-19 pandemic. The management decided to make this proactive and forward-looking step to ensure ongoing business operations.

Protective Shield Proceedings protect Esprit from creditors' claims for the next months. The current management team will remain in control of the company, with the oversight of a court appointed custodian. During the protective period, the management team will work out a restructuring plan which will also need to be approved by a creditors' meeting.

“This is the right step for Esprit as the coronavirus pandemic has had a dramatic impact on our business. Under these proceedings, we are able to preserve liquidity and focus on the restructuring. We want to secure the future of this tremendous brand, and be ready for the opportunities that arise when this is all over,” said Anders Kristiansen, Esprit Group CEO.

Under the Protective Shield Proceedings, which are similar to Chapter 11 proceedings in U.S. jurisdictions, Esprit will restructure liabilities and long-term lease contracts. The management team is also seeking funding for salaries for its German based employees accessing government programs.



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### About ESPRIT

Fueled by the vision of essential positivity, Esprit was founded in California by couple Susie and Doug Tompkins in 1968. Inspired by the revolutionary spirit of the 60s the brand developed a clear philosophy – always celebrating real people and togetherness, in line with the brand's promise: “We want to make you feel good to look good”. The success story of Esprit is based on two pillars: Delivering joy every day through laid-back tailored, high quality essentials and carefully selected fashion-forward pieces while staying true to its core values of sustainability, equality and freedom of choice. Example: In the early 90ies, long before "Eco Fashion" became fashionable, Esprit debuted its first “ecollection” made of 100% organic cotton and featured its own team instead of models in honor of their “Real People Campaign.”

Keeping this spirit alive since day one, today Esprit has a presence in 40 countries around the globe. Esprit's headquarters are located in Germany and Hong Kong, where the brand has been listed on the Hong Kong Stock Exchange since 1993.

Esprit – Keeping it easy, comfortable and looking great. Every day. Already hooked? Find out more at [www.esprit.com](http://www.esprit.com)