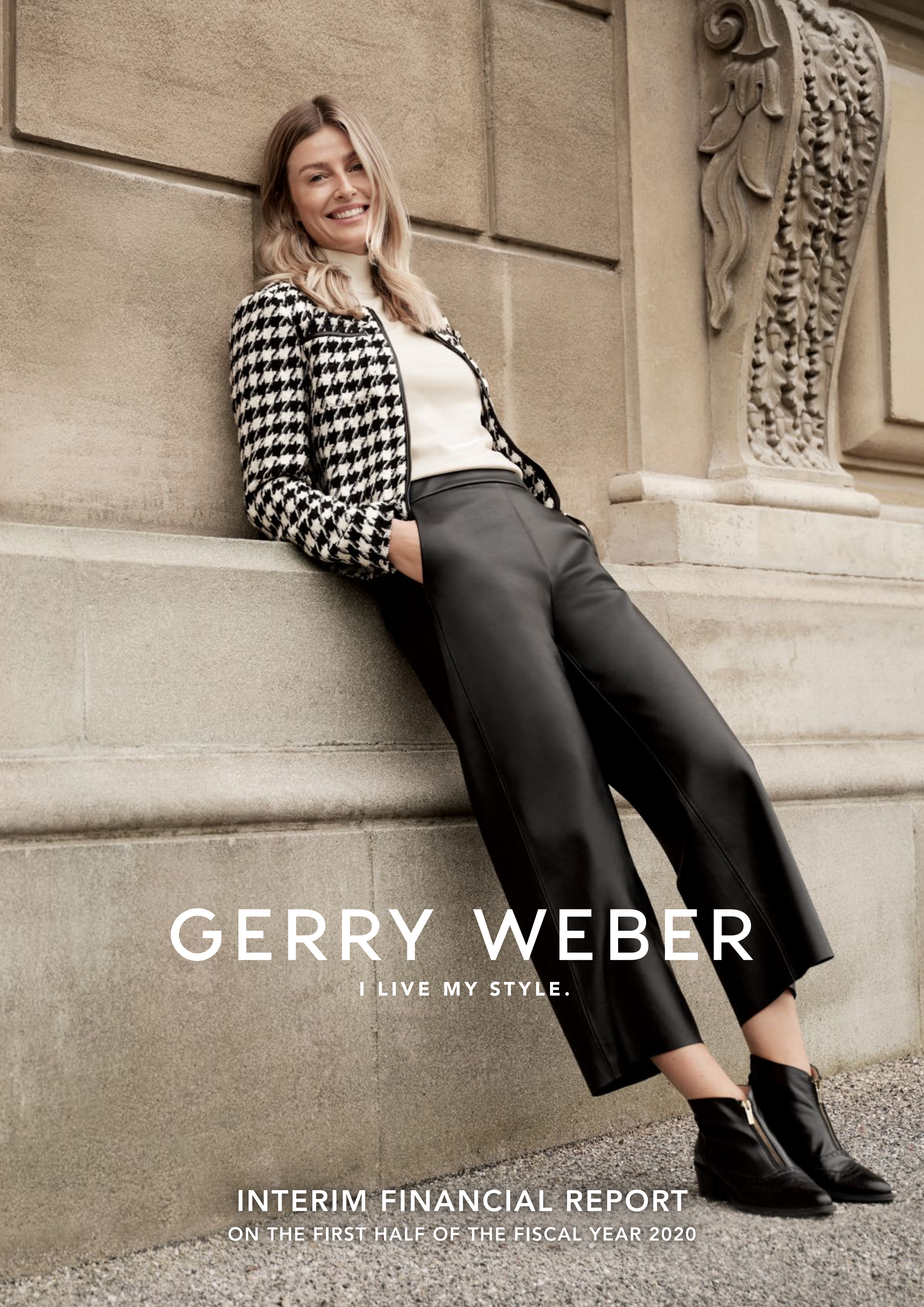


GERRY WEBER

I LIVE MY STYLE.

INTERIM FINANCIAL REPORT

ON THE FIRST HALF OF THE FISCAL YEAR 2020

GERRY WEBER
IN FIGURES

in EUR million	**01.01.2020–30.06.2020**	01.01.2019–30.06.2019
Sales by regions	**140.5**	**247.7**
Germany	78.7	143.2
Abroad	61.8	104.5
Sales by segments	**140.5**	**247.7**
GERRY WEBER Core Wholesale	66.0	97.1
GERRY WEBER Core Retail	74.6	150.6
Sales split by brands		
GERRY WEBER	70.6%	71.6%
TAIFUN	22.1%	21.9%
SAMOON	7.3%	6.5%
Earnings key figures		
Gross profit	81.6	141.3
Gross profit margin	58.1%	57.0%
EBITDA	–0.9	34.5
EBITDA margin	–0.6%	13.9%
EBIT	–27.3	–122.9
EBIT margin	–19.5%	–49.6%
Net profit/loss for the period	–34.2	–144.1
Total assets	**517.9**	**580.7******
Debt capital	430.2	459.2**
Equity ratio	16.9%	20.9%**
Investments	2.0	3.2
Net financial liabilities	46.6	20.9**
Number of employees*	2,627	5,063**

* Average number of employees in the reporting period
** As of 31 December 2019 (average number of employees in the stub fiscal year 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.

CONTENTS

INTRODUCTION

The interim financial report of GERRY WEBER International AG meets the requirements of the applicable provisions of the German Securities Trading Act (WpHG) and, in accordance with sections 117 and 115 WpHG, comprises condensed interim consolidated financial statements, an interim Group management report and a responsibility statement.

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

The interim financial report 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 interim financial 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 interim 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 to 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 interim financial report and to adjust them to future events or developments.

INTERIM GROUP MANAGEMENT REPORT ON THE FIRST SIX MONTHS OF 2020

The business performance of GERRY WEBER International AG (GERRY WEBER, GWI) in the first half 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. In the meantime, all stores have successively been reopened as of mid-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 have been rising continuously in recent weeks – each starting from low levels.

Immediately after the effects of COVID-19 became visible, we worked under high pressure to develop a comprehensive concept for the future for GERRY WEBER. Besides the partial deferral of claims by our creditors, the concept for the future provides 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 employee 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 or initiated 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.

The adverse influences of COVID-19 on the overall economic environment are expected to continue in the second half of 2020.

Furthermore, we would like to point out that a comparison of the first half of 2020 with the first half of 2019 is possible only to a limited extent, as, during the better part of H1 2019, GWI was in insolvency proceedings under self-administration, 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 led to the closure of 210 company-managed points of sale in Germany and abroad, which reduced the total number of POS to 588 as of 30 June 2020 (31 March 2019: 798). Moreover, the number of franchised wholesale spaces declined by 207 to 2,230 during the same period (31 March 2019: 2,437). Naturally, the store closures and losses had a massive impact on sales revenues in the reporting period.

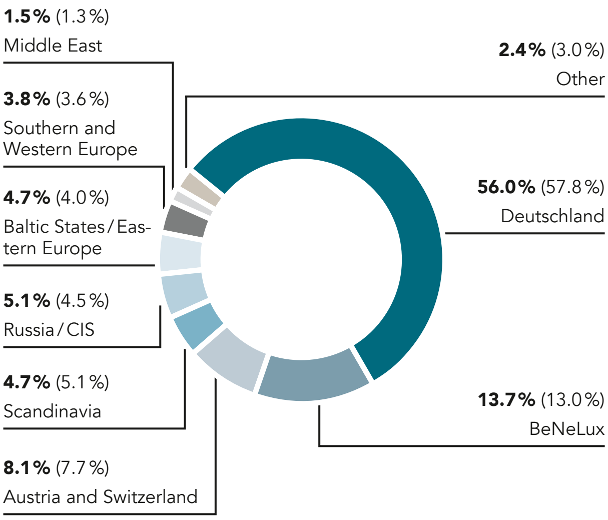
EARNINGS POSITION

Sales performance

Group sales revenues:

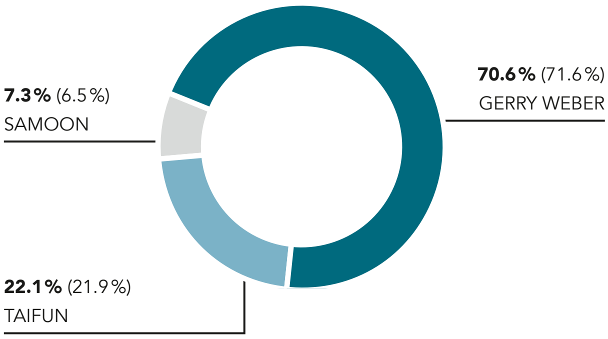
- Sharp drop in revenues to EUR 140.5 million, down from EUR 247.7 million in H1 2019; weak market environment for textile retailers in general at the beginning of the year (revenues of Germany's physical textile retail stores in January and February 2020 down by 2% and 5%, respectively, according to TW-Testclub)
- Massive COVID-19 impact of around EUR 57 million during the reporting period
- Year-on-year decline in revenues also attributable to store closures and POS space losses

Breakdown of revenues by regions as of 30.06.2020*



* Prior-year period in brackets

Breakdown of revenues by brand families as of 30.06.2020*



* Prior-year period in brackets

Earnings position

in KEUR	**1. HJ 2020 01.01.2020–30.06.2020**	1. HJ 2019 01.01.2019–30.06.2019
Sales revenues	140,541	247,743
Changes in inventories	–800	–30,392
Cost of materials	–58,093	–76,025
GROSS PROFIT	**81,648**	**141,326**
Other operating income	5,658	34,001
Personnel expenses	–50,500	–63,802
Other operating expenses	–37,672	–77,065
EBITDA	**–866**	**34,460**
Depreciation / amortisation	–26,283	–157,313
Other taxes	–187	–16
OPERATING RESULT	**–27,336**	**–122,869**
Financial result	–6,999	–6,172
RESULTS FROM ORDINARY ACTIVITIES	**–34,335**	**–129,041**
Taxes on income	156	–15,015
CONSOLIDATED NET PROFIT / LOSS FOR THE YEAR	**–34,179**	**–144,056**

- Gross profit down by 42.2% to EUR 81.6 million as a result of COVID-19 and the store closures; the gross profit margin nevertheless climbs from 57.0% in H1 2019 to 58.1% thanks to the reduced cost of materials and lower changes in inventories

- Influenced by COVID-19 and lower revenues resulting from the loss of POS, earnings before interest, taxes, depreciation and amortisation (EBITDA) decline to EUR –0.9 million; successful restructuring in personnel expenses (EUR 50.5 million, down from EUR 63.8 million in the previous year) brings noticeable relief

- The effects of COVID-19 alone on gross profit in the first half of 2020 are estimated at around EUR 33 million

- Consolidated net income for the period at EUR –34.2 million (previous year: EUR –144.1 million)

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 65.9 million (previous year: EUR 97.1 million) primarily due to COVID-19
- EBITDA declined to EUR 0.9 million (previous year: EUR 20.0 million)
- EBIT improved to EUR −3.9 million (previous year: EUR −27.0 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 74.6 million (previous year: EUR 150.6 million) primarily due to COVID-19 and store closures
- Like-for-like revenues down to EUR 55.5 million (previous year: EUR 97.7 million)
- EBITDA declined to EUR −2.1 million (previous year: EUR 14.4 million)
- EBIT improved to EUR −23.7 million (previous year: EUR −95.9 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 13.1 million in revenues (previous year: EUR 12.5 million)
- Share of online revenues in total Group revenues increased to 9.1% (previous year: 5.2%) 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 (H1):

in EUR million	**2020**	2019
GERRY WEBER Retail	10,6	10,6
GERRY WEBER external platforms	2,5	1,9
Consolidated online revenues	13,1	12,5

NET WORTH AND FINANCIAL POSITION

- Total assets down to EUR 517.9 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 write-downs of inventories (EUR 22.1 million; end of previous year: EUR 20.7 million) due to COVID-19 (lack of sales opportunities due to officially ordered store closures); inventories amount to EUR 63.3 million (end of previous year: 65.1 million)

- Cash and cash equivalents stand at EUR 90.8 million as of 30 June 2020 (end of previous year: EUR 126.9 million), of which EUR 27.1 million is in escrow accounts (restricted for servicing insolvency liabilities)

- Subscribed capital of GWI amounts to EUR 1.2 million, following capital increase and subscription of new shares by J.P. Morgan Securities plc on 25 June 2020

- Equity down to EUR 87.8 million (end of previous year: EUR 121.4 million) due to the loss incurred in the first half of the year

- Non-current liabilities at EUR 299.3 million (end of previous year: EUR 277.7 million); these mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 184.1 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 84.8 million

- Other non-current provisions at EUR 4.2 million (end of previous year: EUR 4.1 million)

- As part of the restructuring, a total of EUR 15.3 million for social plan and severance obligations, store closures and other expected costs is included in current personnel and other provisions as of 30 June 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 21.6 million

- Current liabilities from rights of use at EUR 39.6 million (end of previous year: EUR 43.0 million)

- As of 30 June 2020, current liabilities totalled EUR 130.9 million (end of previous year: EUR 181.5 million)

- Cash flow from operating activities at EUR 2.0 million (previous year: EUR 62.9 million); reporting period clearly influenced by decline in revenues resulting from the COVID-19 pandemic; prior year period influenced by insolvency effects

- Cash flow from investing activities at EUR 2.0 million (previous year: EUR 3.2 million)

- Net cash flow outflow from financing activities at EUR 44.3 million (previous year: EUR 21.1 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 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. Therefore please refer to the forecast in the 2019 Annual Report on pages 60 et seq.

RISKS AND OPPORTUNITIES

Similarly, the assessments of risks and opportunities have not changed materially since the publication of the 2019 Annual Report. They are also presented 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 report on the first half of 2020 was completed, negotiations on these rent savings, which relate to the current fiscal year and the next two years, had not yet been concluded. The current state of the negotiations does not suggest that the necessary savings will not be achieved.


GERRY WEBER
I LIVE MY STYLE.

CONSOLIDATED INCOME STATEMENT

for the first half of 2020

in KEUR	**H1 2020**	H1 2019
Continuing operations		
Sales revenues	140,541	247,743
Other operating income	5,658	34,001
Change in inventories	–800	–30,392
Cost of materials	–58,093	–76,025
Personnel expenses	–50,500	–63,802
Depreciation / amortisation	–26,283	–157,313
Other operating expenses	–37,672	–77,065
Other taxes	–187	–16
Operating result	***–27,336***	***–122,869***
Financial result		
Income from fair value measurement of financial liabilities	0	1
Interest income	1	431
Expenses from fair value measurement of financial assets	–1,500	0
Incidental bank charges	–186	–432
Financial expenses	–5,314	–6,172
	–6,999	–6,172
Results from ordinary activities	**–34,335**	**–129,041**
Taxes on income		
Taxes of the fiscal year	–920	–826
Deferred Tax	1,076	–14,189
	156	***–15,015***
Result from continuing operations	***–34,179***	***–144,056***
Result from discontinued operations attributable to the owners of the parent company	***0***	***–101,332***
Consolidated net loss for the year	**–34,179**	**–245,388**
Earnings per share (basic / diluted) from continuing operations (attributable to the parent company's shareholders)		
	–33.17	–139.81
Total earnings per share (basic / diluted) (attributable to the parent company's shareholders)		
	–33.17	–238.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the first half of 2020

in KEUR	**H1 2020**	H1 2019
Consolidated net loss for the year	–34,179	–245,388
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	–381	304
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
	–381	***54***
Comprehensive income	**–34,560**	**–245,334**

CONSOLIDATED BALANCE SHEET

as of 30 June 2020

ASSETS

in KEUR	**30 Jun. 2020**	31 Dec. 2019
NON-CURRENT ASSETS		
Fixed assets		
Intangible assets	18,313	20,136
Rights of use	222,619	236,024
Property, plant and equipment	75,824	80,474
Financial assets	228	221
Deferred tax assets	***1,855***	***2,083***
	318,839	***338,938***
CURRENT ASSETS		
Inventories	63,317	65,065
Receivables and other assets		
Trade receivables	20,342	14,715
Other assets	23,789	33,696
Income tax receivables	855	1,324
Cash and cash equivalents	***90,782***	***126,929***
	199,085	***241,729***
Total Assets and Liabilities	**517,924**	**580,667**

LIABILITIES

in KEUR	30 Jun. 2020	31 Dec. 2019
EQUITY		
Subscribed capital	1,220	1,025
Capital reserve	685	10
Retained earnings	122	103
Exchange differences	–2,435	–2,054
Accumulated profits	88,159	122,358
	87,751	***121,442***
NON-CURRENT LIABILITIES		
Provisions for personnel	127	163
Other provisions	4,189	4,069
Financial liabilities	107,221	73,622
Liabilities from rights of use	184,105	194,901
Deferred tax liabilities	3,622	4,925
	299,264	***277,680***
CURRENT LIABILITIES		
Provisions		
Tax provisions	251	64
Provisions for personnel	11,511	7,090
Other provisions	20,549	31,552
Liabilities		
Financial liabilities	30,162	74,187
Trade liabilities	17,867	14,090
Liabilities from rights of use	39,610	42,953
Other liabilities	10,959	11,609
	130,909	***181,545***
	430,173	***459,225***
Total Assets and Liabilities	**517,924**	**580,667**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first half 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	–34,179	–34,179
Result from discontinued operations	0	0	0	0	0	0	0
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**

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	–144,056	–144,056
Result from discontinued operations	0	0	0	0	0	–101,332	–101,332
Other result from continuing operations	0	0	0	–250	304	0	54
Comprehensive income	***0***	***0***	***0***	***–250***	***304***	***–245,388***	***–245,334***
30 Jun. 2019	**45,508**	**102,387**	**225,779**	**0**	**–2,053**	**–371,107**	**514**

CONSOLIDATED CASH FLOW STATEMENT

for the first half of 2020

in KEUR	H1 2020	H1 2019
Operating result from continuing operations	–27,335	–122,869
Operating result from discontinued operations	0	–111,600
Depreciation / amortisation	26,283	247,213
Non-cash expenses and income	1,625	0
Loss from the disposal of fixed assets and assets held for sale	138	930
Decrease in inventories	1,748	33,488
Decrease / increase in trade receivables	–5,627	4,158
Decrease / increase in other assets not attributable to investment and financing activities	8,407	–27,317
Decrease in provisions	–6,498	–11,990
Increase in trade payables	3,777	41,719
Increase in other liabilities not attributable to investing and financing activities	741	11,822
Income tax refunds / payments	–264	–43
Cash inflows from operating activities	***2,994***	***65,511***
Interest received	0	432
Incidental bank charges	–186	–432
Interest paid	–786	–2,560
Cash inflows from current operating activities	***2,023***	***62,951***
Cash outflows for investments in property, plant, equipment and intangible assets	–1,979	–3,251
Cash outflows from investing activities	***–1,979***	***–3,251***
Proceeds from capital increase	195	0
Repayment of insolvency liabilities	–11,762	0
Repayment of loans from the plan sponsors	–10,879	0
Repayment of liabilities relating to rights of use	–21,864	–21,134
Cash outflows from financing activities	***–44,310***	***–21,134***
Net change in cash and cash equivalents	–44,266	38,566
Exchange rate-related changes	–381	304
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	82,282	94,866
Composition of cash and cash equivalents:		
Cash and cash equivalents (continuing operations)	90,782	90,881
Cash and cash equivalents (discontinued operations)	0	3,985
Current account liabilities (continuing operations)	–8,500	0
Current account liabilities (discontinued operations)	0	0
	82,282	**94,866**

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

A. 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). The prior year period additionally includes the "Hallhuber" segment, which is presented as a discontinued operation due to a written call option agreed in February 2019 and exercised in July 2019.

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 2020 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 to the same principles. The condensed interim consolidated financial statements and the interim Group management report have neither been reviewed in accordance with section 37w para. 5 of the German Securities Trading Act (WpHG) nor audited pursuant to section 317 of the German Commercial Code (HGB).

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 2020 to 30 June 2020 is compared with the period from 1 January 2019 to 30 June 2019. In the balance sheet, the amounts as of 30 June 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 June 2020.

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 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 IASB Conceptual Framework: 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	
1 EUR in		**30.06.2020**	**31.12.2019**	**01.01.2020–30.06.2020**	**01.01.2019–30.06.2019**
Russia	RUB	79.63	70.28	76.68	73.72
USA	USD	1.11	1.11	1.10	1.13
China	CNY	7.92	7.78	7.75	7.66
Switzerland	CHF	1.07	1.10	1.06	1.13
Norway	NOK	10.91	10.08	10.74	9.73

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 254 (comparative period: KEUR 482) 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 96,600 (comparative period: KEUR 157,543) generated in Germany and KEUR 43,687 (comparative period: KEUR 89,718) 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 −34,179 (comparative period: KEUR −245,388).

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,030,393 shares were outstanding in the period from 1 January to 30 June 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 −33.17 (comparative period: EUR −139.81). Total earnings per share amount to EUR −33.17 (comparative period EUR: −238.15). 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 June 2020:

in KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidated entries	**Total**
Sales by segment	***65,961***	***74,580***	***0***	***0***	***140,541***
Personnel expenses	13,900	36,600	0	0	50,500
EBITDA	941	–2,124	0	318	–866
Depreciation of property, plant and equipment	4,846	21,347	0	0	26,283
EBIT (Earnings before Interest and Tax)	–3,980	–23,674	0	318	–27,335
Assets	254,047	269,316	0	–5,439	517,925
Liabilities	224,166	211,416	0	–5,409	430,173
Investments in non-current assets	866	1,112	0	0	1,978
Number of employees (on average)	410	2,217	0	0	2,627

Comparative period 1 January to 30 June 2019:

in KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidated entries	**Total**
Sales by segment	***97,125***	***150,618***	***0***	***0***	***247,743***
Personnel expenses	16,166	47,636	0	0	63,802
EBITDA	20,016	14,418	0	27	34,460
Depreciation of property, plant and equipment	47,049	110,264	0	0	157,313
EBIT (Earnings before Interest and Tax)	–27,034	–95,862	0	27	–122,869
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	2,877	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 June 2019 was adjusted accordingly with effect from 1 January 2019.

As of 30 June 2020, rights of use under rental and lease agreements for retail stores of KEUR 222,175 (31 December 2019: KEUR 235,349) and leases for motor vehicles of KEUR 444 (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 184,105 (31 December 2019: KEUR 194,900) and a current portion of KEUR 39,610 (31 December 2019: KEUR 42,953).

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

Inventories

in KEUR	**30.06.2020**	31.12.2019
Raw materials and supplies	1,696	2,644
Work in progress	5,327	7,297
Finished goods and merchandise	56,294	55,124
	63,317	**65,065**

Impairments in the amount of KEUR 22,732 (31 December 2019: KEUR 21,297) existed as of 30 June 2020. These primarily cover risks relating to recoverability in the context of the COVID-19 pandemic (30 June 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 23,789 (31 December 2019: KEUR 33,696) have a maturity of less than one year. Other assets comprise:

in KEUR	**30.06.2020**	31.12.2019
Financial assets		
Supplier balances	3,879	3,767
Rent receivables	1,534	1,723
Shares in Hallhuber	0	1,500
	5,414	***6,990***
Non-financial assets		
Payments on account	9,975	14,644
Tax claims	4,206	5,331
Prepaid expenses	3,073	5,258
Other	1,122	1,473
	18,376	***26,706***
	23,789	**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 a "Schutzschirmverfahren" (a three-month phase of creditor protection) was initiated in April 2020, which led to insolvency proceedings 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 (non-current)

As of 31 December 2019, this item included, on the one hand, those parts of the insolvency liabilities for which later settlement is to be made from the "Hallhuber" and "Ravenna Park" additional quotas; the insolvency plan of Gerry Weber Retail GmbH und Co. KG also provides for later settlement. On the other hand, it included loans from the insolvency plan sponsors.

in KEUR	**30.06.2020**	31.12.2019
Insolvency creditor liabilities	84,784	39,423
Loans granted by the insolvency plan sponsors	22,437	34,200
	107,221	**73,623**

The insolvency plan, 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.

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 and may obtain an additional quota. As a result, the non-current portion of liabilities to insolvency creditors increased, while the current portion decreased.

The fair value of the shares in Hallhuber recognised 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 derecognised through profit and loss.

In addition to redemption payments of KEUR 10,879 and the equity portion of the convertible bonds of KEUR 673, expenses from interest accrual of KEUR 1,375 and other expenses of KEUR 1,623, particularly from the above-mentioned modifications and other value adjustments, were recognised in profit or loss in the reporting period ended 30 June 2020.

The loan from the plan sponsors primarily serves to settle the short-term liabilities of the insolvency creditors. The final maturity of the amount reported as of 31 December 2019 is 31 December 2023. As a result of the above-mentioned reduction in the current portion of the liabilities of the insolvency creditors, the loan was repaid accordingly in the reporting period.

Provisions 30 Jun. 2020 and 31 Dec. 2019 (current)

In the context of the **restructuring**, provisions of KEUR 15,343 (previous year: KEUR 21,953) were recognised as of 30 June 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 responsible 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 June 2020.

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

in KEUR	**30.06.2020**	31.12.2019
Interim employment company	2,680	1,617
Severance payment obligations (included in current provisions for personnel)	5,897	3,309
Expected dismantling and compensation payments for store closures and redemption of landlord liens	935	935
Litigation costs	5,670	15,576
Miscellaneous	161	516
	15,343	**21,953**

Current financial liabilities (remaining maturity of less than one year)

in KEUR	**30.06.2020**	31.12.2019
Insolvency creditor liabilities	21,627	74,187
Plan sponsor liabilities	8,500	0
Other	35	0
	30,162	**74,187**

As of 31 December 2019, this item included the liabilities to insolvency creditors expected to be payable in the short term. These were essentially those portions of the insolvency liabilities for which it was expected that they would be settled by means of the cash option quota as well as amounts from the "excess liquidity quota".

The item as of 31 December 2019 also included the amounts for which creditors were expected to choose convertible or bearer bonds. These became non-current only when the option was exercised. Creditors were able to exercise the option in January 2020. At KEUR 26,643, the figures as of 31 December 2019 also included the discounted difference between the expected share of the satisfaction of insolvency creditors by the long-term instruments and the respective cash quotas. As of 31 December 2019, this represented an embedded derivative, which was measured at fair value.

With regard to the changes in the insolvency creditor liabilities, please refer to the presentation of non-current financial liabilities.

The liabilities to plan sponsors consist of a credit facility totalling EUR 17.5 million, which may be drawn on a revolving basis. The credit facility was drawn for the first time in the reporting period.

Other liabilities

in KEUR	**30.06.2020**	31.12.2019
Financial liabilities		
Liabilities to customers	701	877
	701	***877***
Non-financial liabilities		
Other taxes (especially wage and turnover tax)	5,145	4,117
Social security	2,611	2,923
Customer vouchers, bonus cards and goods on return	968	1,104
Liabilities to personnel	17	475
Deferred income	583	532
Other liabilities	934	1,582
	10,258	***10,733***
	10,959	**11,610**

Notes to the cash flow statement

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

	IFRS 9 valuation			
in KEUR	Amortised cost		Fair value	
Financial instruments as of 30 Jun. 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	183	183		
Equity instruments			45	
Current financial assets				
Trade receivables	20,342	20,342		
Other financial assets	5,414	5,414		
Cash and cash equivalents	90,782	90,782		
	116,721		***45***	***0***
Non-current liabilities				
Financial liabilities	107,221	107,221		
Liabilities from rental and lease agreements	184,105	–		
Current liabilities				
Financial liabilities	30,162	30,162		
Liabilities from rental and lease agreements	39,610	–		
Trade liabilities	17,867	17,867		
Other liabilities	701	701		
	319,666		**0**	**0**

in KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 31 Dec. 2019	**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	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		
Standstill obligation			26,643	
Liabilities from rental and lease agreements	42,953	–		
Trade liabilities	14,090	14,090		
Other liabilities	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. Liabilities to plan sponsors of EUR 11.8 million were repaid.

Post balance sheet events
At the end of July 2020, the GWI Supervisory Board appointed Ms Angelika Schindler-Obenhaus by way of a written vote as member of the company's Managing Board and Chief Operating Officer (COO) for a period of two years with effect from 1 August 2020. Since that date, the company's Managing Board has thus been composed of three members, namely Ms. Schindler-Obenhaus, Alexander Gedat, Managing Board Chairman, and Florian Frank, Managing Board member and Chief Restructuring Officer (CRO).

FURTHER INFORMATION

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, 20 August 2020

Alexander Gedat   Angelika Schindler-Obenhaus   Florian Frank

IMPRINT

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