

GERRY WEBER

I LIVE MY STYLE.

QUARTERLY STATEMENT
FOR THE FIRST NINE MONTHS OF THE FISCAL YEAR 2020

GERRY WEBER

IN FIGURES

in EUR million	01.01.2020–30.09.2020	01.01.2019–30.09.2019
Sales by regions	227.1	367.5
Germany	125.1	207.4
Abroad	102.0	160.1
Sales by segments	227.1	367.5
GERRY WEBER Core Wholesale	104.2	157.6
GERRY WEBER Core Retail	122.9	209.9
Sales split by brands		
GERRY WEBER	71.0%	71.4%
TAIFUN	21.8%	22.1%
SAMOON	7.2%	6.5%
Earnings key figures		
Gross profit	137.0	206.7
Gross profit margin	60.3%	56.2%
EBITDA	15.6	43.3
EBITDA margin	6.9%	11.8%
EBIT	-22.2	-130.2
EBIT margin	-9.8%	-35.4%
Net profit/loss for the period	-32.2	-256.0
Total assets	458.1	580.7**
Debt capital	369.1	459.2**
Equity ratio	19.4%	20.9%**
Investments	2.4	3.3
Net financial liabilities	47.7	20.9**
Number of employees*	2,562	5,063

* Average number of employees in the respective period (1 Jan.–30 Sep. 2020 and 1 Apr.–31 Dec. 2019, respectively)

** As of 31 December 2019

GERRY WEBER

PROFILE

GERRY WEBER International AG, headquartered in Halle/Westphalia, operates on a global scale and unites three strong fashion brands under a single roof: GERRY WEBER, TAIFUN and SAMOON. Our brands stand for high-quality, trend-oriented fashion and accessories for demanding and quality-conscious customers. All our brands highlight the wearer's individual style in their own unique way. Founded in 1973 and listed at the Frankfurt Stock Exchange, GERRY WEBER International AG has grown into one of the best know fashion and lifestyle companies. GERRY WEBER Group is one of the largest fashion companies in Germany.

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INTRODUCTION

The consolidated financial statements for the first nine months have been prepared in accordance with the IFRS applicable to interim financial reporting as published by the IASB and endorsed by the EU.

The quarterly statement should be read together with our Annual Report for the stub fiscal year 2019 (ended 31 December 2019). The Annual Report includes a comprehensive presentation of our business activities as well as explanations of the key financial performance indicators used.

The present quarterly statement 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 quarterly statement. 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 quarterly statement and to adjust them to future events or developments.

BUSINESS PERFORMANCE

The business performance of GERRY WEBER International AG (GERRY WEBER, GWI) and the Group it runs in the first nine months of 2020 was strongly influenced by the global spread of the coronavirus pandemic (COVID-19). To contain the pandemic, almost all of our points of sale were closed from mid-March 2020 on official instructions. Extrapolated to the full year, this leads to an irretrievable shortfall in sales revenues of around EUR 100 million for GERRY WEBER. All stores were successively reopened as of May 2020. As expected, customer footfall is lower than before the start of COVID-19, but the conversion rate and sales per customer as well as revenues in the online segment rose – each starting from low levels.

Immediately after the effects of COVID-19 became visible in spring 2020, we worked to develop a comprehensive concept for the future for GERRY WEBER. Besides the partial deferral of claims by our creditors, which has now taken place to a large extent, the concept for the future provided for over 200 jobs to be cut. To this end, the corresponding social plans and reconciliations of interests as well as collective restructuring agreements have been concluded with the staff representatives and the competent trade union. Moreover, contracts with business partners and suppliers have been renegotiated with the aim of securing the company's liquidity. GERRY WEBER's plan sponsors have also made substantial contributions, including an increase in the working capital line. The concept for the future has already been implemented in large parts during the reporting period. This concept does not include a programme for the closure of further retail spaces. However, the programme provides for further concessions to be made by the landlords as we are working flat out to implement them.

The latest developments until the end of November 2020 suggest that the adverse influences of COVID-19 on the overall economic environment will continue at least until into 2021, which will also affect GERRY WEBER's business.

Furthermore, we would like to point out that a comparison of the first nine months of 2020 with the first nine months of 2019 is possible only to a limited extent, as, during the better part of 2019, GWI was in insolvency proceedings with debtor-in-possession status, first provisionally and then regularly as of 1 April 2019. The proceedings were successfully concluded on 31 December 2019. During and after the proceedings, we significantly restructured our business, which, on balance, led to the closure of 205 company-managed points of sale in Germany and abroad, which reduced the total number of POS to 593 as of 30 September 2020 (31 March 2019: 798). Compared with 30 June 2020, five company-managed points of sale were opened on balance, four of which are concession stores in the Netherlands. Moreover, the number of franchised wholesale spaces declined by 422 to 2,015 during the period from 31 March 2019 to 30 September 2020 (31 March 2019: 2,437). Naturally, the store closures and losses had a massive impact on sales revenues in the reporting period.

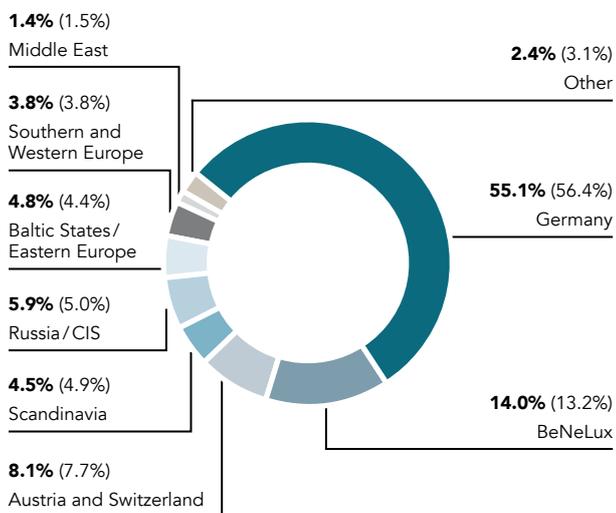
EARNINGS POSITION

Sales performance

Group sales revenues:

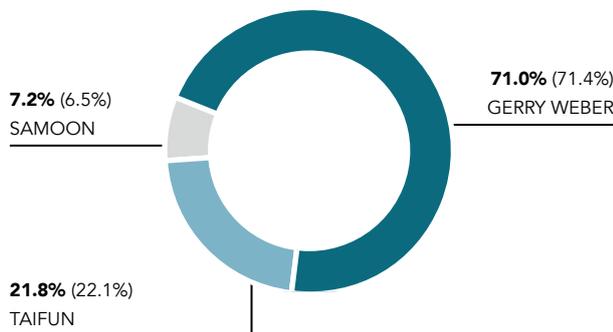
- Noticeable decline in revenues by a good 38% to EUR 227.1 million, down from EUR 367.5 million in the first nine months of 2019
- Market environment for the textile retail trade remains weak; Pedestrian frequencies in German retail significantly below previous year due to the pandemic, depending on business locations more than minus 40% according to TextilWirtschaft
- Massive COVID-19 impact of around EUR 73 million during the reporting period
- Year-on-year decline in revenues also attributable to store closures and losses caused by the restructuring

Breakdown of revenues by regions as of 30.09.2020 *



* Prior-year period in brackets

Breakdown of revenues by brand families as of 30.09.2020 *



* Prior-year period in brackets

Earnings position

- The reduction in gross profit resulting from COVID-19 and the store closures slowed down from minus 42.2% to minus 33.7% in the first nine months compared to the first half of 2020 to EUR 137.0 million in absolute terms (previous year: EUR 206.7 million); accordingly, the gross profit margin improved by 4.1 percentage points to 60.3%, up from 56.2% in the first nine months of 2019 thanks to the reduced cost of materials and clearly lower inventory changes
- Influenced by COVID-19 and lower revenues resulting from the loss of POS, earnings before interest, taxes, depreciation and amortisation (EBITDA) declined to EUR 15.6 million (previous year: EUR 43.3 million); successful restructuring in personnel expenses (EUR 70.9 million, down from EUR 93.4 million in the previous year) brings noticeable relief
- The effects of COVID-19 alone on gross profit in the first nine months of 2020 are estimated at around EUR 44 million
- Consolidated net income for the period at EUR -32.2 million (previous year: EUR -256.0 million), compared to EUR -34.2 million in H1 2020; consequently, we performed a positive net income in the third quarter

SEGMENT REPORT

Based on its internal controlling and reporting structure, the GERRY WEBER Group divides its business model into two segments, "Wholesale" and "Retail". The "Wholesale" and "Retail" segments comprise the business activities of the GERRY WEBER, TAIFUN and SAMOON brands. 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 Wholesale segment

- Revenues down to EUR 104.2 million (previous year: EUR 157.6 million) primarily due to COVID-19
- EBITDA declined to EUR 5.3 million (previous year: EUR 29.6 million)
- EBIT improved to EUR -1.7 million (previous year: EUR -24.3 million) as a result of lower depreciation and amortisation than in the previous year; prior year depreciation/amortisation mostly insolvency-related

GERRY WEBER Retail segment

- Revenues down to EUR 122.9 million (previous year: EUR 209.9 million) primarily due to COVID-19 and store closures
- Like-for-like revenues down to EUR 94.1 million (previous year: EUR 142.8 million)
- EBITDA down to EUR 9.8 million (previous year: EUR 13.7 million) due to lower personnel expenses of EUR 52.3 million (previous year: EUR 73.7 million)
- EBIT improved to EUR -20.9 million (previous year: EUR -106.0 million), also as a result of lower depreciation and amortisation than in the previous year; prior year depreciation/amortisation mostly insolvency-related

The GERRY WEBER Retail segment also comprises the **online sales** of the GERRY WEBER, TAIFUN and SAMOON brands on our own platform.

- Online business continued to grow at low level and generated EUR 19.2 million in revenues (previous year: EUR 18.3 million)
- Share of online revenues in total Group revenues increased to 8.6% (previous year: 5.1%) due to constant improvement of online shops, more and intensified marketplace partnerships and lower revenues from physical stores (COVID-19 and loss of space)

Online revenues of the GERRY WEBER Group (9M):

in EUR million	2020	2019
GERRY WEBER Retail	15.8	15.7
GERRY WEBER external platforms	3.4	2.6
Consolidated online revenues	19.2	18.3

NET WORTH AND FINANCIAL POSITION

- Total assets down to EUR 458.1 million (31 December 2019: EUR 580.7 million). This decline is due, on the one hand, to the further development of rights of use from rental and lease obligations and of the related liabilities and, on the other hand, to the partial repayment of financial liabilities to insolvency creditors and plan sponsors and the associated decline in cash and cash equivalents on the assets side
- High impairment of inventories (EUR 18.5 million; end of previous year: EUR 21.3 million) due to COVID-19 (lack of sales opportunities due to officially ordered store closures); inventories amount to EUR 66.0 million (end of previous year: EUR 65.1 million)
- Cash and cash equivalents stand at EUR 74.3 million as of 30 September 2020 (end of previous year: EUR 126.9 million), of which EUR 21.3 million is in escrow accounts (restricted for servicing insolvency liabilities)

- Equity down to EUR 89.0 million (end of previous year: EUR 121.4 million) due to the loss incurred in the first nine months of the year
- Non-current liabilities at EUR 270.0 million (end of previous year: EUR 277.7 million); these mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 154.1 million (end of previous year: EUR 194.9 million) and loans from plan sponsors of EUR 22.4 million (end of previous year: EUR 34.2 million)
- Due to the execution of the insolvency plan and subsequent individual contractual adjustments, non-current liabilities to insolvency creditors climb from EUR 39.4 million (end of previous year) to EUR 85.2 million
- As part of the restructuring, a total of EUR 10.9 million for social plan and severance obligations, store closures and other expected costs is included in current personnel and other provisions as of 30 September 2020
- Due to the execution of the insolvency plan and subsequent individual contractual adjustments, current liabilities to insolvency creditors decline from EUR 74.2 million (end of previous year) to EUR 13.9 million
- Current liabilities from rights of use at EUR 31.5 million (end of previous year: EUR 43.0 million)
- As of 30 September 2020, current liabilities totalled EUR 99.0 million (end of previous year: EUR 181.5 million)
- Cash flow from operating activities accelerates from only EUR 3.0 million in first half of 2020 to EUR 13.0 million (previous year: EUR 64.5 million); reporting period clearly influenced by decline in revenues resulting from the COVID-19 pandemic; prior year period influenced by insolvency effects
- Cash outflow from investing activities at EUR 2.4 million (previous year: EUR 4.3 million)
- Net cash outflow from financing activities at EUR 60.1 million (previous year: EUR 31.7 million), essentially related to the repayment of liabilities regarding rights of use, servicing of the insolvency plan and repayment of loans from plan sponsors

OUTLOOK

We have not materially changed our forecast for 2020 since the publication of our Annual Report for the year ended 31 December 2019, as the expected impact of COVID-19 on GERRY WEBER's revenues and earnings had already been taken into account at that time. The effects of the second lockdown ordered by the authorities from November 2020 on in Germany, which will not result in immediate store closures, but will reduce customer footfall in our stores and points of sale, did not affect our forecast. Not even the closures ordered by the authorities in Europe, especially in Belgium and Austria, have prompted us to adjust our forecast. Therefore please refer to the forecast in the 2019 Annual Report on pages 60 et seq.

RISKS AND OPPORTUNITIES

The assessments of risks and opportunities have not changed materially since the publication of the 2019 Annual Report. They are also presented there in detail on pages 60 et seq., in particular on pages 62 et seq. Therefore please refer to the 2019 Annual Report. Against the background of COVID-19 and the above-mentioned concept for the future, we expressly point out that the successful implementation of this concept depends on the realisation of rent savings totalling around EUR 10 million. By the time the present statement was completed, negotiations on these rent savings, which relate to the current fiscal year and the next two years, had not yet been concluded. Although we continue to address these savings with great determination, a final assessment is not possible yet.



GERRY WEBER

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CONSOLIDATED INCOME STATEMENT

for the first nine months of 2020

in KEUR	9M 2020	9M 2019
Continuing operations		
Sales revenues	227,072	367,497
Other operating income	8,696	35,708
Change in inventories	2,029	-28,850
Cost of materials	-92,121	-131,971
Personnel expenses	-70,907	-93,458
Depreciation / amortisation	-37,725	-173,514
Other operating expenses	-58,935	-105,445
Other taxes	-274	-197
Operating result	-22,165	-130,230
Financial result		
Income from fair value measurement of financial liabilities	0	1
Interest income	4	614
Expenses from fair value measurement of financial assets	-1,500	0
Incidental bank charges	-359	-571
Financial expenses	-8,256	-8,809
	-10,111	-8,765
Results from ordinary activities	-32,276	-138,995
Taxes on income		
Taxes of the fiscal year	-932	-1,250
Deferred Tax	1,022	-14,425
	90	-15,675
Result from continuing operations	-32,186	-154,670
Result from discontinued operations attributable to the owners of the parent company	0	-101,332
Consolidated net loss for the year	-32,186	-256,002
Earnings per share in EUR (basic/diluted) from continuing operations (attributable to the parent company's shareholders)		
	-29.41	-141.33
Total earnings per share in EUR (basic/diluted) (attributable to the parent company's shareholders)		
	-29.41	-233.93

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the first nine months of 2020

in KEUR	9M 2020	9M 2019
Consolidated net loss for the year	-32,186	-256,002
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	-1,122	312
Cash flow hedges: changes in the amount recognised in equity		
Changes in the fair value of derivatives used for hedging purposes	0	-358
Taxes on income		
Income taxes attributable to the components of other comprehensive income	0	108
	-1,122	62
Comprehensive income	-33,308	-255,940

CONSOLIDATED BALANCE SHEET

as of 30 September 2020

ASSETS

in KEUR	30.09.2020	31.12.2019
NON-CURRENT ASSETS		
Fixed assets		
Intangible assets	17,221	20,136
Rights of use	184,042	236,024
Property, plant and equipment	73,196	80,474
Financial assets	222	221
Deferred tax assets	1,321	2,083
	276,002	338,938
CURRENT ASSETS		
Inventories	66,029	65,065
Receivables and other assets		
Trade receivables	24,825	14,715
Other assets	15,669	33,696
Income tax receivables	1,232	1,324
Cash and cash equivalents	74,301	126,929
	182,056	241,729
Total Assets and Liabilities	458,058	580,667

LIABILITIES

in KEUR	30.09.2020	31.12.2019
EQUITY		
Subscribed capital	1,220	1,025
Capital reserve	685	10
Retained earnings	122	103
Exchange differences	-3,176	-2,054
Accumulated profits	90,152	122,358
	89,003	121,442
NON-CURRENT LIABILITIES		
Provisions for personnel	124	163
Other provisions	4,249	4,069
Financial liabilities	108,052	73,622
Liabilities from rights of use	154,107	194,901
Deferred tax liabilities	3,505	4,925
	270,037	277,680
CURRENT LIABILITIES		
Provisions		
Tax provisions	104	64
Provisions for personnel	8,134	7,090
Other provisions	20,401	31,552
Liabilities		
Financial liabilities	13,918	74,187
Trade liabilities	18,419	14,090
Liabilities from rights of use	31,520	42,953
Other liabilities	6,522	11,609
	99,018	181,545
	369,055	459,225
Total Assets and Liabilities	458,058	580,667

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first nine months of 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	196
Result from continuing operations	0	0	0	0	0	-32,186	-32,186
Result from discontinued operations	0	0	0	0	0	0	0
Other result from continuing operations	0	0	0	0	-1,122	0	-1,122
Comprehensive income	0	0	0	0	-1,122	-32,186	-33,308
30 Sep. 2020	1,220	685	122	0	-3,176	90,152	89,003

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. 2019	45,508	102,387	225,779	250	-2,357	-125,719	245,848
Result from continuing operations	0	0	0	0	0	-154,670	-154,670
Result from discontinued operations	0	0	0	0	0	-101,332	-101,332
Other result from continuing operations	0	0	0	-250	312	0	62
Comprehensive income	0	0	0	-250	312	-256,002	-255,940
30 Sep. 2019	45,508	102,387	225,779	0	-2,045	-381,721	-10,092

CONSOLIDATED CASH FLOW STATEMENT

for the first nine months of 2020

in TEUR	9M 2020	9M 2019
Operating result from continuing operations	-22,165	-130,230
Operating result from discontinued operations	0	-111,600
Depreciation / amortisation	37,725	263,414
Non-cash expenses and income	1,625	0
Loss from the disposal of fixed assets and assets held for sale	150	1,012
Decrease in inventories	-964	32,408
Decrease/increase in trade receivables	-10,110	-9,933
Decrease/increase in other assets not attributable to investment and financing activities	16,527	-58,674
Decrease in provisions	-9,966	-9,732
Increase in trade payables	4,329	74,494
Increase in other liabilities not attributable to investing and financing activities	-3,699	13,756
Income tax refunds / payments	-433	-410
Cash inflows from operating activities	13,019	64,505
Interest received	0	615
Incidental bank charges	-359	-571
Interest paid	-1,695	-3,476
Cash inflows from current operating activities	10,965	61,073
Cash outflows for investments in property, plant, equipment and intangible assets	-2,366	-4,343
Cash outflows from investing activities	-2,366	-4,343
Proceeds from capital increase	195	0
Repayment of insolvency liabilities	-18,775	0
Repayment of loans from the plan sponsors	-11,401	0
Repayment of liabilities relating to rights of use	-30,124	-31,698
Cash outflows from financing activities	-60,105	-31,698
Net change in cash and cash equivalents	-51,506	25,032
Exchange rate-related changes	-1,122	312
Cash and cash equivalents at the beginning of the fiscal year	126,929	55,996
Cash and cash equivalents at the end of the fiscal year	74,301	81,340
Composition of cash and cash equivalents:		
Cash and cash equivalents (continuing operations)	74,301	81,340
Cash and cash equivalents (discontinued operations)	0	0
Current account liabilities (continuing operations)	0	0
Current account liabilities (discontinued operations)	0	0
	74,301	81,340

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 SEPTEMBER 2020

A. GENERAL INFORMATION

Company data

GERRY WEBER International AG, headquartered at 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). The prior year period additionally includes the "Hallhuber" segment, which is presented as a discontinued operation due to a call option agreed in February 2019 and exercised in July 2019.

This quarterly statement was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) applicable as of 30 September 2020 and endorsed by the European Union. The quarterly statement was prepared in accordance with IAS 34. 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 quarterly statement 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 reporting period from 1 January 2020 to 30 September 2020 is compared with the period from 1 January 2019 to 30 September 2019. In the balance sheet, the amounts as of 30 September 2020 are compared with the amounts as of 31 December 2019.

Basis of consolidation

The consolidated financial statements include GERRY WEBER International AG as the parent company and 37 fully consolidated subsidiaries in Germany and abroad. No changes in the basis of consolidation occurred in the period from 1 January 2020 to 30 September 2020.

Accounting principles

The accounting and valuation methods used in the quarterly statement are the same as those used in the consolidated financial statements for the period ended 31 December 2019. These accounting methods are explained in the consolidated financial statements for the period ended 31 December 2019.

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 this quarterly statement, 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		
	30.09.2020	31.12.2019	01.01.2020– 30.09.2020	01.01.2019– 30.09.2019	
1 EUR in					
Russia	RUB	91.77	70.28	79.89	73.10
USA	USD	1.17	1.11	1.12	1.12
China	CNY	7.97	7.78	7.86	7.71
Switzerland	CHF	1.08	1.10	1.07	1.12
Norway	NOK	11.10	10.08	10.71	9.77

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 483 (comparative period: KEUR 651) 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 125,058 (comparative period: KEUR 207,439) generated in Germany and KEUR 102,014 (comparative period: KEUR 160,059) 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 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 –32,186 (comparative period: KEUR –256,002).

Each share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,094,370 shares were outstanding in the period from 1 January to 30 September 2020. The average number of shares outstanding in the comparative period was 45,507,715. As of 31 December 2019, the number of shares was 1,025,000.

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 from continuing operations stand at EUR –29.41 (comparative period: EUR –141.33). Total earnings per share amount to EUR –29.41 (comparative period: EUR –233.93). Diluted and basic earnings are identical.

No dividend was paid in the reporting period and in the comparative period.

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).

Reporting period 1 January to 30 September 2020:

in KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidated entries	Total
Sales by segment	104,215	122,857	0	0	227,072
Personnel expenses	18,650	52,257	0	0	70,907
EBITDA	5,301	9,835	0	424	15,560
Depreciation of property, plant and equipment	6,979	30,746	0	0	37,725
EBIT (Earnings before Interest and Tax)	-1,678	-20,911	0	424	-22,165
Assets	226,577	234,725	0	-3,244	458,058
Liabilities	185,905	186,364	0	-3,214	369,055
Investments in non-current assets	971	1,395	0	0	2,366
Number of employees (on average)	389	2,173	0	0	2,562

Reporting period 1 January to 30 September 2019:

in KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidated entries	Total
Sales by segment	157,646	209,851	0	0	367,497
Personnel expenses	19,768	73,690	0	0	93,458
EBITDA	29,571	13,686	0	27	43,284
Depreciation of property, plant and equipment	53,847	119,667	0	0	173,514
EBIT (Earnings before Interest and Tax)	-24,276	-105,981	0	27	-130,230
Assets*	253,915	325,252	1,500	0	580,667
Liabilities*	174,995	288,516	0	-4,286	459,225
Investments in non-current assets	1,462	1,789	0	0	3,251
Number of employees (on average)*	484	2,876	1,703	0	5,063

* As of 31 December 2019 (average number of employees in the stub fiscal year 2019)

Rights of use and liabilities from lease agreements

The new accounting standard IFRS 16 for lease agreements had to be adopted for the first time in the stub fiscal year from 1 April 2019 to 31 December 2019. In the income statement of this interim report, the comparative period from 1 January to 30 September 2019 was adjusted accordingly with effect from 1 January 2019.

As of 30 September 2020, rights of use under rental and lease agreements for retail stores of KEUR 183,550 (31 December 2019: KEUR 235,349) and leases for motor vehicles of KEUR 492 (31 December 2019: KEUR 675) 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 154,107 (31 December 2019: KEUR 194,901) and a current portion of KEUR 31,520 (31 December 2019: KEUR 42,953).

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

Inventories

in KEUR	30.09.2020	31.12.2019
Raw materials and supplies	1,579	2,644
Work in progress	5,499	7,297
Finished goods and merchandise	61,951	55,124
	66,029	65,065

Impairments in the amount of KEUR 18,504 (31 December 2019: KEUR 21,297) existed as of 30 September 2020. These primarily cover risks relating to recoverability in the context of the COVID-19 pandemic (30 September 2020) and to the restructuring (31 December 2019). 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 15,669 (31 December 2019: KEUR 33,696) have a maturity of less than one year. Other assets comprise:

in KEUR	30.09.2020	31.12.2019
Financial assets		
Supplier balances	3,904	3,767
Rent receivables	1,782	1,723
Shares in Hallhuber	0	1,500
	5,686	6,990
Non-financial assets		
Payments on account	3,138	14,644
Tax claims	2,630	5,331
Prepaid expenses	2,522	5,258
Other	1,693	1,473
	9,983	26,706
	15,669	33,696

The fair value of the shares in Hallhuber reported under other current financial assets in the consolidated financial statements for the period ended 31 December 2019 was assumed to be zero as insolvency proceedings were opened in July 2020.

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. A premium of EUR 1,952.38 was allocated to the capital reserve. The cost of funding of EUR 612.36 was deducted from the capital reserve.

The insolvency plan of GERRY WEBER International AG granted the insolvency creditors various options for settling their insolvency claims. The creditors exercised their options in the course of January 2020. Among other things, creditors chose to subscribe to convertible bonds. The equity share of KEUR 673 contained therein was allocated to the capital reserve.

Financial liabilities (current and non-current)

This item includes primarily the liabilities to insolvency creditors and loans from the insolvency plan sponsors. These consist of following current and non-current items:

in KEUR	30.09.2020	31.12.2019
Insolvency liabilities		
Straight Bonds	38,487	38,186
Convertible Bonds	1,832	1,808
GWI Insolvency Cash Quota	7,911	21,099
GWI Excess Liquidity Quota	9,369	11,595
GWR* Cash Quota and Excess Liquidity Quota	7,228	6,994
Additional Quota	28,825	29,317
Provisions and adjustments	5,488	4,611
	99,140	113,610
Loans		
Term loan facility	22,351	34,200
Accrued interest term loans	447	0
Super Senior Revolving Facility	0	0
	22,798	34,200
Advance payments	32	0
	121,970	147,810

* GERRY WEBER Retail (former Gerry Weber Retail GmbH & Co. KG)

The insolvency plan of GERRY WEBER International AG, which became legally effective in November 2019, had granted the groups of insolvency creditors 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 total nominal value of KEUR 30,128 and convertible bonds with a nominal value of KEUR 1,193 in the first half of 2020.

Furthermore, the GERRY WEBER International AG have liabilities to insolvency creditors of KEUR 58,820. These liabilities are given as present value, discounted at a rate of 4.5% annually compounding on an Act/365 Basis. KEUR 13,886 of the liabilities to creditors have a remaining maturity of less than one year.

As a consequence of the COVID-19 pandemic, individual agreements were reached with a large number of creditors in April and May 2020 regarding the adjustment of their claims. Essentially, it was agreed that these creditors would defer 35 percent 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. Therefore, an exit kicker of 2% based on the insolvency claim and based on EBITDA targets was negotiated with maturity date of 2024. These amounts are shown in the Excess Liquidity Quota of 30 September 2020.

Additional quotas were created for the insolvency creditors of GERRY WEBER International AG, e.g. in the form of the future sale of the Ravenna Park logistics center and the 12% remaining interest in Hallhuber held by GERRY WEBER International AG. The fair value of the shares in Hallhuber recognized under other financial assets in the amount of KEUR 1,500 as of 31 December 2019 was reduced from KEUR 1,500 to zero as insolvency proceedings were opened in July 2020 against the company's assets. Correspondingly, the "Hallhuber" additional quota was fully derecognized through profit and loss.

In addition to redemption payments of KEUR 18,767 and the equity portion of the convertible bonds of KEUR 673, expenses from interest accrual of KEUR 2,000 and other expenses of KEUR 2,971 from value adjustments were recognized in profit or loss in the reporting period ended 30 September 2020.

The following loans are available to the GERRY WEBER International AG: KEUR 22,351 (Term Loan Facility) and KEUR 17,500 (Super Senior Revolving Facility). The Super Senior Revolving Facility may be drawn on a revolving basis. No use was made of the credit facility as at the end of the reporting period. The current interest rate for the Term Loan Facility is 12.00% p.a. of which up to 8.00% p.a. may be capitalized (PIK). The Super Senior Revolving Facility has an interest rate of 8.00% p.a. and a commitment fee of 4.00% p.a. Both facilities end on 31 December 2023.

Provisions 30 September 2020 and 31 December 2019 (current)

In the context of the **restructuring**, provisions of KEUR 10,892 (previous year: KEUR 21,953) were recognised as of 30 September 2020.

As part of the GERRY WEBER Group's concept for the future, which has become necessary to master the COVID-19 crisis, further measures to cut jobs have been agreed with the staff representatives and the competent trade union. Severance payments and payments to an interim employment company agreed in this context have been taken into account in the consolidated financial statements for the period ended 30 September 2020.

Provisions for restructuring are reported under other provisions and current provisions for personnel and are made up as follows:

in KEUR	30.09.2020	31.12.2019
Interim employment company	2,233	1,617
Severance payment obligations (included in current provisions for personnel)	1,854	3,309
Expected dismantling and compensation payments for store closures and redemption of landlord liens	1,036	935
Litigation costs	5,669	15,576
Miscellaneous	100	516
	10,892	21,953

Other liabilities

in KEUR	30.09.2020	31.12.2019
Financial liabilities		
Liabilities to customers	686	877
	686	877
Non-financial liabilities		
Other taxes (especially wage and turnover tax)	2,414	4,117
Social security	1,098	2,923
Customer vouchers, bonus cards and goods on return	938	1,104
Liabilities to personnel	585	475
Deferred income	558	532
Other liabilities	243	1,581
	5,836	10,732
	6,522	11,609

Notes to the cash flow statement

As of 30 September 2020, 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 instruments and the carrying amounts in accordance with IFRS 9 measurement categories as of 30 September 2020 and 31 December 2019.

in KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
	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)
Financial instruments as of 30 Sep. 2020				
Non-current financial assets				
Loans	178	178		
Equity instruments			44	
Current financial assets				
Trade receivables	24,824	24,824		
Other financial assets	5,686	5,686		
Cash and cash equivalents	74,301	74,301		
	104,989		44	0
Non-current liabilities				
Financial liabilities	108,052	108,052		
Liabilities from rental and lease agreements	154,107	–		
Current liabilities				
Financial liabilities	13,918	13,918		
Liabilities from rental and lease agreements	31,520	–		
Trade liabilities	18,419	18,419		
Other liabilities	686	686		
	326,702		0	0

in KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
	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)
Financial instruments as of 31 Dec. 2020				
Non-current financial assets				
Loans	176	176		
Equity instruments			45	
Current financial assets				
Trade receivables	14,715	14,715		
Other financial assets	5,490	5,490	1,500	
Cash and cash equivalents	126,929	126,929		
	147,310		1,545	0
Non-current liabilities				
Financial liabilities	73,622	73,622		
Liabilities from rental and lease agreements	194,901	–		
Current liabilities				
Financial liabilities	47,544	47,544		
Liabilities from rental and lease agreements			26,643	
Trade liabilities	42,953	–		
Other liabilities	14,090	14,090		
Sonstige Verbindlichkeiten	877	877		
	373,987		26,643	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 values of financial assets and liabilities are assigned to level 2 or 3 of the fair value hierarchy.

No reclassifications between levels 1, 2 and 3 were made in the interim reporting period. Mark-to-market methods are used to determine the fair values of level 2.

Material transactions with related parties

The first drawing of EUR 8.5 million under the revolving credit facility of EUR 17.5 million granted by the plan sponsors was made in the reporting period and repaid in the last month of the reporting period. Liabilities to plan sponsors of EUR 11.8 million were repaid.

Halle/Westphalia, 30 November 2020

IMPRINT

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