



For Immediate Release

GBG USA Commences Voluntary Chapter 11 Proceedings

Enters into Asset Purchase Agreement with WH AQ Holdings and Hilco to Facilitate Sale of Aquatalia Brand and Related Assets, Subject to Better Offers, Among Other Conditions

Company to Facilitate Transaction Process and Sale of Remaining Assets Through Court-Supervised Process

Receives a Commitment for \$16 Million in Debtor-in-Possession Financing

Separate Brand Management and European Wholesale Businesses Not Included in Filings and are Continuing to Maintain Ongoing Operations

New York, July 29, 2021 – GBG USA Inc., an indirect wholly-owned subsidiary of Global Brands Group Holding Limited (the “Group”), today announced that the North America wholesale business and certain subsidiaries and affiliates (together “GBG USA”) have commenced voluntary Chapter 11 proceedings in the U.S. Bankruptcy Court for the Southern District of New York (the “Court”). The Group’s global Brand Management and Europe wholesale businesses are separate legal entities from GBG USA, not included in this filing and continue to maintain ongoing operations.

In conjunction with the filing, GBG USA has entered into an asset purchase agreement (“APA”) with WH AQ Holdings LLC (as purchaser) and Hilco Brands LLC (as guarantor) (together, the “Stalking Horse Bidder”), pursuant to which the Stalking Horse Bidder will serve as the stalking horse bidder in a court-supervised sale process for GBG USA’s Aquatalia brand and business. The stalking horse bid provides a purchase price of \$17.3 million and the APA is subject to higher or otherwise better offers, among other conditions.

GBG USA is also pursuing the sale of a substantial portion of its remaining assets, including Ely & Walker, AIRBAND, MagnaReady, Yarrow, b New York and JUNIPERunltd, in accordance with Section 363 of the U.S. Bankruptcy Code and court-approved bidding procedures.

These actions follow the recent sale of the Group’s South Korean Spyder business to Alpha Vista Investment Co., Ltd., the sale of Spyder USA’s inventory and related assets to Liberated-Spyder LLC, and the sale of Frye’s inventory and related assets to ABG Frye LLC.

“Over the past eighteen months the retail landscape has been greatly impacted by COVID-19, creating hardships for us and many others across our industry. Our business has also been impacted by ongoing structural shifts in the retail industry, as well as persistent geopolitical tensions that have disrupted supply chains. These factors have been especially detrimental to GBG USA,” said Rick Darling, Chief Executive Officer of Global Brands Group. “We have taken significant steps over the last year to strengthen GBG USA’s financial position while



also conducting a thorough review of all strategic options for GBG USA and its brands. This process resulted in the successful sales of our South Korean Spyder retail operation, the inventory and related assets for two of our brands, Spyder and Frye, and an APA for our Aquatalia brand and business. As for GBG USA's remaining assets, we determined that a Court-supervised process to facilitate a sale is the best course of action to maximize value for all stakeholders and address the financial position of GBG USA and the Group in a fair and transparent manner. GBG USA has compelling brands and products and a highly talented team, and we believe this process represents the best opportunity for GBG USA's employees and business."

Mr. Darling continued, "The U.S. proceedings do not involve the Group's separate European wholesale and Brand Management businesses, which are continuing to maintain ongoing operations. We have taken and continue to take measures to help improve performance, reduce the cost base and improve working capital of the European wholesale business. The Brand Management business remains robust and profitable. I am extremely grateful to our employees across the globe who have demonstrated agility and dedication while continuing to serve our customers and supply chain partners in this period of uncertainty."

The recent sales of Spyder and Frye's inventory and related assets provided GBG USA with cash collateral to meet its immediate liquidity needs. This has also reduced the need for supplemental debtor-in-possession ("DIP") financing for the Chapter 11 process. GBG USA has further received \$16 million in DIP financing from ReStore Capital, LLC to support its additional liquidity needs during the Chapter 11 cases. The DIP facility, coupled with the consensual use of cash collateral, should provide GBG USA with sufficient funding to implement its sale strategy in an orderly manner and to maximize value for all stakeholders.

GBG USA has also filed a number of customary motions with the Court seeking authorization to support its operations, including authority to continue payment of employee wages and maintain healthcare benefits and other relief measures customary in these circumstances.

Additional information regarding GBG USA's financial restructuring, including court filings and information about the claims process, are available at <https://cases.primeclerk.com/gbg> or by calling the GBG USA's claims agent, Prime Clerk, at 877-635-8928 (toll-free in the U.S. or Canada) or 929-203-3305 (for parties outside the U.S.) or sending an email to gbginfo@primeclerk.com.

Willkie Farr & Gallagher LLP is serving as GBG USA's legal counsel. Ankura Consulting Group is serving as GBG USA's restructuring advisor and Ducera Partners is serving as GBG USA's financial advisor.

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GLOBAL BRANDS GROUP

About GBG USA

GBG USA is a company incorporated under the laws of Delaware and is an indirect wholly owned subsidiary of the Company. GBG USA is primarily engaged in operating the wholesale and direct-to-consumer footwear and apparel business in North America.

About Global Brands Group Holding Limited

Global Brands Group Holding Limited (SEHK Stock Code: 787) is a leading branded apparel and footwear company. The Group designs, develops, markets and sells products under a diverse array of owned and licensed brands.

The Group's Europe wholesale business operates under legal entities entirely separate and independent from the wholesale business in North America. It primarily supplies apparel, footwear and accessories to retailers and consumers across Europe under licenses separately entered into by the Europe entities of the Group. The Group's global brand management business operates on a different business model and is distinctly separate from the wholesale businesses in North America and Europe.

Global Brands' innovative design capabilities, strong brand management focus, and strategic vision enable it to create new opportunities, product categories and market expansion for brands on a global scale.

For more information, please visit the corporate website: www.globalbrandsgroup.com.

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