

INTERIM FINANCIAL
REPORT

ON THE FIRST HALF OF 2021

WE ARE
GERRY

GERRY WEBER

ICH LEBE MEINEN STIL.

GERRY WEBER GROUP

IN FIGURES

EUR million./%	H1 2021	H1 2020	Q2 2021	Q2 2020
Sales by region	107.7	140.5	61.3	56.8
Germany	53.7	78.7	31.6	34.5
Abroad	54.0	61.8	29.7	22.3
Sales by segments	107.7	140.5	61.3	56.8
GERRY WEBER Retail	60.9	74.5	40.8	35.6
thereof e-commerce in the Retail segment	17.6	12.8	10.1	8.2
Like-for-like growth in %	-29.5%	-43.3%	18.0%	-52.8%
GERRY WEBER Wholesale	46.8	66.0	20.5	21.2
thereof e-commerce in the Wholesale segment	3.2	2.3	1.6	1.0
Sales split by brands				
GERRY WEBER	70.9%	70.6%	72.0%	68.8%
TAIFUN	21.5%	22.1%	20.6%	22.5%
SAMOON	7.6%	7.3%	7.4%	8.7%
Earnings position				
EBITDA	5.3	-1.1	0.5	-8.7
EBITDA margin	4.9%	-0.7%	0.9%	-15.2%
Normalised EBITDA ¹	-10.2	-22.9	-7.2	-19.4
Normalised EBITDA margin ¹	-9.5%	-16.3%	-11.8%	-34.2%
EBIT	-16.3	-27.3	-9.8	-20.4
EBIT margin	-15.2%	-19.5%	-16.1%	-36.0%
Net profit/loss for the year	-24.2	-34.2	-14.1	-24.7
Earnings per share in EUR	-19.8	-28.0	-11.5	-20.2
Financial position				
Cash flow from operating activities	21.0	3.0	23.0	17.3
Investments	1.6	2.0	0.8	0.9
Net worth position				
Equity	32.1	56.1 ²		
Equity ratio	7.7%	13.0% ²		
Cash and cash equivalents	86.7	85.3 ²		
Financial liabilities	143.4	140.9 ²		
Net debt	56.7	55.6 ²		
Other success factors				
Average staff number	2,265	2,627		

¹ Excluding effects from lease accounting in accordance with IFRS 16

² as of December 31, 2020

GERRY WEBER GROUP

PROFILE

Headquartered in Halle/Westphalia and employing some 2,300 people, GERRY WEBER International AG is one of the largest fashion and lifestyle companies in Europe. The company sells trend-oriented modern classic mainstream fashion in 59 countries. In addition to the GERRY WEBER brand, the GERRY WEBER Group also owns the younger TAIFUN brand and the plus-size brand SAMOON.

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BUSINESS PERFORMANCE

- Coronavirus pandemic sends consolidated revenues falling by 23.4% to EUR 107.7 million in H1 2021
- Online revenues grow clearly by approx. 37.8% to EUR 20.8 million
- All stores open again since June 2021
- At EUR –10.2 million, normalised EBITDA clearly above prior year level in H1 2021
- Outlook for FY 2021 confirmed

In the first six months of 2021, the business performance of GERRY WEBER International AG (GERRY WEBER, GWI) was strongly influenced by the coronavirus pandemic. While the GERRY WEBER stores in some European countries remained open or were allowed to reopen gradually, the German stores were closed continuously between 1 January and 7 March 2021. On 8 March, we and our trade partners were allowed to reopen the stores under regionally varying restrictions (e.g. limited number of customers per store or access only by previous appointment). In the ensuing weeks and months, the opening rules were adapted regionally to the infection situation and led to a decline in sales, especially in April and also in May. In June 2021, all stores were successively reopened. While customer footfall remains at a low level, the conversion rate and revenues per customer have increased. In the fiscal year 2021 to date, the GERRY WEBER Group has lost some 55 sales days throughout Germany, about 10 of which were Saturdays.

The company's total sales revenues in the first half of 2021 amounted to EUR 107.7 million, compared to EUR 140.5 million in the first six months of 2020. This is equivalent to a decline of approx. 23.4%.

Our online business benefited from the lockdown and clearly grew its revenues to EUR 20.8 million (previous year: EUR 15.1 million). Revenues of the Retail segment declined to EUR 60.9 million (previous year: EUR 74.5 million). The GERRY WEBER Group's Wholesale segment generated revenues of EUR 46.8 million (previous year: EUR 66.0 million).

Since the beginning of the coronavirus pandemic, the GERRY WEBER management has responded to the crisis with a combination of different instruments, in particular financing measures, various operational measures and the use of government aid, and will continue to do so. In February 2021, we took out a new secured credit facility of approx. EUR 5 million. In March 2021, the company was additionally granted government aid in the amount of EUR 12 million ("Überbrückungshilfe III" – stopgap aid).

We will continue to explore possible financing measures, such as taking out additional credit facilities or applying for government support measures. In 2020, we already agreed partial deferrals of insolvency liabilities until 2023 and an increase in our working capital line with our plan sponsors.

In the first half of 2021, we applied for short-time work for our employees in Germany, depending on capacity utilisation. Within the framework of the possibilities under applicable local law, similar solutions were sought and implemented for employees at foreign locations affected by closures. We plan to do both also in the future, depending on pandemic developments.

Our operational measures include the expansion of our online business in conjunction with a stronger connection between the stationary and digital points of sale. We continue to negotiate rent reductions with our landlords. In this context, we also take advantage of regulations adopted by the legislator to reduce rents where physical retail stores are closed by official order. In addition, talks are being held on the possible subleasing of retail space to partners whose product ranges complement GERRY WEBER's fashion offering. We regularly adjust the quantities ordered and negotiate price reductions and cancellations with our suppliers, depending on further developments. Investments continue to be reviewed very critically and will be postponed where appropriate.

The Managing Board is convinced that these measures will secure sufficient liquidity to make the GERRY WEBER Group future-proof and to successfully complete the refinancing due in 2023.

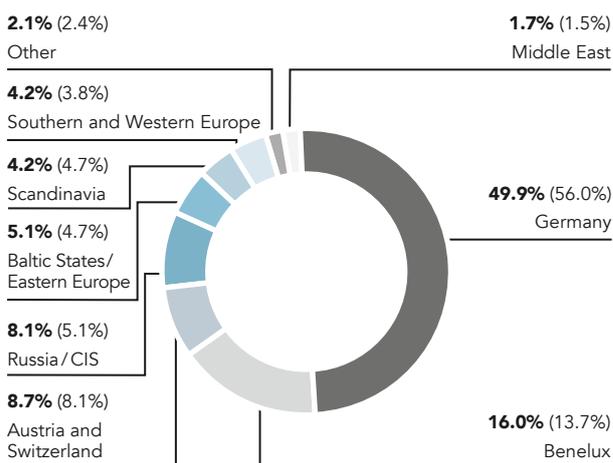
Also, a pre-contract on the sale of Ravenna Park, the company's own logistics centre in Halle Westphalia, was signed in March. The buyer is WB Logistik GmbH, a company owned by Christian Busch, the majority shareholder of Walbusch Walter Busch GmbH & Co KG based in Solingen. The final contracts were signed at the end of May. WB Logistik GmbH will take over the employees of GERRY WEBER Logistik GmbH, presumably with effect from 1 September 2021. Christian Busch and GERRY WEBER plan to jointly use Ravenna Park in future. Ravenna Park and the then former workforce of GERRY WEBER Logistik GmbH will thus remain the hub for the Group's distribution logistics also in 2022 and beyond. According to the insolvency plan, proceeds from the sale of Ravenna Park will be distributed to the insolvency creditors of GERRY WEBER International AG.

EARNINGS POSITION

Sales performance

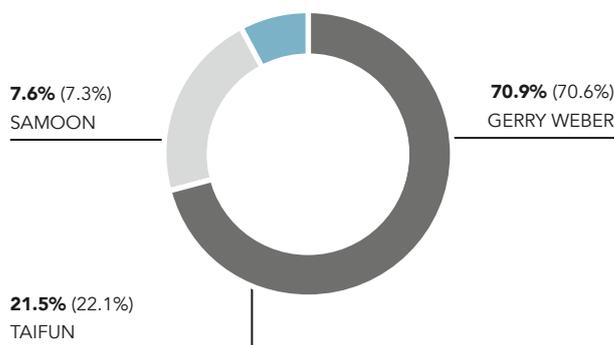
- Revenues drop by a strong 23.4% to EUR 107.7 million, compared to EUR 140.5 million in the first six months of 2020.
- Market environment for German textile retailers remains weak; footfall in German retail sector significantly below previous year due to the pandemic; retail sales of textiles, clothing, shoes and leatherware down 26.1% on the previous year in the first half of the year.¹
- The strategic repositioning in Russia/CIS is showing initial successes and has sent revenues rising by EUR 1.5 million compared to the previous year. The share of Russia/CIS in total revenues increased to 8.1%.

Breakdown of revenues by regions as of 30.06.2021¹



¹ Prior-year period in brackets

Breakdown of revenues by brands 30.06.2021¹



¹ Prior-year period in brackets

Earnings position

- In spite of the –23.4% decline in revenues, gross profit deteriorated by only –18.0% in the first six months 2021 compared to the first half of 2020 and amounts to EUR 67.3 million (previous year: EUR 81.6 million).
- Accordingly, the gross profit margin improved by 4.4 percentage points from 58.1% to 62.5% thanks to the reduced cost of materials.
- Due to lower costs (use of short-time work and strict cost discipline), earnings before interest, taxes, depreciation and amortisation (EBITDA) increased to EUR 5.3 million (previous year: EUR –1.1 million); at 4.9%, the EBITDA margin clearly exceeded the prior year level (–0.7%).
- Adjusted for the effects of lease accounting pursuant to IFRS 16, normalised EBITDA also improved noticeably and stood at EUR –10.2 million (previous year: EUR –22.9 million); the normalised EBITDA margin reached –9.5% (previous year: –16.3%).
- Accordingly, the result for the period stood at EUR –24.2 million (previous year: EUR –34.2 million).

¹ Source: Federal Statistical Office; price-adjusted retail revenues

SEGMENT REPORT

GERRY WEBER International AG comprises two distribution and reporting segments, i.e. the GERRY WEBER Retail segment, which comprises the company-managed and concession stores of the GERRY WEBER brands (GERRY WEBER, TAIFUN, SAMOON), and the GERRY WEBER Wholesale segment, which relates to all revenues generated by all GERRY WEBER brands with our fashion retail partners. Online revenues generated in our own online shops are counted towards the Retail segment, while online revenues generated on our customers' platforms are counted towards the Wholesale segment.

All development and production processes of these brands including transport and logistics are allocated to these two segments. Accordingly, all income and expenses as well as assets and liabilities which can be assigned to product development and procurement are allocated to the "Retail" segment and the "Wholesale" segment. Income and expenses as well as assets and liabilities of the holding company are also allocated proportionately to the individual segments in the form of corporate charges and corporate assets.

GERRY WEBER Retail segment

- Revenues down to EUR 60.9 million (previous year: EUR 74.6 million) due to the lockdown.
- Like-for-like revenues down to EUR 38.9 million (previous year: EUR 55.1 million).
- EBITDA increase to EUR 3.2 million (previous year: EUR -2.1 million) due to lower personnel expenses of EUR 21.0 million (previous year: EUR 36.6 million).
- At EUR -15.2 million, EBIT remain above prior year level (EUR -23.7 million) due to reduced costs as well as lower write-downs.

GERRY WEBER Wholesale segment

- Revenues down to EUR 46.7 million (previous year: EUR 66.0 million) primarily due to the lockdown.
- EBITDA increase to EUR 2.5 million (previous year: EUR 0.9 million); EBITDA margin climbs to 5.5% (previous year: 1.4%) thanks to cost reductions.
- In absolute terms, EBIT grow by EUR 3.2 million to EUR -0.7 million (previous year: EUR -4.0 million). The EBIT margin reached -1.6% (previous year: -6.0%).

Development Online Business H1 2021

This is not a separate reporting segment; we report on it separately here due to its strategic importance for the Group.

Retail online sales include the online business operated on our own platform with the GERRY WEBER, TAIFUN and SAMOON brands. Wholesale online sales include sales generated on our customers' platforms.

- Online revenues of the Retail segment grow by a strong 37.5% to EUR 17.6 million (previous year: EUR 12.8 million).
- Share of online Retail revenues in total Group revenues up to 16.4% (previous year: 9.1%) due to constant improvement of online shops, more and intensified marketplace partnerships and lower revenues from physical stores (coronavirus pandemic).
- Online revenues in the Wholesale segment reached EUR 3.2 million (previous year: EUR 2.3 million).

EUR million	H1 2021	H1 2020
Online revenues in Retail segment (B2C)	17.6	12.8
Online revenues in Wholesale segment (B2B)	3.2	2.3
Consolidated online revenues	20.8	15.1

NET WORTH AND FINANCIAL POSITION

- At EUR 416.0 million, total assets were slightly lower than on 31 December 2020 (EUR 433.0 million).
- Inventories up by EUR 5.1 million from EUR 46.7 million on 31 December 2020 to EUR 51.8 million at the end of H1 2021.
- Cash and cash equivalents stand at EUR 86.7 million as of 30 June 2021 (end of previous year: EUR 85.3 million), of which EUR 17.7 million is in escrow accounts (restricted for servicing insolvency liabilities).
- Equity down to EUR 32.1 million (end of previous year: EUR 56.1 million) due to the loss incurred in the first half of the year.

- Non-current liabilities at EUR 236.4 million (end of previous year: EUR 268.4 million); these mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 134.7 million (end of previous year: EUR 151.0 million), long-term loans of EUR 35.1 million (end of previous year: EUR 23.5 million) as well as non-current liabilities resulting from the insolvency of EUR 58.5 million (end of previous year: EUR 86.0 million).
- As of 30 June 2021, current personnel and other provisions include a total of EUR 7.1 million for social plan and severance obligations, store closures, litigation costs and other expected costs.
- Current financial liabilities at EUR 49.8 million (end of the previous year EUR 31.3 million); these liabilities include the revolving credit facility of EUR 17.5 million, which is fully utilised (end of previous year: EUR 17.5 million), interest liabilities of EUR 0.7 million (end of previous year: EUR 0.0 million) and current insolvency liabilities of EUR 31.6 million (end of previous year: EUR 13.8 million). Current insolvency liabilities increased after the sale of Ravenna Park and the resulting reclassification of the Ravenna Park additional quota from non-current to current financial liabilities.
- Current liabilities from rights of use slightly lower at EUR 29.0 million (end of previous year: EUR 30.4 million).
- Other current liabilities climb to EUR 23.2 million (end of previous year: EUR 6.8 million). They include a grant of EUR 12 million under the government's stopgap aid ("Überbrückungshilfe III"), which was applied for and approved in March 2021. As a repayment claim may arise by the time of the final review, this grant is recognised as a liability.
- As of 30 June 2021, current liabilities totalled EUR 147.5 million (end of previous year: EUR 108.5 million).
- Despite the decline in cash inflows due to the coronavirus pandemic, it has been possible to increase the cash outflow from operating activities to EUR 21.0 million (previous year: EUR 3.0 million).
- Cash outflow from investing activities at EUR –1.6 million (previous year: EUR –2.0 million).
- Net cash flow outflow from financing activities at EUR –14.0 million (previous year: EUR –44.3 million), essentially related to the repayment of liabilities regarding rights of use and additional liquidity under new credit facilities of EUR 5.0 million.

OUTLOOK

Our estimates regarding the outlook for the fiscal year 2021 have not changed materially since the publication of our Annual Report on 30 April 2021.

While all our stores reopened in June 2021, it is likely that the opening rules will be adjusted again if incidence rates rise again (which is expected to be the case in autumn or winter). This is why a forecast remains subject to considerable uncertainty. In the first quarter of 2021, we lost some 55 sales days throughout Germany, about 10 of which were Saturdays. Although we are currently seeing a recovery in online and physical sales that makes us confident, we do not expect to be able to offset the shortfall in sales incurred at the beginning of the current financial year 2021 in the further course of the year.

Against this background and based on these premises, the Managing Board of GERRY WEBER International AG projects Group revenues of between EUR 260 million and EUR 280 million for the fiscal year 2021 and intends to further improve the company's profitability in spite of the pandemic and the resulting uncertainties. Normalised consolidated EBITDA (excluding the effects of lease accounting under IFRS 16) is to be improved to a negative low double-digit million figure.

RISKS AND OPPORTUNITIES

The assessments made with regard to risks and opportunities have not changed materially since the publication of the 2020 Annual Report. Therefore please refer to pages 61 et seq. of the 2020 Annual Report.

CONSOLIDATED BALANCE SHEET

as of 30 June 2021

ASSETS

in KEUR	30 Jun. 2021	31 Dec. 2020
NON-CURRENT ASSETS		
Fixed assets		
Intangible assets	11,721	13,776
Rights of use	159,537	179,194
Property, plant and equipment	71,122	74,250
Financial assets	183	183
Deferred tax assets	2,506	2,080
	245,069	269,483
CURRENT ASSETS		
Inventories	51,776	46,702
Receivables and other assets		
Trade receivables	12,661	12,015
Other assets	18,223	18,176
Income tax receivables	1,582	1,388
Cash and cash equivalents	86,650	85,250
	170,892	163,531
Total Assets and Liabilities	415,961	433,014

LIABILITIES

in KEUR	30 Jun. 2021	31 Dec. 2020
EQUITY		
Subscribed capital	1,220	1,220
Capital reserve	858	858
Retained earnings	102	102
Exchange differences	-2,818	-2,952
Accumulated profits	32,750	56,906
	32,112	56,134
NON-CURRENT LIABILITIES		
Provisions for personnel	25	23
Other provisions	4,245	4,176
Financial liabilities	93,575	109,579
Liabilities from rights of use	134,670	151,023
Deferred tax liabilities	3,842	3,628
	236,357	268,429
CURRENT LIABILITIES		
Provisions		
Tax provisions	90	34
Provisions for personnel	6,575	5,411
Other provisions	17,958	19,477
Liabilities		
Financial liabilities	49,812	31,300
Trade liabilities	20,814	15,055
Liabilities from rights of use	29,007	30,398
Other liabilities	23,236	6,776
	147,492	108,451
Total Assets and Liabilities	415,961	433,014

CONSOLIDATED INCOME STATEMENT

for the period from 1 January 2021 to 30 June 2021

in KEUR	H1 2021	H1 2020
Continuing operations		
Sales revenues	107,653	140,541
Other operating income	1,940	5,658
Change in inventories	5,074	-800
Cost of materials	-45,463	-58,093
Personnel expenses	-30,144	-50,500
Depreciation / amortisation	-21,669	-26,283
Other operating expenses	-33,525	-37,672
Other taxes	-210	-187
Operating result	-16,344	-27,336
Financial result		
Interest income	0	1
Expenses from fair value measurement of financial liabilities	0	-1,500
Incidental bank charges	-187	-186
Financial expenses	-7,431	-5,314
	-7,618	-6,999
Results from ordinary activities	-23,962	-34,335
Taxes on income		
Taxes of the fiscal year	-406	-920
Deferred tax	212	1,076
	-194	156
Consolidated net loss for the year	-24,156	-34,179
Earnings per share (diluted and basic) related to		
Result from continuing operations (attributable to the parent company's shareholders)	-19.80	-28.01
Net loss for the period (attributable to the parent company's shareholders)	-19.80	-28.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January 2021 to 30 June 2021

in KEUR	H1 2021	H1 2020
Consolidated net loss for the year	-24,156	-34,179
Other comprehensive income		
Items that can be reclassified to the income statement		
Currency translation: changes in the amount recognised in equity		
Changes in the adjustment item from currency translation of foreign subsidiaries	134	-381
Cash flow hedges: changes in the amount recognised in equity		
Taxes on income		
Income taxes attributable to the components of other comprehensive income	0	0
	134	-381
Comprehensive income	-24,022	-34,560

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2021 to 30 June 2021

in KEUR	Subscribed capital	Capital reserve	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profits	Equity
1 Jan. 2021	1,220	858	103	0	-2,952	56,905	56,134
Equity component of convertible bonds	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0
Result from continuing operations	0	0	0	0	0	-24,156	-24,156
Other result from continuing operations	0	0	0	0	134	0	134
Comprehensive income	0	0	0	0	134	-24,156	-24,022
30 Jun. 2021	1,220	858	103	0	-2,818	32,749	32,112

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2021 to 30 June 2020

in KEUR	Subscribed capital	Capital reserve	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profits	Equity
1 Jan. 2020	1,025	10	103	0	-2,054	122,358	121,442
Equity component of convertible bonds	0	673	0	0	0	0	673
Capital increase	195	2	19	0	0	-20	-166
Result from continuing operations	0	0	0	0	0	-34,179	-34,179
Other result from continuing operations	0	0	0	0	-381	0	-381
Comprehensive income	0	0	0	0	-381	-34,179	-34,560
30 Jun. 2020	1,220	685	122	0	-2,435	88,159	87,751

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January 2021 to 30 June 2021

in KEUR	H1 2021	H1 2020
Operating result from continuing operations	-16,345	-27,336
Depreciation / amortisation	21,669	26,282
Non-cash expenses and income	0	1,625
Loss from the disposal of fixed assets and assets held for sale	17	138
Decrease/increase in inventories	-5,074	1,748
Increase in trade receivables	-646	-5,627
Decrease/increase in other assets not attributable to investment and financing activities	-667	8,407
Decrease in provisions	-285	-6,498
Increase in trade payables	5,759	3,777
Increase in other liabilities not attributable to investing and financing activities	16,942	741
Income tax refunds/payments	-406	-263
Cash inflows from operating activities	20,964	2,994
Income from loans	0	0
Interest received	0	0
Incidental bank charges	-187	-186
Interest paid	-3,862	-785
Cash inflows from current operating activities	16,915	2,023
Proceeds from the disposal of property, plant, equipment and intangible assets	0	0
Cash outflows for investments in property, plant and equipment	-1,631	-1,979
Proceeds from the disposal of financial assets	0	0
Cash outflows for investments in financial assets	0	0
Cash inflows/outflows from investing activities	-1,631	-1,979
Proceeds from borrowings	5,002	0
Proceeds from capital increase	0	195
Repayment of insolvency liabilities	-6,062	-10,879
Repayment of loans from the plan sponsors	0	-11,762
Repayment of liabilities relating to rights of use	-12,958	-21,864
Cash outflows/inflows from financing activities	-14,018	-44,310
Net change in cash and cash equivalents	1,266	-44,266
Exchange rate-related changes	134	-381
Cash and cash equivalents at the beginning of the fiscal year	67,750	126,929
Cash and cash equivalents at the end of the fiscal year	69,150	82,282
Composition of cash and cash equivalents		
Cash and cash equivalents	86,650	90,782
Current account liabilities	-17,500	-8,500
	69,150	82,282

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

GENERAL INFORMATION

Company data

GERRY WEBER International AG, headquartered at Neulehenstraße 8, D-33790 Halle/Westphalia, is a joint stock corporation under German law, which is registered with the Commercial Register of Amtsgericht Gütersloh under HRB 4779, whose shares are admitted to trading in the regulated market in the General Standard segment of the stock exchange in Frankfurt. It is the ultimate parent company of the Group.

The Group is divided into the "Retail" and "Wholesale" segments. The "Retail" segment comprises the company's own retail activities in the national and international Houses of GERRY WEBER and mono-label stores, the concession stores, the factory outlets and the online shops (e-commerce). The "Wholesale" segment comprises the wholesale activities of the Group's brands (GERRY WEBER, TAIFUN and SAMOON).

This interim report was prepared as a condensed interim report in accordance with the provisions of the International Financial Reporting Standards (IFRS) applicable as of 30 June 2021 and endorsed by the European Union. The interim report was prepared in accordance with IAS 34 ("Interim Financial Reporting"). Moreover, an interim management report was added to the interim financial statements. The prior year figures were determined using the same principles.

The consolidated financial statements are denominated in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR). The interim report was prepared on the basis of uniform Group accounting policies and on the basis of amortised historical cost.

The type of expenditure format was used for the income statement. In the income statement, the interim reporting period from 1 January 2021 to 30 June 2021 is compared with the period from 1 January 2020 to 30 June 2020. In the balance sheet, the amounts as of 30 June 2021 are compared with the amounts as of 31 December 2020.

Basis of consolidation

The consolidated financial statements include GERRY WEBER International AG as the parent company and 31 fully consolidated subsidiaries in Germany and abroad. In the period from 1 January 2021 to 30 June 2021, a total of 5 entities in Belgium were merged.

Accounting principles

The accounting and valuation methods used in the interim report are the same as those used in the consolidated financial statements for the period ended 31 December 2020. These accounting methods are explained in the consolidated financial statements for the period ended 31 December 2020.

To simplify reporting during the year, IAS 34.41 permits to make greater use of estimation methods and assumptions than in annual financial reports. The precondition for this is that all material financial information that is relevant to an understanding of the financial position or performance of the entity is appropriately disclosed.

To calculate income tax expenses, the estimated effective income tax rate of the current fiscal year is included in the determination of the tax expense during the year.

The first-time adoption of the following new or amended accounting standards which became effective at the beginning of the fiscal year did not have any material impact on the consolidated financial statements of GERRY WEBER International AG:

- Amendments to the framework for accounting: No direct amendments of the IFRS; however, the IASB and the IFRS IC will use the revised framework as the basis for the developments of future standards.
- Amendments to IAS 1 (“Presentation of Financial Statements”) and IAS 8 (“Accounting Policies, Changes in Accounting Estimates and Errors”): Clarification regarding the definition of materiality. No amendments to the contents of the materiality concept.
- Amendments to IFRS 3 (“Business Combinations”): Adjustments to the definition and application guidelines for the existence of a business operation.
- Amendments to IFRS 9 (“Financial Instruments”), IAS 39 (“Financial Instruments: Recognition and Measurement”) and IFRS 7 (“Financial Instruments: Disclosures”). Adjustments due to the reform of the reference interest rates; e.g. simplifications regarding the presentation of hedge accounting.

The COVID-19 pandemic generally represents an external impairment indicator according to IAS 36. Our analysis in this regard has shown that no additional impairments are necessary in these interim financial statements, as sufficient impairments were already recognised in prior periods.

Currency translation

The financial statements of the parent company are prepared in euros (EUR), which is also the functional currency. Foreign currency transactions in the separate financial statements of GERRY WEBER International AG and its subsidiaries are translated at the exchange rates prevailing at the time of the transaction. As at the balance sheet date, monetary items in foreign currency are shown at the closing rate. Translation differences resulting from the translation of the results and balance sheet items of all Group companies that have a functional currency other than the euro are recognised in the reserves for currency differences.

The table below shows the changes in the material exchange rates on which the currency translation is based and which have an influence on the consolidated financial statements:

Currencies		Closing rate		Average rate	
		30 Jun. 2021	31 Dec. 2020	1 Jan. 2021– 30 Jun.2021	1 Jan. 2020– 30 Jun. 2020
EUR 1 in					
Russia	RUB	86.77	91.47	89.61	76.68
USA	USD	1.19	1.23	1.21	1.10
China	CNY	7.67	8.02	7.80	7.75
Switzerland	CHF	1.01	1.08	1.09	1.06
Norway	NOK	10.17	10.47	10.18	10.74

Sales revenues

This item comprises revenues from the sale of products and services to customers less sales deductions. The breakdown of sales by business segments is explained in the segment report.

The COVID-19 pandemic and the resulting almost Europe-wide temporary closures of physical retail stores and the contact restrictions imposed had a significant impact on the fashion industry and the sales revenues generated in the reporting period.

Sales revenues include licensing fees in an amount of KEUR 201 (comparative period: KEUR 254) for the utilisation of the name rights.

Revenues are deemed to be realised once the service has been provided in full and control has passed to the buyer.

Sales revenues break down into KEUR 53,683 (comparative period: KEUR 78,727) generated in Germany and KEUR 53,970 (comparative period: KEUR 61,814) generated abroad.

Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net profit/loss for the year after taxes attributable to ordinary shareholders of GERRY WEBER International AG and the average number of shares outstanding during the period. The consolidated net profit/loss attributable exclusively to the shareholders of the parent company amounted to KEUR –24,156 (comparative period: KEUR –34,179).

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,220,238 shares were outstanding in the period from 1 January to 30 June 2021. The average number of shares outstanding in the comparative period was 1,030,393. As of 31 December 2020, the number of shares was 1,220,238,00.

For better comparability of the periods, earnings per share for the prior year period were calculated on the basis of the average number of shares in the reporting period.

Earnings per share amount to EUR –19.80 (comparative period: EUR –28.01).

Diluted and basic earnings are identical.

Segment report

For the purpose of segment reporting, the segments of the GERRY WEBER Group are defined by the Group's business activities pursuant to the management approach (IFRS 8).

Segment report by business segments

Reporting period 1 January to 30 June 2021:

in KEUR	GERRY WEBER Core-Wholesale	GERRY WEBER Core-Retail	Consolidation en- tries	Total
Sales by segments	46,724	60,929	0	107,653
Personnel expenses	9,166	20,978	0	30,144
EBITDA	2,548	3,154	-377	5,325
Depreciation / amortisation	3,291	18,378	0	21,669
EBIT	-743	-15,224	-377	-16,344
Assets	192,266	224,116	-421	415,961
Liabilities	181,101	203,204	-456	383,849
Investments in non-current assets	632	999	0	1,631
Number of employees (average)	331	1,934	0	2,265

Segment report by business segments

Comparative period 1 January to 30 June 2020:

in KEUR	GERRY WEBER Core-Wholesale	GERRY WEBER Core-Retail	Consolidation en- tries	Total
Sales by segments	65,961	74,580	0	140,541
Personnel expenses	13,900	36,600	0	50,500
EBITDA	941	-2,124	318	-866
Depreciation / amortisation	4,846	21,437	0	26,283
EBIT	-3,980	-23,675	318	-27,336
Assets	254,047	269,316	-5,439	517,925
Liabilities	224,166	211,416	-5,409	430,173
Investments in non-current assets	866	1,113	0	1,979
Number of employees (average)	410	2,217	0	2,627

Rights of use and liabilities from rental and lease agreements

As of 30 June 2021, rights of use under rental and lease agreements for retail stores of KEUR 159,284 (31 December 2020: KEUR 178,827) and leases for motor vehicles of KEUR 253 (31 December 2020: KEUR 367) were recognised.

The liabilities recognised in the balance sheet include the amortised liabilities from rental and lease agreements with a non-current portion of KEUR 134,670 (31 December 2020: KEUR 151,023) and a current portion of KEUR 29,007 (31 December 2020: KEUR 30,398).

The rental concessions contractually agreed up to the interim reporting date were recognised in income.

Inventories

in KEUR	30 Jun. 2021	31 Dec. 2020
Raw materials and supplies	20	20
Work in progress	2,038	4,862
Finished goods and merchandise	49,718	41,820
	51,776	46,702

Impairments in the amount of KEUR 26,750 (31 December 2020: KEUR 28,396) existed as of 30 June 2021. These primarily cover risks relating to recoverability in the context of the COVID-19 pandemic. Additional impairment losses may be required if the expectations regarding the marketing of seasonal goods that could not be sold in the context of the COVID-19 pandemic turn out to be much too optimistic.

Other assets (current)

Other assets in an amount of KEUR 18,223 (31 December 2020: KEUR 18,176) have a maturity of less than one year. Other assets comprise:

in KEUR	30 Jun. 2021	31 Dec. 2020
Financial assets		
Rent deposits	1,774	2,078
Supplier balances	768	702
	2,542	2,780
Non-financial assets		
Payments on account	7,471	8,101
Tax claims	3,350	4,704
Prepaid expenses	3,446	1,857
Other	1,414	734
	15,681	15,396
	18,223	18,176

Equity

Equity capital comprises the subscribed capital and the reserves of the Group. Based on an entry in the Commercial Register on 25 June 2020, the subscribed capital of GERRY WEBER International AG was increased by EUR 195,238.00 from EUR 1,025,000.00 to EUR 1,220,238.00. After deduction of 76 own shares held as at the balance sheet date, the subscribed capital amounted to EUR 1,220,162.00.

The nominal amount per share is EUR 1.

Financial liabilities (current and non-current)

This item primarily comprises liabilities to insolvency creditors as well as loans from insolvency plan sponsors. These are the following current and non-current liabilities:

in KEUR	Carrying amount 30 Jun. 2021	Carrying amount 31 Dec. 2020
Insolvency liabilities		
Bonds	33,486	38,487
Convertible bonds	1,832	1,832
GWI* cash quota	8,108	7,999
GWI* excess liquidity quota	9,603	9,447
GWR* cash quota and excess liquidity quota	1,906	7,309
Additional quotas	29,789	29,146
Interest on bonds	592	311
Provisions and adjustments	4,764	5,309
	90,080	99,840
Thereof current	31,617	13,800
Thereof non-current	58,463	86,040
Loans		
Long-term loan (incl. capitalised interest)	35,453	23,539
Revolving credit facility (incl. interest)	17,854	17,500
	53,307	41,039
Financial liabilities (total)	143,387	140,879

* GERRY WEBER International AG / GERRY WEBER Retail GmbH

The insolvency plan of GERRY WEBER International AG, which became legally effective in November 2019, had granted the groups of insolvency creditors of GERRY WEBER International AG certain options with regard to the type and time structure of the settlement of their claims; these options were exercised in the course of January 2020. These led to the issue of fixed-interest bonds with a nominal value of KEUR 30,128 and convertible bonds with a nominal value of KEUR 1,193 in the first half of 2020.

The fixed-interest bonds and the convertible bonds have a term from 15 June 2020 to 31 December 2023 and bear interest at a rate of 4.0% p.a. as well as 5.0% p.a. and 3.0%, respectively, from 1 January 2023 over the entire term until the conversion right is exercised.

As a consequence of the COVID-19 pandemic, individual agreements were reached with a large number of creditors from all insolvency creditor groups of GERRY WEBER International AG in April and May 2020 regarding the adjustment of their claims. Essentially, it was agreed that these creditors would defer 35.0% of their claims until 31 December 2023. As a result, the non-current portion of liabilities to insolvency creditors increased, while the current portion decreased. Depending on the amount of EBITDA achieved by the GERRY WEBER Group as of 31 December 2023, the deferring insolvency creditors will receive an additional 2.0% of their claim filed in the insolvency table. These amounts are shown with the amount of the excess liquidity quota.

Additional quotas were created for the insolvency creditors of GERRY WEBER International AG, e.g. for the future sale of the Ravenna Park logistics centre and the remaining 12.0% interest in HALLHUBER held by GERRY WEBER International AG. The fair value of the shares in HALLHUBER recognised under other financial assets was assumed to be zero instead of the previous KEUR 1,500 as insolvency proceedings were opened against the company's assets in July 2020. Correspondingly, the HALLHUBER additional quota was fully derecognised through profit and loss.

The following loans are available to GERRY WEBER International AG: KEUR 22,351 (long-term loan) and KEUR 17,500 (credit facility). The credit facility can be drawn on a revolving basis. At the end of the second quarter, the full amount of KEUR 17,500 was drawn. The current interest rate for the long-term loan is 12.0% p.a.; up to 8.0% thereof may be deferred until final maturity (PIK). The loan is accounted for using the effective interest method, taking into account a one-off amount of KEUR 2,496 deferred until 30 June 2024. The revolving credit facility has an interest rate of 8.0% p.a. and a commitment rate of 4.0% p.a. The long-term loan has a final maturity date of 31 December 2023. The revolving credit facility is limited until 31 December 2023.

In February 2021, bondholders of the company who hold a minimum of KEUR 100 and are entitled to lend to the company were given the opportunity to exchange their bonds plus an additional cash payment of at least KEUR 100 (equivalent to EUR 1 in cash per EUR 1 nominal amount of bonds participating in the exchange) for a participation of at least KEUR 200 in a new, secured credit facility. This exchange offer was accepted by the three largest shareholders of the company for a total bond amount of KEUR 5,002 to be exchanged. The associated cash payment in the same amount has been paid to the company. This exchange reduced the bonds by a total of KEUR 5,002 and increased the long-term loans by KEUR 10,004 in the first quarter of 2021.

Provisions (current)

In the context of the **restructuring**, provisions of KEUR 7,129 (previous year: KEUR 8,360) were recognised as of 30 June 2021.

As part of the GERRY WEBER Group's concept for the future, which has become necessary to master the coronavirus crisis, further measures to cut jobs have been agreed with the staff representatives and the competent trade union. Severance payments and payments to a transfer company agreed in this context were recognised as liabilities already in the consolidated financial statements for the previous year and continued to be recognised in the quarter under review.

The provisions for restructuring are composed as follows:

in KEUR	30 Jun. 2021	31 Dec. 2020
Social plan obligations	1,300	2,188
Expected dismantling and compensation payments for store closures and redemption of landlord liens	489	510
Litigation costs	5,340	5,662
	7,129	8,360

Other liabilities

in KEUR	30 Jun. 2021	31 Dec. 2020
Financial liabilities		
Liabilities to customers	1,324	1,374
	1,324	1,374
Non-financial liabilities		
Advance payments of public grants	12,000	0
Other taxes (especially wage and turnover tax)	4,848	1,945
Customer vouchers, bonus cards and goods on return	1,895	327
Social security	822	527
Deferred income	479	500
Liabilities to personnel	240	632
Other liabilities	1,628	1,471
	21,912	5,402
	23,236	6,776

Notes to the cash flow statement

As of 30 June 2021, cash funds consisted exclusively of cash and cash equivalents less liabilities payable on demand.

Financial instruments

The table below shows the carrying amounts and the fair values by class of financial instrument and the carrying amounts in accordance with IFRS 9 measurement categories as of 30 June 2021 and 31 December 2020.

in KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 30 Jun. 2021	Carrying amount	For information: fair value	Recognised in profit or loss (net profit/loss for the year)	Not recognised in profit or loss (other comprehensive income)
Non-current financial assets				
Loans	177	177		
Equity instruments			6	
Current financial assets				
Trade receivables	12,661	12,661		
Other financial assets	2,542	2,542		
Cash and cash equivalents	86,650	86,650		
	102,030	102,030	6	0
Non-current liabilities				
Financial liabilities	93,575	93,575		
Other liabilities	–	–		
Current liabilities				
Financial liabilities	49,812	49,812		
Trade liabilities	20,814	20,814		
Other liabilities	1,324	1,324		
	165,525	165,525	0	0

in KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 31 Dec. 2020	Carrying amount	For information: fair value	Recognised in profit or loss (net profit/loss for the year)	Not recognised in profit or loss (other comprehensive income)
Non-current financial assets				
Loans	178	178		
Equity instruments			6	
Current financial assets				
Trade receivables	12,015	12,015		
Other financial assets	2,780	2,780	0	
Cash and cash equivalents	85,250	85,250		
	100,223	100,223	6	0
Non-current liabilities				
Financial liabilities	109,579	109,579		
Other liabilities	–	–		
Current liabilities				
Financial liabilities	31,300	31,300		
Trade liabilities	15,055	15,055		
Other liabilities	1,374	1,374		
	157,308	157,308	0	0

The assignment of the financial instruments measured at fair value to one of the three levels of the fair value hierarchy can be seen from the table "Carrying amounts and fair values by measurement categories".

The fair value of the financial assets and liabilities measured at amortised cost is also shown in the table above. It is assumed that the fair value approximates the carrying amount. For current assets and liabilities, this assumption is based on their short maturity. Where non-current financial liabilities are concerned, the interest on debt capital has not changed materially since the last fair value measurement (date of initial recognition and/or measurement in connection with the insolvency in the previous year).

Material transactions with related parties

The revolving credit facility of EUR 17.5 million granted by the plan sponsors was fully utilised in the reporting period.

On 18 February 2021, GERRY WEBER International AG secured additional liquidity of around EUR 5 million under a new secured credit facility. Bondholders of the company who hold a minimum of EUR 100,000 (nominal amount or redemption amount) and are entitled to lend to the company were offered the opportunity until 10 March 2021 to exchange their bonds plus an additional cash payment of at least EUR 100,000 (equivalent to EUR 1 in cash per EUR 1 nominal amount or redemption amount of bonds participating in the exchange) for a participation of at least EUR 200,000 in the credit facility. This exchange offer was accepted by the three largest shareholders of the company for a total bond amount of EUR 5,001,826.10 to be exchanged. The associated additional cash payment in the same amount has been paid to the company.

Post balance sheet events

No reportable events occurred after the balance sheet date.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report provides a true and fair view of the business trend including the results and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Halle/Westphalia, 11 August 2021



Alexander Gedat



Angelika Schindler-Obenhaus



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FINANCIAL CALENDAR

Virtual Annual General Meeting 2021	19 Aug. 2021
Publication nine month report 2021	22 Nov. 2021

This interim financial report should be read together with our Annual Report for the fiscal year 2020 (ended 31 December 2020). The Annual Report includes a comprehensive presentation of our business activities as well as explanations of the key financial performance indicators used.

Forward-looking statements

The present report contains forward-looking statements based on current assumptions and forecasts made by the Managing Board of GERRY WEBER International AG. These in turn are based on the information available to the Managing Board at the time of completion of this report. Various known and unknown risks, uncertainties and other factors may lead to the actual business trend, results and financial position of GERRY WEBER International AG and the GERRY WEBER Group deviating from the assessment provided below. The forward-looking statements should not be understood as guarantees of the developments mentioned therein. GERRY WEBER International AG does not assume any obligation beyond the statutory publication requirements to update the forward-looking statements contained in this report and to adjust them to future events or developments.

GERRY WEBER

I LIVE MY STYLE.

GERRY WEBER International AG

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