

QUARTERLY
STATEMENT
FOR THE FIRST
THREE MONTHS OF 2021

WE ARE
GERRY

GERRY WEBER

I LIVE MY STYLE.

GERRY WEBER GROUP

IN FIGURES

in EUR million

	Q1 2021	Q1 2020
Sales by region	46.4	83.7
Germany	22.1	44.2
Abroad	24.3	39.5
Sales by segments		
GERRY WEBER Retail	20.1	38.9
thereof e-commerce in the Retail segment	7.5	4.6
Like-for-like growth of physical stores in %	-66.1%	-32.0%
GERRY WEBER Wholesale	26.3	44.8
thereof e-commerce in the Wholesale segment	1.6	1.3
Sales split by brands		
GERRY WEBER	32.3	60.1
TAIFUN	10.5	18.3
SAMOON	3.6	5.3
Earnings position		
EBITDA	4.8	7.6
EBITDA margin	10.4%	9.1%
Normalised EBITDA ¹	-3.0	-3.5
Normalised EBITDA margin ¹	-6.5%	-4.1%
EBIT	-6.5	-6.9
EBIT margin	-14.0%	-8.2%
Net profit/loss for the year	-10.1	-9.5
Earnings per share in EUR	-8.3	-7.8
Financial position		
Cash flow from operating activities	-2.0	-14.3
Investments	0.8	1.1
Net worth position		
Equity	46.1	56.1 ²
Equity ratio	10.6%	13.0% ²
Cash and cash equivalents	79.0	85.3 ²
Financial liabilities	147.3	140.9 ²
Net debt	68.3	55.6 ²
Leverage	-22.6	-1.4 ²
Other success factors		
Average staff number	2,266	2,497

¹ Excluding effects from lease accounting according to IFRS 16

² As of 31 Dec. 2020

GERRY WEBER

PROFILE

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

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BUSINESS PERFORMANCE

- Coronavirus pandemic sends Group revenues falling by 45% to EUR 46.4 million
- Online revenues grow by 54%
- At EUR –3.0 million, normalised EBITDA slightly above previous year despite lockdown
- Liquidity currently secured
- Outlook for FY 2021 confirmed

In the first three months of 2021, the business performance of GERRY WEBER International AG (GERRY WEBER, GWI) continued to be strongly influenced by the coronavirus pandemic. While the GERRY WEBER stores in some European countries remained open or were allowed to reopen gradually, the German stores were closed continuously between 16 December 2020 and 7 March 2021. On 8 March, we and our trade partners were allowed to reopen the stores under regionally varying restrictions (e.g. limited number of customers per store or access only by previous appointment). Since then, store opening rules in individual regions of Germany have changed depending on the infection trend. In the first quarter of 2021, the GERRY WEBER Group lost some 55 sales days throughout Germany, about 10 of which were Saturdays. Consequently, sales revenues in the first quarter of 2021 were EUR 21 million below plan.

Total sales revenues of the GERRY WEBER Group in the first quarter of 2021 amounted to EUR 46.4 million, compared to EUR 83.7 million in the first three months of 2020. This is equivalent to a decline of approx. 45%.

Our online business benefited from the lockdown and clearly grew its revenues to EUR 9.1 million (previous year: EUR 5.9 million). Revenues of the Retail segment declined sharply to EUR 20.1 million (previous year: EUR 38.9 million). The GERRY WEBER Group's Wholesale segment generated revenues of EUR 26.3 million (previous year: EUR 44.8 million). At EUR –3.0 million, earnings before interest, taxes, depreciation and amortisation adjusted for the effects of lease accounting in accordance with IFRS 16 (normalised EBITDA) exceeded the previous year's EUR –3.5 million despite the decline in revenues. This is mainly attributable to the cost savings implemented in 2020 ("concept for the future") as well as the strict cost discipline applied throughout the Group.

Since the beginning of the pandemic, the GERRY WEBER management has responded with a combination of different instruments, in particular financing measures, various operational measures and the use of government aid, and will continue to do so.

Due to the ongoing restrictions, one focus has been placed on securing the Group's liquidity. In February 2021, we took out a new secured credit facility of approx. EUR 5 million. In March 2021, the company was additionally granted government aid in the amount of EUR 12 million ("Überbrückungshilfe III" – stopgap aid). With cash and cash equivalents amounting to EUR 79.0 million at the end of March 2021, the Group's liquidity is currently secured. We will continue to explore possible financing measures, such as taking out additional credit facilities or applying for government support measures. In 2020, we already agreed partial deferrals of insolvency liabilities until 2023 and an increase in our working capital line with our plan sponsors.

We continue to apply for short-time work for our employees in Germany, depending on capacity utilisation. Within the framework of the possibilities under applicable local law, we are looking for similar solutions for employees at foreign locations affected by closures and will put such solutions into practice. We plan to do both also in the future, depending on pandemic developments.

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

The Managing Board is currently convinced that the above measures will help secure the liquidity of the company and the continuation of its business activities. This assumption is based on a planning period until 2023.

Also, a precontract on the sale of Ravenna Park, the company's own logistics centre in Halle Westphalia, was signed in March. The buyer is WB Logistik GmbH, a company owned by Christian Busch, the majority shareholder of Walbusch Walter Busch GmbH & Co KG based in Solingen. The signing of the contracts is planned for the end of June 2021. According to the precontract, WB Logistik GmbH will take over the employees of GERRY

WEBER Logistik GmbH. Christian Busch and GERRY WEBER plan to jointly use Ravenna Park in future. According to the insolvency plan, proceeds from the sale of Ravenna Park will be distributed to the insolvency creditors of GERRY WEBER International AG. Ravenna Park and the then former workforce of GERRY WEBER Logistik GmbH will thus remain the hub for the Group's distribution logistics also in 2022 and beyond.

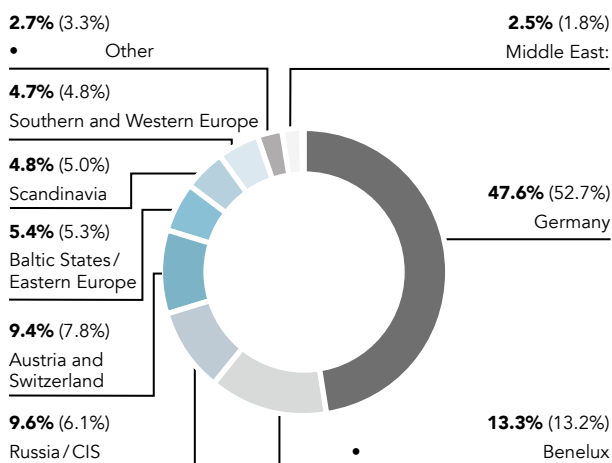
EARNINGS POSITION

Sales performance

Group sales revenues:

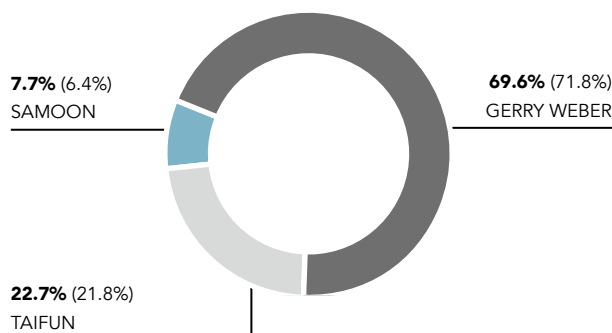
- Noticeable decline in 2021 revenues by approx. 45% to EUR 46.4 million, down from EUR 83.7 million in the first three months of 2020.
- Market environment for textile retailers remains weak; footfall in German retail sector significantly below previous year due to the pandemic; retail sales of textiles, clothing, shoes and leatherware down 54.2% on the previous year in the first quarter.¹

Breakdown of revenues by regions as of 31.03.2021



* Prior-year period in brackets

Breakdown of revenues by brands 31.03.2021



* Prior-year period in brackets

Earnings position

- In spite of the strong –45% decline in revenues, gross profit deteriorated by only –39 in the first three months compared to the first quarter of 2020 and amounts to EUR 31.7 million (previous year: EUR 51.7 million).
- As a result, the gross profit margin improved by 6.5 percentage points to 68.3%, compared to 61.8% in the first three months of 2020.
- Influenced by the coronavirus pandemic, earnings before interest, taxes, depreciation and amortisation (EBITDA) declined to EUR 4.8 million (previous year: EUR 7.6 million); the use of short-time work and strict cost discipline made it possible to slightly increase the EBITDA ratio to 10.4%, up from 9.1% in the previous year.
- Consolidated net income for the period amounted to EUR –10.1 million (previous year: EUR –9.5 million)

SEGMENT REPORT

GERRY WEBER International AG comprises two distribution and reporting segments, i.e the GERRY WEBER Retail segment, which comprises the company-managed and concession stores of the GERRY WEBER brands (GERRY WEBER, TAIFUN, SAMOON), and the GERRY WEBER Wholesale segment, which relates to all revenues generated by all GERRY WEBER brands with our fashion retail partners. Online revenues generated by our own online shops or marketplaces and distributed to end customers are counted towards the Retail segment. Revenues are attributed to the Wholesale segment if trade partners purchase the goods from us for resale on their online platforms.

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

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. The income and expenses as well as assets and liabilities attributable to the holding company are also allocated to the respective segments on a pro rata basis.

GERRY WEBER Retail segment

- Revenues down to EUR 20.1 million (previous year: EUR 38.9 million) primarily due to coronavirus pandemic
- Like-for-like revenues down to EUR 10.7 million (previous year: EUR 31.6 million)
- EBITDA down to EUR 0.3 million (previous year: EUR 0.8 million) due to lower personnel expenses of EUR 8.9 million (previous year: EUR 17.8 million)
- At EUR –10.0 million, EBIT remain almost at prior year level (EUR –9.9 million) due to reduced costs and lower write-downs

GERRY WEBER Wholesale segment

- Revenues down to EUR 26.3 million (previous year: EUR 44.8 million) primarily due to coronavirus pandemic
- Due to the drop in revenues, EBITDA decrease to EUR 5.7 million (previous year: EUR 6.9 million); EBITDA ratio climbs to 21.8% (previous year: 15.5%) thanks to cost reductions
- In absolute terms, EBIT decline by EUR 1.0 million to EUR 4.1 million (previous year: EUR 3.1 million). The EBIT ratio rises to 15.6% (previous year: 6.9%).

GERRY WEBER online revenues in Q1 2021

The GERRY WEBER Group's online revenues are included in both the Retail segment and the Wholesale segment.

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

- Online revenues of the Retail segment grow by a strong 63.1% to EUR 7.5 million (previous year: EUR 4.6 million)
- Share of online Retail revenues in total Group revenues up to 16.2% (previous year: 5.5%) due to constant improvement of online shops, more and intensified marketplace partnerships and lower revenues from physical stores (coronavirus pandemic)
- Online revenues in the Wholesale segment reach EUR 1.6 million (previous year: EUR 1.3 million)

in EUR million	Q1 2021	Q1 2020
Online revenues in Retail segment	7.5	4.6
Online revenues in Wholesale segment	1.6	1.3
Consolidated online revenues	9.1	5.9

NET WORTH AND FINANCIAL POSITION

- At EUR 434.7 million, total assets remained almost unchanged compared to 31 December 2020 (EUR 433.0 million).
- Inventories up by EUR 15.5 million from EUR 46.7 million on 31 December 2020 to EUR 62.2 million at the end of Q1 2021.
- Cash and cash equivalents stand at EUR 79.0 million as of 31 March 2021 (end of previous year: EUR 85.3 million), of which EUR 22.2 million is in escrow accounts (restricted for servicing insolvency liabilities).
- Equity down to EUR 46.1 million (end of previous year: EUR 56.1 million) due to the loss incurred in the first three months of the year.

- Non-current liabilities at EUR 263.8 million (end of previous year: EUR 268.4 million); these mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 139.8 million (end of previous year: EUR 151.0 million), long-term loans of EUR 34.3 million (end of previous year: EUR 23.5 million) as well as non-current liabilities resulting from the insolvency of EUR 81.6 million (end of previous year: EUR 86.0 million).
- As part of the restructuring, a total of EUR 8.1 million for social plan and severance obligations, store closures, litigation costs and other expected costs is included in current personnel and other provisions as of 31 March 2021
- At EUR 31.4 million, current financial liabilities are almost unchanged from the end of the previous year (EUR 31.3 million); these liabilities relate to the revolving credit facility of EUR 17.5 million, which is fully utilised (end of previous year: EUR 17.5 million), and to current insolvency liabilities of EUR 13.9 million (end of previous year: EUR 13.8 million).
- Current liabilities from rights of use slightly lower at EUR 29.2 million (end of previous year: EUR 30.4 million)
- Other current liabilities climb to EUR 18.7 million (end of previous year: EUR 6.8 million). They include a grant of EUR 12 million under the government's stopgap aid ("Überbrückungshilfe III"), which was applied for and approved in March 2021. As a repayment claim may arise by the time of the final review on 30 June 2021, this grant is recognised as a liability as a precaution.
- As of 31 March 2021, current liabilities totalled EUR 124.8 million (end of previous year: EUR 108.5 million)
- Despite the decline in cash inflows due to the coronavirus pandemic, it has been possible to limit the cash outflow from operating activities to EUR –2.0 million (previous year: EUR –14.3 million).
- Cash outflow from investing activities at EUR –0.8 million (previous year: EUR –1.1 million).
- The cash outflow from financing activities amounts to EUR –1.5 million (previous year: EUR –9.7 million) and was mainly mainly due to repayments of liabilities relating to rights of use and the raise of additional cash and cash equivalents (exchange offer) of EUR 5.0 million.

OUTLOOK

Our estimates regarding the outlook for the fiscal year 2021 have not changed materially since the publication of our Annual Report on 30 April 2021. With the coronavirus pandemic continuing and restrictions imposed on textile retailers by the authorities, our forecast is subject to considerable uncertainty.

While textile retailers in Germany were allowed to reopen their stores under regionally varying restrictions in March, the opening situation has since changed in individual regions of Germany depending on the infection trend. In the calendar year 2021, we have so far lost a total of around 55 sales days across Germany, about 10 of which were Saturdays. With a view to the rest of the year, we expect the progressing vaccination campaigns and the loosening of the restrictions imposed on public life to lead to an improvement in consumer sentiment. At the same time, however, we do not believe that we will be able to make up for the revenue shortfalls suffered at the beginning of the current fiscal year 2021 as the year progresses.

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

RISKS AND OPPORTUNITIES

The assessments made with regard to risks and opportunities have not changed materially since the publication of the 2020 Annual Report. Therefore please refer to pages 60 et seq. of the 2020 Annual Report.

CONSOLIDATED BALANCE SHEET

as of 31 March 2021

ASSETS

In KEUR	31 Mar. 2021	31 Dec. 2020
NON-CURRENT ASSETS		
Fixed assets		
Intangible assets	12,600	13,776
Rights of use	165,447	179,194
Property, plant and equipment	72,741	74,250
Financial assets	183	183
Deferred tax assets	2,412	2,080
	253,383	269,483
CURRENT ASSETS		
Inventories	62,212	46,702
Receivables and other assets		
Trade receivables	20,043	12,015
Other assets	18,159	18,176
Income tax receivables	1,929	1,388
Cash and cash equivalents	78,978	85,250
	181,321	163,531
Total Assets and Liabilities	434,704	433,014

LIABILITIES

In KEUR	31 Mar. 2021	31 Dec. 2020
EQUITY		
Subscribed capital		1,220
Capital reserve		858
Retained earnings		102
Exchange differences		-2,952
Accumulated profits		56,906
	46,120	56,134
NON-CURRENT LIABILITIES		
Provisions for personnel	12	23
Other provisions	4,184	4,176
Financial liabilities	115,922	109,579
Liabilities from rights of use	139,811	151,023
Deferred tax liabilities	3,848	3,628
	263,777	268,429
CURRENT LIABILITIES		
Provisions		
Tax provisions	97	34
Provisions for personnel	5,125	5,411
Other provisions	19,103	19,477
Liabilities		
Financial liabilities	31,364	31,300
Trade liabilities	21,203	15,055
Liabilities from rights of use	29,245	30,398
Other liabilities	18,670	6,776
	124,807	108,451
Total Assets and Liabilities	434,704	433,014

CONSOLIDATED INCOME STATEMENT

for the first three months of 2021

In KEUR	Q1 2021	Q1 2020
Sales revenues	46,386	83,674
Other operating income	1,161	1,665
Change in inventories	15,510	7,956
Cost of materials	-30,232	-39,945
Personnel expenses	-12,633	-25,793
Depreciation/ amortisation	-11,319	-14,471
Other operating expenses	-15,279	-19,855
Other taxes	-106	-96
Operating result	-6,512	-6,865
Financial result		
Income from fair value measurement of financial liabilities	0	0
Interest income	0	0
Expenses from fair value measurement of assets held for sale	0	0
Incidental bank charges	-63	-92
Financial expenses	-3,489	-2,378
	-3,552	-2,470
Results from ordinary activities	-10,064	-9,335
Taxes on income		
Taxes of the fiscal year	-170	-288
Deferred tax	113	165
	-57	-123
Consolidated net loss for the period	-10,121	-9,458
Earnings per share (diluted/basic)		
Earnings per share (basic)	-8.29	-7.75
Earnings per share (diluted)	-8.29	-7.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the first three months of 2021

In KEUR	Q1 2021	Q1 2020
Consolidated net loss/profit for the year	-10,123	-9,458
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	107	-166
Cash flow hedges: changes in the amount recognised in equity		
Changes in the fair value of derivatives used for hedging purposes	0	0
Taxes on income		
Income taxes attributable to the components of other comprehensive income	0	0
	107	-166
Comprehensive income	-10,016	-9,624

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first three months of 2021

In KEUR	Subscribed capital	Capital reserve	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profits	Equity
1 Jan. 2021	1,220	858	103	0	-2,952	56,905	56,134
Consolidated net loss for the year	0	0	0	0	0	-10,121	-10,121
Other result	0	0	0	0	107	0	107
Comprehensive income	0	0	0	0	107	-10,121	-10,014
31 Mar. 2021	1,220	858	103	0	-2,845	46,784	46,120

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first three 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
Consolidated net loss for the year	0	0	0	0	0	-9,458	-9,458
Other result	0	0	0	0	-166	0	-166
Comprehensive income	0	0	0	0	-166	-9,458	-9,624
31 Mar. 2020	1,025	10	103	0	-2,220	112,900	111,818

CONSOLIDATED CASH FLOW STATEMENT

for the first three months of 2021

In KEUR	Q1 2021	Q1 2020
Operating result	-6,512	-6,865
Depreciation / amortisation	11,319	14,471
Non-cash expenses and income	0	0
Loss from the disposal of fixed assets and assets held for sale	3	27
Increase in inventories	-15,510	-7,469
Increase in trade receivables	-8,028	-10,448
Decrease / increase in other assets not attributable to investment or financing activities	-857	5,373
Decrease in provisions	-662	-9,977
Increase in trade payables	6,148	1,226
Decrease / Increase in other liabilities not attributable to investing or financing activities	12,289	-645
Income tax refunds / payments	-170	-19
Cash inflows from operating activities	-1,980	-14,326
Income from loans	0	0
Interest received	0	0
Incidental bank charges	-63	-93
Interest paid	-2,083	-2,022
Cash inflows from current operating activities	-4,126	-16,441
Proceeds from the disposal of property, plant, equipment and intangible assets	0	0
Cash outflows for investments in property, plant, equipment and intangible assets	-766	-1,110
Proceeds from the disposal of financial assets	0	0
Cash outflows for investments in financial assets	0	0
Cash outflows from investing activities	-766	-1,110
Proceeds from borrowings	5,002	0
Proceeds from capital increase	0	0
Repayment of insolvency liabilities	0	0
Repayment of loans from the plan sponsors	0	0
Repayment of liabilities relating to rights of use	-6,489	-9,660
Cash outflows / inflows from financing activities	-1,487	-9,660
Net change in cash and cash equivalents	-6,379	-27,211
Exchange rate-related changes	107	-166
Cash and cash equivalents at the beginning of the period	67,750	126,929
Cash and cash equivalents at the end of the period	61,478	99,552
Composition of cash and cash equivalents		
Cash and cash equivalents	78,978	99,552
Current account liabilities	-17,500	0
	61,478	99,552

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2021

GENERAL INFORMATION

Company data

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

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

This quarterly statement was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) applicable as of 31 March 2021 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 2021 to 31 March 2021 is compared with the period from 1 January 2020 to 31 March 2020. In the balance sheet, the amounts as of 31 March 2021 are compared with the amounts as of 31 December 2020.

Basis of consolidation

The consolidated financial statements include GERRY WEBER International AG as the parent company and 35 fully consolidated subsidiaries in Germany and abroad. No changes in the basis of consolidation occurred in the period from 1 January 2021 to 31 March 2021.

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 2020. These accounting methods are explained in the consolidated financial statements for the period ended 31 December 2020.

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

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

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

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

The coronavirus 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	
		31 Mar. 2021	31 Dec. 2020	1 Jan. 2021– 31 Mar. 2021	1 Jan. 2020– 31 Mar. 2020
EUR 1 in					
Russia	RUB	88.32	91.47	89.72	73.70
USA	USD	1.17	1.23	1.21	1.10
China	CNY	7.68	8.02	7.81	7.69
Switzerland	CHF	1.11	1.08	1.09	1.07
Norway	NOK	9.12	10.47	10.26	10.46

Sales revenues

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

The coronavirus 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 116 (comparative period: KEUR 182) 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 22,057 (comparative period: KEUR 44,132) generated in Germany and KEUR 24,329 (comparative period: KEUR 39,542) 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 –10,121 (comparative period: KEUR –9,458).

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,220,238 shares were outstanding in the period from 1 January to 31 March 2021. The average number of shares outstanding in the comparative period was 1,025,000. As of 31 December 2020, the number of shares was 1,220,238.

For better comparability of the periods, earnings per share for the prior year period were calculated on the basis of the average number of shares in the reporting period. Earnings per share amount to EUR –8.29 (comparative period: EUR –7.75). Diluted and basic earnings are identical.

Segment report

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

Segment report by business segments for the first three months of 2021

In KEUR	Wholesale Gerry Weber	Retail Gerry Weber	Consolidation entries	Total
Sales revenues by segments	26,336	20,050	0	46,386
Personnel expenses	3,687	8,946	0	12,633
EBITDA	5,738	–312	–619	4,807
Depreciation / amortisation	1,617	9,702	0	11,319
EBIT	4,121	–10,014	–619	–6,512
Assets	201,417	237,168	–3,881	434,704
Liabilities	181,321	211,599	–4,336	388,584
Investments in non-current assets	305	461	0	766
Number of employees (average)	333	1,933	0	2,266

Segment report by business segments for the first three months of 2021

In KEUR	Wholesale Gerry Weber	Retail Gerry Weber	Consolidation entries	Total
Sales revenues by segments	44,739	38,935	0	83,674
Personnel expenses	8,018	17,775	0	25,793
EBITDA	6,917	753	–64	7,606
Depreciation / amortisation	3,811	10,660	0	14,471
EBIT	3,106	–9,907	–64	–6,865
Assets*	196,694	239,185	–2,865	433,014
Liabilities*	180,552	199,200	–2,872	376,880
Investments in non-current assets	698	412	0	1,110
Number of employees (average)*	447	2,050	0	2,497

* As of 31 December 2020 (average number of employees in the fiscal year 2020)

Rights of use and liabilities from rental and lease agreements

As of 31 March 2021, rights of use from rental and lease agreements for retail stores of KEUR 165,162 (31 December 2020: KEUR 178,827) and leases for motor vehicles of KEUR 285 (31 December 2020: KEUR 367) were recognised.

The liabilities recognised in the balance sheet include the amortised liabilities from rental and lease agreements with a non-current portion of KEUR 139,811 (31 December 2020: KEUR 151,023) and a current portion of KEUR 29,245 (31 December 2020: KEUR 30,398).

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

Inventories

In KEUR	31 Mar. 2021	31 Dec. 2020
Raw materials and supplies	20	20
Work in progress	2,278	4,862
Finished goods and merchandise	59,914	41,820
	62,212	46,702

As of the end of the fiscal year, write-downs of KEUR 9,175 were made on merchandise not sold due to the COVID-19 pandemic. These continue to be recognised as write-downs as of 31 March 2021, as they still cover, in particular, risks regarding usability in the context of the coronavirus pandemic. Additional impairment losses may be required if the expectations regarding the marketing of seasonal goods that could not be sold in the context of the coronavirus pandemic turn out to be much too optimistic.

Other assets (current)

Other assets in an amount of KEUR 18,159 (31 December 2020: KEUR 18,176) have a maturity of less than one year. Other assets comprise:

In KEUR	31 Mar. 2021	31 Dec. 2020
Financial assets		
Rent deposits	1,804	2,078
Supplier balances	271	702
	2,075	2,780
Non-financial assets		
Payments on account	8,460	8,101
Tax claims	3,467	4,704
Prepaid expenses	3,194	1,857
Other	963	734
	16,084	15,396
	18,159	18,176

Equity

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

The nominal amount per share is EUR 1.

Financial liabilities (current and non-current)

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

In KEUR	Carrying amount 31 Mar. 2021	Carrying amount 31 Dec. 2020
Insolvency liabilities		
Bonds	33,486	38,487
Convertible bonds	1,832	1,832
GW ¹ cash quota	8,086	7,999
GW ¹ excess liquidity quota	9,524	9,447
GWR ¹ cash quota and excess liquidity quota	7,361	7,309
Additional quotas	29,464	29,146
Bond interest	450	311
Provisions and adjustments	5,308	5,309
	95,512	99,840
Thereof current	13,865	13,800
Thereof non-current	81,197	86,040
Loans		
Long-term loan (incl. capitalised interest)	34,274	23,539
Revolving credit facility	17,500	17,500
	51,774	41,039
Total financial liabilities	147,286	140,879

* GERRY WEBER International AG / GERRY WEBER Retail GmbH

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

The fixed-interest bonds and the convertible bonds have a term from 15 June 2020 to 31 December 2023 and bear interest at a rate of 4% p.a. as well as 5% p.a. and 3%, respectively, from 1 January 2023 over the entire term until the conversion right is exercised.

As a consequence of the COVID-19 pandemic, individual agreements were reached with a large number of creditors from all insolvency creditor groups of GERRY WEBER International AG in April and May 2020 regarding the adjustment of their claims. Essentially, it was agreed that these creditors would defer 35% of their claims until 31 December 2023. As a result, the non-current portion of liabilities to insolvency creditors increased, while the current portion decreased. Depending on the amount of EBITDA achieved by the GERRY WEBER Group as of 31 December 2023, the deferring insolvency creditors will receive an additional 2% of their claim filed in the insolvency table. These amounts are shown with the amount of the excess liquidity quota.

Additional quotas were created for the insolvency creditors of GERRY WEBER International AG, e.g. for the future sale of the Ravenna Park logistics centre and the remaining 12% interest in HALLHUBER held by GERRY WEBER International AG. The fair value of the shares in HALLHUBER recognised under other financial assets was assumed to be zero instead of the previous KEUR 1,500 as insolvency proceedings were opened against the company's assets in July 2020. Correspondingly, the HALLHUBER additional quota was fully derecognised through profit and loss.

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

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

Current provisions as of 31 March 2021 and 31 December 2020

In the context of the **restructuring**, provisions of KEUR 8,060 (previous year: KEUR 8,360) were recognised as of 31 March 2021.

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

The provisions for restructuring are composed as follows:

In KEUR	31 Mar. 2021	31 Dec. 2020
Social plan obligations	2,188	2,188
Expected dismantling and compensation payments for store closures and redemption of landlord liens	489	510
Litigation costs	5,383	5,662
	8,060	8,360

Other liabilities

In KEUR	31 Mar. 2021	31 Dec. 2020
Financial liabilities		
Liabilities to customers	440	1,374
	440	1,374
Non-financial liabilities		
Advance payments of public grants	12,000	0
Other taxes (especially wage and turnover tax)	1,590	1,945
Customer vouchers, bonus cards and goods on return	1,522	327
Social security	711	527
Liabilities to personnel	665	632
Deferred income	489	500
Other liabilities	1,253	1,471
	18,230	5,402
	18,670	6,776

Notes to the cash flow statement

As of 31 March 2021, cash funds consisted exclusively of cash and cash equivalents less liabilities payable on demand.

Financial instruments

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

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 Mar. 2021				
Non-current financial assets				
Loans	177	177		
Equity instruments			6	
Current financial assets				
Trade receivables	20,043	20,043		
Other financial assets	2,075	2,075		
Cash and cash equivalents	78,978	78,978		
	101,273	101,273	6	0
Non-current liabilities				
Financial liabilities	115,922	115,922		
Other liabilities	–	–		
Current liabilities				
Financial liabilities	31,365	31,365		
Trade liabilities	21,203	21,203		
Other liabilities	440	440		
	168,930	168,930	0	0

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

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

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

Material transactions with related parties

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

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

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

Forward-looking statements

The present 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.

GERRY WEBER

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