



## PRESS STATEMENT

### **Major achievement in restructuring process Court confirms plans after creditors' assemblies**

- Creditors finally agreed and approved on the quota for claim settlements in last week's court hearing in Dusseldorf
- Court confirmed debt forgiveness, which allows Esprit a complete restart
- Leaner and fit organization with optimized cost structure and modified retail footprint
- Group is now in an economically viable position and ready for the future
- Current performance in line with plan and maintenance of a positive cash position

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(2 November 2020, Ratingen) The insolvency plans developed by Esprit for its six German subsidiaries were approved by the creditors assemblies on 29 and 30 October 2020. The Dusseldorf court confirmed the plans on 30 October 2020.

The creditors' approvals and the confirmation by the court were decisive steps in the restructuring process. On 27 March 2020, the management applied for Protective Shield Proceedings for six German subsidiaries. The application was filed in response to lockdowns and extensive temporary store closures in Asia and Europe due to the COVID-19 pandemic. The management proactively faced the challenge and quickly seized this opportunity to prepare the company for the new economic reality.

While the plans have a significantly positive impact on Esprit's operations going forward, their approval and acceptance by the companies business partners are a favorable outcome for creditors and a solid foundation for a positive joined future.

Esprit Group CEO Anders Kristiansen says: "The successful results show that we have taken the right step. My management team and I have faced the challenges imposed by the Pandemic and subsequent economic slow down. We quickly developed a strong restructuring plan and are now close to finalizing it. The first results delivered by our streamlined and fit organization are very promising: Esprit is now in a strong position and ready for the future."

After the final and official conclusion of the Proceedings, which is expected by the end of the month, Esprit will go back to normal operations. The process allows a complete restart for the Group enabled by substantial debt forgiveness for the six German subsidiaries. Management will continue to focus on the key strategic initiatives, such as strengthening the position of Esprit as an affordable premium lifestyle brand, unconditioned customer centricity, and further improvements in product quality and sustainability.



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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 over 30 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)