

QUARTERLY STATEMENT

FOR THE FIRST THREE MONTHS
OF FISCAL YEAR 2022



WE ARE GERRY

GERRY WEBER

GERRY WEBER GROUP

IN FIGURES

in EUR million	Q1 2022	Q1 2021 ¹
Sales	72.9	45.4
Germany	34.6	18.6
Abroad	38.3	26.9
Sales by segments	72.9	45.4
GERRY WEBER Retail	31.7	12.1
GERRY WEBER E-Commerce	9.7	8.2
GERRY WEBER Wholesale	31.0	24.5
GERRY WEBER Other	0.5	0.7
Like-for-like growth in %	+187%	-67%
Sales by brands		
GERRY WEBER	71.8%	70.0%
TAIFUN	19.9%	22.3%
SAMOON	8.3%	7.7%
Earnings position		
EBITDA	10.3	4.7
EBITDA margin	14.1%	10.4%
Normalised EBITDA ²	1.7	-3.5
Normalised EBITDA margin ²	2.3%	-7.7%
EBIT	0.9	-5.2
EBIT margin	1.2%	-11.3%
Result for the period	-5.2	-10.9
Earnings per share in EUR	-4.3	-8.9
Financial position		
Net working capital	49.0	52.6 ³
Net worth position		
Equity	56.3	61.6 ³
Equity ratio	17.8%	19.8% ³
Cash and cash equivalents	64.1	50.0 ³
Financial liabilities	84.0	69.1 ³
Net debt	19.9	19.1 ³
Other success factors		
Average staff number	2,117	2,198

1 Adjustments due to error corrections

2 Excluding effects from lease accounting in accordance with IFRS 16

3 As of 31 Dec. 2021

GERRY WEBER

PROFILE

Headquartered in Halle/Westphalia and employing some 2,100 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 54 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

- Consolidated sales climb 60.6% to EUR 72.9 million in first three months of 2022.
- Online sales up by approx. 19% to EUR 9.7 million.
- At EUR 1.7 million, normalised EBITDA clearly above prior year level in first three months of 2022.
- Revolving credit facility partly refinanced.

Preliminary remark:

Due to the error corrections listed in the 2021 Annual Report, the figures shown in this report for the first quarter of 2021 were adjusted accordingly. This is why the figures published in 2021 in the quarterly statement for the first quarter of 2021 are not comparable with the compare figures for the first quarter of 2021 shown in this statement. Also, the figures as such are not entirely comparable due to the store closures imposed by the government in the prior year period. In the first quarter of 2021, the GERRY WEBER Group's stores in Germany were closed for about 55 sales days in a row. In the first quarter of 2022, however, the stores were open throughout, albeit with severe restrictions.

The first quarter of 2022 was adversely influenced by the fourth Covid-19 wave and the restrictive 2G rules imposed on retail stores. While footfalls in the city centres and consumer sentiment are above the prior year levels, which were adversely affected by the store closure, they are clearly below the pre-pandemic level. As Russia started to invade Ukraine on 24 February 2022, consumer sentiment in Germany deteriorated further. Consumer concerns about increasing inflation and a recession have intensified. Together with wholesale partners, the GERRY WEBER Group operates 18 POS in Ukraine and 64 franchise stores as well as shop-in-shops in Russia. While our business operations are currently only little affected by the war, the crisis may lead to a decline in sales and increased pressure on margins and thus have an adverse impact on the net worth, financial and earnings position of the GERRY WEBER Group in the fiscal year 2022 due to the importance of the region for the GERRY WEBER Group.

In addition, the GERRY WEBER Group – just like all companies in the fashion industry – is affected by pandemic-related shortages in logistics and in some cases significantly increasing material, freight and energy costs, which will lead to sometimes substantial price increases for consumers in the further course of the calendar year 2022.

Total sales of the GERRY WEBER Group in the first quarter of 2022 amounted to EUR 72.9 million, compared to EUR 45.4 million in the first three months of 2021. This is equivalent to an increase of approx. 60.6%. This strong growth is primarily attributable to the lockdown in the prior year period. All three segments contributed to the increase in sales. The Retail segment's sales rose by EUR 12.1 million to EUR 31.7 million (previous year: EUR 12.1 million). The E-Commerce segment generated sales of EUR 9.7 million (previous year: EUR 8.2 million). Sales to our Wholesale customers amounted to EUR 31.0 million (previous year: EUR 24.5 million). Adjusted for IFRS 16 effects, normalised consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 1.7 million – primarily due to the increase in sales –, which was above the prior year level of EUR –3.5 million. The normalised EBITDA margin stood at 2.3% (previous year: –7.7%).

By notification dated 4 January 2022, the GERRY WEBER Group was granted stopgap aid ("Überbrückungshilfe III") of EUR 17.2 million, which was paid out on 6 January 2022.

Moreover, we were able – as a first step on our way to refinancing – to partly refinance (EUR 10.0 million) the existing EUR 17.5 million revolving credit facility (RCF) in the first quarter of 2022. At the end of the first quarter, both revolving credit facilities (EUR 10.0 million and EUR 7.5 million) was utilised in full. During the term of the loan, GERRY WEBER International AG is obliged to deposit a credit balance of EUR 10.0 million in an account at this bank as collateral.

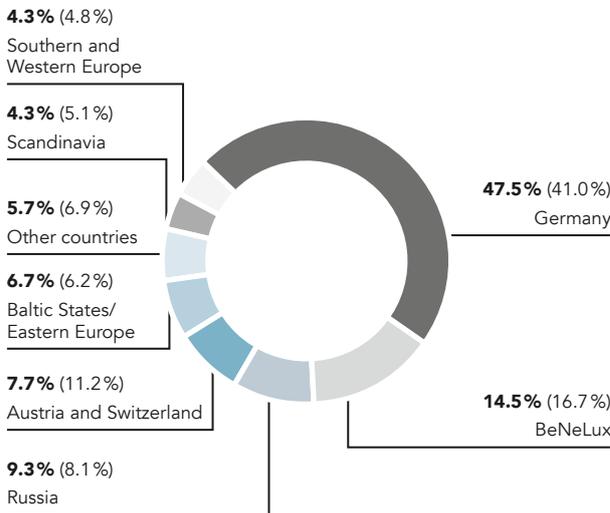
Due to the belated preparation and publication of the consolidated financial statements for the period ended 31 December 2021, the GERRY WEBER Group failed to comply with financial covenants in the existing credit agreements on the long-term loans and the revolving credit facility. On 3 May 2022, the company therefore negotiated a waiver with its main financing partners, which has granted a deferral with regard to the preparation and publication of the audited consolidated financial statements until 30 May 2022.

EARNINGS POSITION

Sales performance

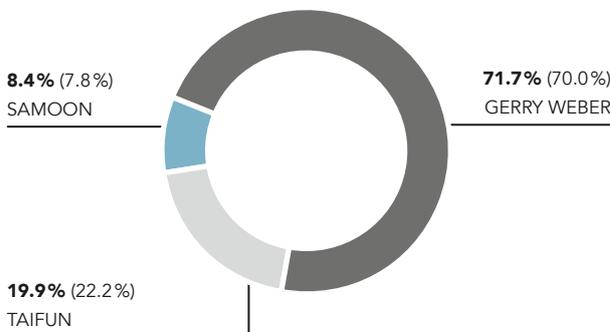
- Sales up by a strong 60.6% from EUR 45.4 million to EUR 72.9 million in the first three months of 2022.
- Clearly improved market environment for German textile retailers as stores remained open throughout the first quarter of 2022. Retail sales of textiles, clothing, shoes and leatherware in Germany in first three months of 2022 up 118.4% on previous year.¹

Sales per region as of 31 March 2022



* Prior-year period in brackets

Sales by brands as of 31 March 2022



* Prior-year period in brackets

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

Earnings position

- Due to the 60.6% increase in sales, gross profit improved by 57.0% in the first three months compared to the first quarter of 2021 and amounts to EUR 47.9 million (previous year: EUR 30.5 million).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increase to EUR 10.3 million (previous year: EUR 4.7 million); at 14.1%, the EBITDA margin clearly exceeds the prior year level (10.4%).
- Adjusted for IFRS 16, normalised EBITDA also improved noticeably and stood at EUR 1.7 million (previous year: EUR -3.5 million); the normalised EBITDA margin reached 2.3% (previous year: -7.7%).
- Accordingly, the result for the period amounts to EUR -5.2 million (previous year: EUR -10.9 million).

SEGMENT REPORT

The GERRY WEBER Group distributes its fashion collections through three distribution channels, Retail, Wholesale and E-Commerce, which also represent the three business and reporting segments of the GERRY WEBER Group. Since the fiscal year 2021, E-Commerce has been a separate reporting segment; previously, sales were broken down by Retail and Wholesale. To facilitate comparison, the prior year figures for the first quarter of 2021 have been adjusted accordingly.

The Retail segment distributes the collections of the GERRY WEBER brands through the company-managed sales spaces (GERRY WEBER stores, mono-label stores, concession stores and outlets) directly to end customers. In the first quarter of 2022, GERRY WEBER Retail accounted for 43.5% of consolidated sales (previous year: 26.6%).

The Wholesale segment comprises our wholesale activities, i.e. the delivery of our collections to our trade partners, who then sell them to the final customer. In the Wholesale segment, we distinguish between three distribution channels – the GERRY WEBER stores run by franchisees, the shop-in-shops (incl. consignment contract stores) at our retail partners and the multi-label business. In the first quarter of 2022, GERRY WEBER Wholesale accounted for 42.5% of consolidated sales (previous year: 54.0%).

The E-Commerce Segment markets collections of our GERRY WEBER, TAIFUN and SAMOON brands online through our own online shops as well as on external platforms such as Amazon, Zalando, Boozt, about you and Otto. In the first quarter of 2022, E-Commerce accounted for 13.3% of total consolidated sales, compared to 18.1% in the prior year period.

GERRY WEBER Retail segment

- Sales increase to EUR 31.7 million (previous year: EUR 12.1 million) due to the lockdown in the first quarter of 2021, with like-for-like revenues rising to EUR 28.2 million (previous year: EUR 9.8 million).
- As stores remain open throughout the first quarter of 2022, personnel expenses increase to EUR 10.2 million (previous year: EUR 5.1 million).
- EBITDA improved to EUR –5.0 million (previous year: EUR –11.3 million).
- At EUR –5.9 million, earnings before interest and taxes (EBIT) remain above prior year level (EUR –12.5 million) due to reduced costs as well as lower write-downs.

GERRY WEBER Wholesale segment

- Sales increase to EUR 31.0 million (previous year: EUR 24.5 million).
- EBITDA pick up slightly to EUR 5.3 million (previous year: EUR 5.0 million); by contrast, the EBITDA margin declines to 17.1% (previous year: 20.3%).
- EBIT rise to EUR 4.9 million (previous year: EUR 4.4 million). EBIT margin reaches 15.8% (previous year: 18.0%).

GERRY WEBER E-Commerce segment

- Online sales grow 19.0% to EUR 9.7 million (previous year: EUR 8.2 million).
- EBITDA down to EUR 0.0 million due to increased costs (previous year: EUR 0.6 million).

NET WORTH AND FINANCIAL POSITION

- At EUR 316.1 million, total assets were slightly higher than on 31 December 2021 (EUR 310.3 million).
- Inventories up by EUR 16.8 million from EUR 65.3 million on 31 December 2021 to EUR 82.1 million at the end of the first three months of 2022.
- Cash and cash equivalents stand at EUR 64.1 million as of 31 March 2022 (end of previous year: EUR 50.0 million), of which EUR 10.2 million is in escrow accounts (restricted for servicing insolvency liabilities).

- Equity down to EUR 56.3 million (end of previous year: EUR 61.6 million) due to the loss incurred.
- Non-current liabilities at EUR 143.0 million (end of previous year: EUR 147.8 million). These mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 75.7 million (end of previous year: EUR 80.6 million), long-term loans of EUR 37.5 million (end of previous year: EUR 36.8 million) as well as non-current liabilities resulting from the insolvency of EUR 25.1 million (end of previous year: EUR 25.1 million).
- As of 31 March 2022, current personnel and other provisions include a total of EUR 4.7 million for social plan and severance obligations, store closures, litigation costs and other expected costs.
- Current financial liabilities amount to EUR 21.4 million (end of previous year: EUR 7.2 million). The revolving credit facility increased by EUR 7.5 million in the first quarter of 2022 (end of previous year: EUR 0.0 million). An additional overdraft facility of EUR 10.0 million was raised in the first quarter. The interest liabilities included in current financial liabilities amount to EUR 0.2 million (end of previous year: EUR 1.9 million), while the current insolvency liabilities amount to EUR 3.7 million (end of previous year: EUR 5.3 million).
- Current liabilities from rights of use slightly lower at EUR 26.9 million (end of previous year: EUR 27.8 million).
- Other current liabilities climb to EUR 22.6 million (end of previous year: EUR 18.0 million).
- As of 31 March 2022, current liabilities totalled EUR 116.8 million (end of previous year: EUR 100.9 million).

OUTLOOK

Our estimates regarding the outlook for the fiscal year 2022 have not changed materially since the preparation of our Annual Report on 23 May 2022.

Against the background of the premises set out in the Annual Report for 2021, the Managing Board of GERRY WEBER International AG expects consolidated sales in the fiscal year 2022 to range between EUR 310 million and EUR 335 million and normalised consolidated EBITDA (excluding effects from lease accounting in accordance with IFRS 16) to be in the negative single-digit million euro range. The actual amount of normalised consolidated EBITDA will depend on the ultimate sales performance. Should consolidated sales come in at the lower end of the projected range, the measures mentioned in the 2021 Annual Report would have to be implemented successfully for normalised EBITDA to reach the expected level.

RISKS AND OPPORTUNITIES

The assessments made with regard to risks and opportunities have not changed materially since the preparation of the 2021 Annual Report. Therefore please refer to the risk and opportunity report on pages 55 et seq. of the 2021 Annual Report.

CONSOLIDATED BALANCE SHEET

as of 31 March 2022

ASSETS

in KEUR	31 Mar. 2022	31 Dec. 2021
NON-CURRENT ASSETS		
Fixed assets		
Intangible assets	10,829	11,201
Rights of use	78,895	84,737
Property, plant and equipment	38,046	39,488
Other financial assets	2,899	3,021
Deferred tax assets	0	0
	130,669	138,447
CURRENT ASSETS		
Intangible assets	3,766	3,280
Inventories	82,058	65,330
Receivables and other assets		
Trade receivables	19,568	14,712
Other assets	13,985	37,177
Tax refund claims	2,015	1,380
Cash and cash equivalents	64,084	50,013
	185,476	171,892
Total Assets and Liabilities	316,145	310,339

LIABILITIES

in KEUR	31 Mar. 2022	31 Dec. 2021
EQUITY		
Subscribed capital	1,238	1,238
Capital reserve	946	946
Retained earnings	102	103
Currency translation reserve	-2,764	-2,727
Accumulated profits	56,775	62,020
	56,297	61,580
NON-CURRENT LIABILITIES		
Provisions for personnel	3	5
Other provisions	4,320	4,493
Financial liabilities	62,627	61,848
Other liabilities	328	809
Lease liabilities	75,696	80,638
Deferred tax liabilities	0	0
	142,974	147,793
CURRENT LIABILITIES		
Provisions		
Tax provisions	43	67
Provisions for personnel	6,589	6,582
Other provisions	11,213	10,880
Liabilities		
Financial liabilities	21,390	7,233
Trade liabilities	28,098	30,307
Lease liabilities	26,892	27,781
Other liabilities	22,649	18,116
	116,874	100,966
Total Assets and Liabilities	316,145	310,339

CONSOLIDATED INCOME STATEMENT

in the period from 1 January 2022 to 31 March 2022

in KEUR	Q1 2022	Q1 2021*
Sales	72,911	45,440
Own work capitalised	1,306	820
Other operating income	1,008	1,161
Cost of materials	-25,040	-14,947
Personnel expenses	-18,780	-12,633
Depreciation/amortisation	-9,378	-9,862
Other operating expenses	-21,076	-15,029
Other taxes	-49	-106
Operating result	902	-5,156
Financial result		
Interest income	0	0
Expenses from fair value measurement of assets held for sale	0	0
Incidental bank charges	-153	-63
Financial expenses	-5,783	-5,461
	-5,936	-5,524
Earnings before taxes	-5,034	-10,680
Taxes on income		
Taxes of the fiscal year	-211	-170
Deferred tax	0	0
	-211	-170
Result for the period	-5,245	-10,850
Earnings per share related to the		
result for the period	-4.28	-8.85

* Adjustments due to error corrections. Please refer to the information provided in the notes to the consolidated financial statements.

FINANCIAL CALENDAR

Date

7 July 2022	Annual General Meeting 2022
11 August 2022	Publication of H1 interim report 2022
10 November 2022	Publication 9M interim statement 2022

The interim financial report should be read together with our Annual Report for the fiscal year 2021 (ended 31 December 2021).

IMPRINT

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Forward-looking statements

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

GERRY WEBER

I LIVE MY STYLE.

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