

PRESS RELEASE

Düsseldorf, 5. September 2024

Scotch & Soda insolvency proceedings opened

- **The US shareholder did not want to sell or licence Scotch & Soda's trademark rights or supply further goods to the German locations. Business operations had to be discontinued.**
- **Insolvency administrator Holger Rhode is currently negotiating intensively with potential investors in order to transfer locations without the Scotch & Soda brand.**
- **Insolvency proceedings were opened at the beginning of September. Most of the employees were made redundant when operations were discontinued.**

The business operations of the insolvent Scotch & Soda Retail GmbH, the German subsidiary of the Dutch fashion brand Scotch & Soda (S&S Europe B.V.), had to be discontinued as of 31 August. The main reason given by insolvency administrator Holger Rhode was that the owner of the rights to the brand and the goods, a private equity fund based in the USA, showed no interest in transferring both to a new investor or agreeing a corresponding licence.

Rhode is currently negotiating intensively with investors who would like to continue running former Scotch & Soda locations with their own concepts. *'Scotch & Soda has many good locations in attractive areas of major cities and medium-sized towns with high purchasing power,'* says Rhode. He sees opportunities to transfer various locations to new investors, who would then also employ Scotch & Soda staff. A potential investor would then have to reach an agreement with the individual landlords of the properties. The first landlords have already signalled their basic willingness to do so. As business operations were discontinued at the end of August, most of the 290 employees have been made redundant. They will have to be given notice in the course of September. Around 25 employees are still working at the limited company and are supporting the insolvency administrator's team in the further liquidation process. Six shops will remain open for a few more weeks, where the remaining goods will be bundled and sold.

Scotch & Soda Retail GmbH, based in Düsseldorf, filed an application for the opening of insolvency proceedings with the competent local court in Düsseldorf on 13 June 2024. The court subsequently appointed lawyer Holger Rhode, partner at the nationwide law firm Görg, as provisional insolvency administrator. Rhode will be supported by restructuring expert Dr Raul I. Taras, also a partner at Görg. The competent local court in Düsseldorf opened the insolvency proceedings at the beginning of September 2024.

As the insolvency administrator of the German company, Rhode has no influence on orders placed via the online shop.

Insolvency Administrator Scotch & Soda Retail GmbH

GÖRG Insolvenzverwaltung Partnerschaft von Rechtsanwälten mbB / GÖRG

Rechtsanwälte/Insolvenzverwalter GbR

Holger Rhode (Insolvency Administrator, Partner, Insolvency Administration/Restructuring, Düsseldorf)

Dr Raul Taras (Partner, Restructuring, Cologne)

About Scotch & Soda Deutschland

Scotch & Soda Retail GmbH is a fashion company with around 40 shops nationwide and is part of the internationally recognised Scotch & Soda brand. The company is supplied by its parent company S&S Europe B.V. from the Netherlands. In Germany, the company recently generated annual sales of 25 million euros with 290 employees.

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About GÖRG

GÖRG is one of Germany's leading independent commercial law firms and is among the top 10 German insolvency law firms. Around 350 lawyers and tax advisors work at five central locations in Hamburg, Berlin, Cologne, Frankfurt/M. and Munich as well as in 26 other insolvency administration offices nationwide. Among them are numerous insolvency and restructuring experts who have already drawn attention to themselves in renowned insolvency and restructuring proceedings throughout Germany.

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