

**QUARTERLY  
STATEMENT**  
FOR FIRST NINE MONTHS  
OF FISCAL YEAR 2021

**WE ARE  
GERRY**

**GERRY WEBER**

I LIVE MY STYLE.

# GERRY WEBER GROUP

## IN FIGURES

in EUR million/%	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020
<b>Sales by region</b>	<b>191.5</b>	<b>227.1</b>	<b>83.9</b>	<b>86.6</b>
Germany	99.7	125.1	46.0	46.4
Abroad	91.8	102.0	37.9	40.2
<b>Sales by segments</b>	<b>191.5</b>	<b>227.1</b>	<b>83.9</b>	<b>86.6</b>
GERRY WEBER Retail	113.2	122.9	52.3	48.4
thereof e-commerce in the Retail segment	25.7	19.4	8.1	6.6
Like-for-like growth	-14.8%	-34.5%	6.3%	-15.9%
GERRY WEBER Wholesale	78.3	104.2	31.5	38.2
thereof GERRY WEBER E-Commerce	4.8	4.1	1.6	1.8
<b>Sales split by brands</b>				
GERRY WEBER	71.7%	71.0%	72.7%	71.7%
TAIFUN	20.9%	21.8%	20.1%	21.3%
SAMOON	7.4%	7.2%	7.2%	7.0%
<b>Earnings position</b>				
EBITDA	19.3	15.6	14.0	16.7
EBITDA margin	10.1%	6.9%	5.1%	7.6%
Normalised EBITDA <sup>1</sup>	-4.0	-14.8	6.3	8.1
Normalised EBITDA margin <sup>1</sup>	-2.1%	-6.5%	7.4%	9.8%
EBIT	-12.6	-22.2	3.8	5.1
EBIT margin	-6.6%	-9.8%	8.6%	9.7%
Net profit/loss for the year	-24.4	-32.2	-0.2	2.0
Earnings per share in EUR	-19.7	-26.0		
<b>Financial position</b>				
Cash flow from operating activities	26.9	13.0	5.9	10.0
Investments	2.3	2.4	0.7	0.4
<b>Net worth position</b>				
Equity	32.2	56.1 <sup>2</sup>		
Equity ratio	8.1%	13.0% <sup>2</sup>		
Cash and cash equivalents	90.4	85.3 <sup>2</sup>		
Financial liabilities	127.1	140.9 <sup>2</sup>		
Net debt	36.7	55.6 <sup>2</sup>		
<b>Other success factors</b>				
Average staff number	2,215	2,562		

1 Excluding effects from lease accounting in accordance with IFRS 16

2 As of 31 December 2020

# GERRY WEBER GROUP

## PROFILE

Headquartered in Halle/Westphalia and employing some 2,200 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.

# CONTENTS

## **04 Business performance**

- 05 Earnings position
- 06 Segment report
- 07 Net worth and financial position
- 08 Outlook
- 08 Risks and opportunities

## **10 Condensed consolidated financial statements 9M 2021**

- 10 Consolidated balance sheet
- 12 Consolidated income statement
- 13 Consolidated statement of comprehensive income
- 14 Consolidated statement of changes in equity
- 15 Consolidated cash flow statement
- 16 Abridged notes to the consolidated financial statements

## **27 Imprint, Financial calendar & Forward-looking statements**

## BUSINESS PERFORMANCE

- COVID-19 pandemic sends consolidated net sales falling by 16% to EUR 191.5 million in first nine months of 2021
- Online net sales grow by approx. 30% to EUR 30.5 million
- All stores open again since June 2021
- At EUR –4.0 million, normalised EBITDA clearly above prior year level in first nine months of 2021
- Outlook for FY 2021 confirmed

In the first nine months of 2021, the business performance of GERRY WEBER International AG (GERRY WEBER, GERRY WEBER Group) was strongly influenced by the COVID-19 pandemic. While the GERRY WEBER stores in some European countries remained open or were allowed to reopen gradually, the German stores were closed continuously between 1 January and 7 March 2021; as a result, a total of approx. 55 sales days were lost. Although we as well as our retail partners were allowed to reopen after that date, net sales continued to decline compared to the previous year, especially in April and May, due to the restrictive and regionally varying opening rules. In June 2021, all stores were successively reopened. In the third quarter, we see an increase in customer frequency combined with a higher conversion rate and higher sales per customer.

Total net sales of the GERRY WEBER Group in the first nine months of 2021 amounted to EUR 191.5 million, compared to EUR 227.1 million in the first nine months of 2020. This is equivalent to a decline of approx. 16%. In the period from July to September 2021, consolidated net sales reached EUR 83.9 million, compared to EUR 86.6 million in the same period of 2020. The online business grew strongly in the period from January to September 2021, with net sales totalling EUR 30.5 million (previous year: EUR 23.5 million). Even after the physical stores reopened, online net sales increased by 30% to EUR 9.7 million in the third quarter of 2021.

The GERRY WEBER Group's Wholesale segment generated net sales of EUR 78.3 million (previous year: EUR 104.2 million). The third quarter saw net sales decline to EUR 31.5 million, down from EUR 38.2 million in the previous year. The revenue trend in the third quarter reflects the our Wholesale customers' reluctance to place orders during the lockdown months of January and February 2021.

To assess the underlying operating profitability, we use normalised EBITDA (consolidated earnings before interest, taxes, depreciation and amortisation before the effects of lease accounting to IFRS 16) as a performance indicator, as it reflects the economic situation without taking into account unscheduled charges or benefits. In the first nine months of 2021, normalised EBITDA stood at EUR –4.0 million (previous year: EUR –14.8 million) and the normalised EBITDA margin at –2.1% (previous year: –6.5%).

In the third quarter, the GERRY WEBER Group launched the communication campaign "WE ARE GERRY" to celebrate women, to create a new sense of unity among women and thus to win new target customers from the baby boomer generation for our fashion products. Furthermore, we are currently revising the store concept for the GERRY WEBER points of sale. In Münster, a first store was opened in September to test elements of the new concept, e.g. a different product presentation, the "fitting room for friends" and an on-site customer feedback tool. In addition, products of the natural cosmetics brand UND GRETEL are on offer in selected GERRY WEBER stores; starting October, lingerie and bodywear from underwear manufacturer TRIUMPH will complement the fashion range in individual stores. We have also strengthened our online presence, with the Taifun online store going live in August.

In September 2021, the company's Ravenna Park logistics centre was transferred to WB Logistik GmbH of Christian Busch, the majority shareholder of Walbusch Walter Busch GmbH & Co KG in Solingen. The final sales contracts were signed in May 2021. WB Logistik GmbH has taken over all employees of GERRY WEBER Logistik GmbH. Ravenna Park will be used jointly by both companies in future and will thus remain the hub for the GERRY WEBER Group's distribution logistics. The proceeds from

the sale will flow to the insolvency creditors of GERRY WEBER International AG.

Since the beginning of the COVID-19 pandemic, the GERRY WEBER management has responded to the crisis with a combination of different instruments, in particular financing measures, operational measures and the use of government aid, and will continue to do so. In February 2021, we took out a 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). In the third quarter, we reviewed the possibility to apply for further state support measures and applied for an extension of stopgap aid (Überbrückungshilfe III) in October 2021.

We have applied for short-time work for our employees in Germany, depending on capacity utilisation. Similar solutions have been implemented for our employees at foreign locations as required. We plan to do both also in the future, depending on pandemic developments.

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

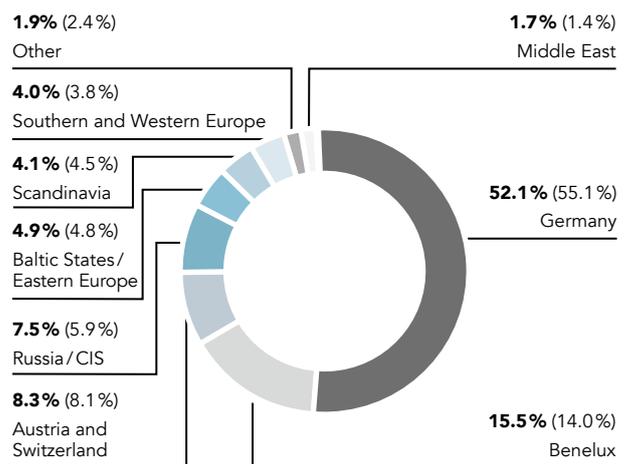
The Managing Board is convinced that these measures will secure sufficient liquidity to make the GERRY WEBER Group future-proof and to successfully complete the refinancing due at the end of 2023.

## EARNINGS POSITION

### Sales performance

- Revenues decline by a strong 15.6% to EUR 191.5 million, down from EUR 227.1 million in the first nine months of 2020.
- Market environment for the textile retail trade remains weak; footfall in German retail stores significantly below previous year due to the pandemic. Nine-month retail sales of textiles, clothing, shoes and leatherware in Germany down 14.2% on previous year.<sup>1</sup>
- The strategic repositioning in Russia/CIS is showing initial successes and has sent revenues rising by EUR 0.8 million compared to the previous year. As a result, the share of Russia/CIS in total revenues increased to 7.5%.

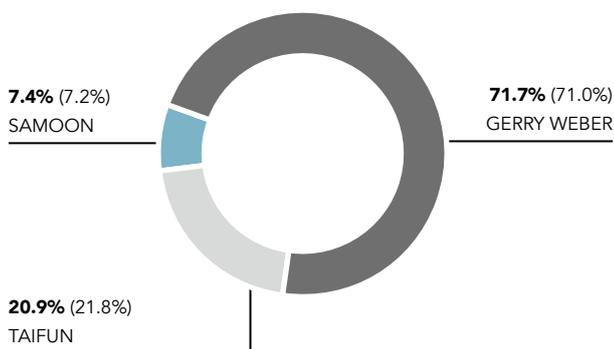
Breakdown of revenues by regions as of 30.09.2021\*



\* Prior-year period in brackets

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

**Breakdown of revenues by brands as of 30.09.2021\***



\* Prior-year period in brackets

**Earnings position**

- In spite of the –15.6% decline in revenues, gross profit deteriorated by only –12,6% in the first nine months compared to the first nine months of 2020 and amounts to EUR 119.7 million (previous year: EUR 137.0 million).
- Accordingly, the gross profit margin improved by 2.2 percentage points from 60.3% to 62.5% thanks to the reduced cost of materials.
- Due to lower costs resulting from the use of short-time work and strict cost discipline in the Group, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased to EUR 19.3 million (previous year: EUR 15.6 million); at 10.1%, the EBITDA margin clearly exceeded the prior year level (6.9%).
- Adjusted for the effects of lease accounting pursuant to IFRS 16, normalised EBITDA also improved noticeably and stood at EUR –4,0 million (previous year: EUR –14.8 million); the normalised EBITDA margin reached –2.1% (previous year: –6.5%).
- Accordingly, the result for the period stood at EUR –24.4 million (previous year: EUR –32.2 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 in our own online shops are counted towards the Retail segment, while online revenues generated on our customers’ platforms are counted towards the Wholesale segment.

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

**GERRY WEBER Retail segment**

- Revenues decline to EUR 113.2 million (previous year: EUR 122.9 million) due to the lockdown, with like-for-like revenues dropping to EUR 78.6 million (previous year: EUR 92.2 million).
- EBITDA increase to EUR 11.9 million (previous year: EUR 9.8 million) due to clearly reduced personnel expenses of EUR 34.9 million (previous year: EUR 52.3 million).
- At EUR –15.1 million, EBIT remain above prior year level (EUR –20.9 million) due to reduced costs as well as lower write-downs.

## GERRY WEBER Wholesale segment

- Revenues down to EUR 78.3 million (previous year: EUR 104.2 million) primarily due to the lockdown.
- EBITDA increase to EUR 8.5 million (previous year: EUR 5.3 million); EBITDA margin climbs to 10.9% (previous year: 5.1%) thanks to cost reductions.
- EBIT rise to EUR 3.7 million (previous year: EUR –1.7 million). EBIT margin reaches –4.7% (previous year: –1.6%).

## Online business 9M 2021

The GERRY WEBER Group's online revenues are included in both the Retail segment and the Wholesale segment. This is not a reporting segment in its own right; we report on it separately here to reflect its strategic importance for the Group.

Online Retail revenues also comprise the online sales of the GERRY WEBER, TAIFUN and SAMOON brands on our own platform. Online Wholesale revenues comprise the revenues generated on our customers' platforms.

- Online revenues of the Retail segment grow by a strong 32.2% to EUR 25.7 million (previous year: EUR 19.4 million).
- Share of online Retail revenues in total Group revenues up to 13.4% (previous year: 8.6%) due to constant improvement of online shops, more and intensified marketplace partnerships and lower revenues from physical stores (COVID-19 pandemic).
- Online revenues in the Wholesale segment reached EUR 4.8 million (previous year: EUR 4.1 million).

In EUR million	9M 2021	9M 2020
Online revenues in Retail segment (B2C)	25.7	19.4
Online revenues in Wholesale segment (B2B)	4.8	4.1
<b>Consolidated online revenues</b>	<b>30.5</b>	<b>23.5</b>

## NET WORTH AND FINANCIAL POSITION

- At EUR 398.6 million, total assets were slightly lower than on 31 December 2020 (EUR 433.0 million).
- Inventories up by EUR 6.6 million from EUR 46.7 million on 31 December 2020 to EUR 53.5 million at the end of the first nine months of 2021.
- Cash and cash equivalents stand at EUR 90.4 million as of 30 September 2021 (end of previous year: EUR 85.3 million), of which EUR 41.1 million is in escrow accounts (restricted for servicing insolvency liabilities).
- Equity down to EUR 32.2 million (end of previous year: EUR 56.1 million) due to the loss incurred.
- Non-current liabilities at EUR 237.8 million (end of previous year: EUR 268.4 million); these mainly relate to liabilities from rights of use (rental and lease agreements) of EUR 134.9 million (end of previous year: EUR 151.0 million), long-term loans of EUR 36.0 million (end of previous year: EUR 23.5 million) as well as non-current liabilities resulting from the insolvency of EUR 58.8 million (end of previous year: EUR 86.0 million).
- As of 30 September 2021, current personnel and other provisions include a total of EUR 7.1 million for social plan and severance obligations, store closures, litigation costs and other expected costs.
- Current financial liabilities amount to EUR 32.2 million (end of previous year: EUR 31.3 million). The revolving credit facility was fully repaid as of September 2021 (end of previous year: EUR 17.5 million). The interest liabilities included in current financial liabilities amount to EUR 1.7 million (end of previous year: EUR 0.0 million), while the current insolvency liabilities amount to EUR 30.8 million (end of previous year: EUR 13.8 million). Current insolvency liabilities increased after the sale of Ravenna Park and the resulting reclassification of the Ravenna Park additional quota from non-current to current insolvency liabilities.

- Current liabilities from rights of use slightly lower at EUR 28.6 million (end of previous year: EUR 30.4 million).
- Other current liabilities climb to EUR 24.3 million (end of previous year: EUR 6.8 million). They include a grant of EUR 12 million under the government's stopgap aid ("Überbrückungshilfe III"), which was applied for and approved in March 2021. As a repayment claim may arise by the time of the final review, this grant is recognised as a liability.
- As of 30 September 2021, current liabilities totalled EUR 128.6 million (end of previous year: EUR 108.5 million).
- Despite the decline in cash inflows due to the COVID-19 pandemic, it has been possible to increase the cash outflow from operating activities to EUR 26.9 million (previous year: EUR 13.0 million).
- Cash inflow from investing activities amounted to EUR 22.7 million (previous year: cash outflow of EUR –2.4 million). The cash inflow includes funds from the sale of Ravenna Park in the amount of EUR 25.0 million; the funds are scheduled to be paid to the insolvency creditors in the fourth quarter of 2021.
- Net cash flow outflow from financing activities at EUR –21.7 million (previous year: EUR –60.1 million), essentially related to the repayment of liabilities regarding rights of use and additional liquidity under new credit facilities of EUR 5.0 million.

## OUTLOOK

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

While all our stores have been open since June 2021, incidence rates are currently picking up sharply, which is why we cannot rule out that opening rules will be adjusted again at short notice. In the first quarter of 2021, we lost some 55 sales days throughout Germany, about 10 of which were Saturdays. The current trend in online and Retail revenues is making us optimistic, but we know that we will not be able to make up the shortfall in revenues incurred at the beginning of the fiscal year 2021.

Against this background and based on these premises, the Managing Board of GERRY WEBER International AG continues to project 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 at the same time. Normalised consolidated EBITDA (excluding the effects of lease accounting under IFRS 16) is to be improved to a negative low double-digit million figure.

## RISKS AND OPPORTUNITIES

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

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 9M 2021

- 10 Consolidated balance sheet
- 12 Consolidated income statement
- 13 Consolidated statement of comprehensive income
- 14 Consolidated statement of changes in equity
- 15 Consolidated cash flow statement
- 16 Abridged notes to the consolidated financial statements

## **27 Imprint, Financial calendar & Forward-looking statements**

# CONSOLIDATED BALANCE SHEET

as of 30 September 2021

## ASSETS

In KEUR	30.09.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	10,703	13,776
Rights of use	158,916	179,194
Property, plant and equipment	44,498	74,250
Financial assets	184	183
<b>Deferred tax assets</b>	<b>2,790</b>	<b>2,080</b>
	<b>217,091</b>	<b>269,483</b>
<b>CURRENT ASSETS</b>		
Inventories	53,311	46,702
<b>Receivables and other assets</b>		
Trade receivables	15,682	12,015
Other assets	20,574	18,176
Income tax receivables	1,547	1,388
<b>Cash and cash equivalents</b>	<b>90,394</b>	<b>85,250</b>
	<b>181,508</b>	<b>163,531</b>
Assets classified as held for sale	0	
	<b>181,508</b>	<b>163,531</b>
<b>Total Assets and Liabilities</b>	<b>398,599</b>	<b>433,014</b>

## LIABILITIES

In KEUR	30.09.2021	31.12.2020
<b>EQUITY</b>		
Subscribed capital	1,238	1,220
Capital reserve	946	858
Retained earnings	102	102
Exchange differences	-2,663	-2,952
Accumulated profits	32,543	56,906
	<b>32,166</b>	<b>56,134</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions for personnel	21	23
Other provisions	4,300	4,176
Financial liabilities	94,841	109,579
Liabilities from rights of use	134,937	151,023
Deferred tax liabilities	3,729	3,628
	<b>237,828</b>	<b>268,429</b>
<b>CURRENT LIABILITIES</b>		
<b>Provisions</b>		
Tax provisions	94	34
Provisions for personnel	5,461	5,411
Other provisions	18,396	19,477
<b>Liabilities</b>		
Financial liabilities	32,220	31,300
Trade liabilities	19,485	15,055
Liabilities from rights of use	28,649	30,398
Other liabilities	24,300	6,776
	<b>128,605</b>	<b>108,451</b>
<b>Total Assets and Liabilities</b>	<b>398,599</b>	<b>433,014</b>

# CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 September 2021

In KEUR	Q3 2021	Q3 2020
<b>Continuing operations</b>		
Sales revenues	191,543	227,072
Other operating income	3,933	8,696
Change in inventories	6,609	2,029
Cost of materials	-78,439	-92,121
Personnel expenses	-48,879	-70,907
Depreciation/amortisation	-31,859	-37,725
Other operating expenses	-54,986	-58,935
Other taxes	-506	-274
<b>Operating result</b>	<b>-12,584</b>	<b>-22,165</b>
<b>Financial result</b>		
Interest income	0	4
Expenses from fair value measurement of financial liabilities	0	-1,500
Incidental bank charges	-356	-359
Financial expenses	-11,377	-8,256
	<b>-11,733</b>	<b>-10,111</b>
<b>Results from ordinary activities</b>	<b>-24,317</b>	<b>-32,276</b>
<b>Taxes on income</b>		
Taxes of the fiscal year	-656	-932
Deferred tax	609	1,022
	<b>-47</b>	<b>90</b>
<b>Consolidated net loss for the year</b>	<b>-24,364</b>	<b>-32,186</b>
<b>Earnings per share (diluted and basic) related to</b>		
Result from continuing operations (attributable to the parent company's shareholders) in EUR	-19.68	-26.00
Net loss for the period (attributable to the parent company's shareholders) in EUR	-19.68	-26.00

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2021

In KEUR	Q3 2021	Q3 2020
Consolidated net loss for the year	-24,364	-32,186
<b>Other comprehensive income</b>		
<b>Items that can be reclassified to the income statement</b>		
Currency translation changes in the amount recognised in equity		
Changes in the adjustment item from currency translation of foreign subsidiaries	289	-1,122
	<b>289</b>	<b>-1,122</b>
<b>Comprehensive income</b>	<b>-24,075</b>	<b>-33,308</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 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
<b>1 Jan. 2021</b>	<b>1,220</b>	<b>858</b>	<b>103</b>	<b>0</b>	<b>-2,952</b>	<b>56,905</b>	<b>56,134</b>
Equity component of convertible bonds	0	0	0	0	0	0	0
Capital increase	18	261	0	0	0	0	279
Stock options	0	-173	0	0	0	0	-173
Result from continuing operations	0	0	0	0	0	-24,363	-24,363
Other result from continuing operations	0	0	0	0	289	0	289
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>289</b>	<b>-24,363</b>	<b>-24,074</b>
<b>30 Sep. 2021</b>	<b>1,238</b>	<b>946</b>	<b>103</b>	<b>0</b>	<b>-2,663</b>	<b>32,542</b>	<b>32,166</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 January to 30 September 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
<b>1 Jan. 2020</b>	<b>1,025</b>	<b>10</b>	<b>103</b>	<b>0</b>	<b>-2,054</b>	<b>122,358</b>	<b>121,442</b>
Equity component of convertible bonds	0	673	0	0	0	0	673
Capital increase	195	2	19	0	0	-20	196
Stock options	0	0	0	0	0	0	0
Result from continuing operations	0	0	0	0	0	-32,186	-32,186
Other result from continuing operations	0	0	0	0	-1,122	0	-1,122
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,122</b>	<b>-32,206</b>	<b>-33,308</b>
<b>30 Sep. 2020</b>	<b>1,220</b>	<b>685</b>	<b>122</b>	<b>0</b>	<b>-3,176</b>	<b>90,152</b>	<b>89,003</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 30 September 2021

In KEUR	Q3 2021	Q3 2020
Operating result from continuing operations	-12,585	-22,165
Depreciation/amortisation	31,859	37,725
Non-cash expenses and income	0	1,625
Loss from the disposal of fixed assets and assets held for sale	52	150
Decrease/increase in inventories	-6,609	-964
Increase in trade receivables	-3,667	-10,110
Decrease/increase in other assets not attributable to investment and financing activities	-3,267	16,527
Decrease in provisions	-909	-9,966
Increase in trade payables	4,430	4,329
Increase in other liabilities not attributable to investing and financing activities	18,295	-3,699
Income tax refunds/payments	-656	-433
<b>Cash inflows from operating activities</b>	<b>26,943</b>	<b>13,019</b>
Income from loans	0	0
Interest received	0	0
Incidental bank charges	-356	-359
Interest paid	-5,248	-1,695
<b>Cash inflows from current operating activities</b>	<b>21,339</b>	<b>10,965</b>
Proceeds from the disposal of property, plant, equipment and intangible assets	25,000	0
Cash outflows for investments in property, plant, equipment and intangible assets	-2,292	-2,366
<b>Cash inflows/outflows from investing activities</b>	<b>22,708</b>	<b>-2,366</b>
Proceeds from borrowings	5,002	0
Proceeds from capital increase	106	195
Repayment of insolvency liabilities	-7,448	-18,775
Repayment of loans from the plan sponsors	0	-11,401
Repayment of liabilities relating to rights of use	-19,352	-30,124
<b>Cash outflows/inflows from financing activities</b>	<b>-21,692</b>	<b>-60,105</b>
Net change in cash and cash equivalents	22,355	-51,506
Exchange rate-related changes	289	-1,122
Cash and cash equivalents at the beginning of the fiscal year	67,750	126,929
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>90,394</b>	<b>74,301</b>
<b>Composition of cash and cash equivalents</b>		
Cash and cash equivalents (continuing operations)	90,394	74,301
Current account liabilities (continuing operations)	0	0
	<b>90,394</b>	<b>74,301</b>

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

## GENERAL INFORMATION

### Company data

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

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

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

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

The type of expenditure format was used for the income statement. In the income statement, the interim reporting period from 1 January 2021 to 30 September 2021 is compared with the period from 1 January 2020 to 30 September 2020. In the balance sheet, the amounts as of 30 September 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 29 fully consolidated subsidiaries in Germany and abroad. In the period from 1 January 2021 to 30 September 2021, a total of 5 entities in Belgium and 3 entities in Germany were merged.

### Accounting principles

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

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

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

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

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

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

### Currency translation

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

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

Currencies		Closing rate		Average rate	
		30 Sep. 2021	31 Dec. 2020	1 Jan. 2021– 30 Sep. 2021	1 Jan. 2020– 30 Sep. 2020
<b>EUR 1 in</b>					
Russia	RUB	84.34	91.47	88.60	79.90
USA	USD	1.16	1.23	1.20	1.12
China	CNY	7.48	8.02	7.74	7.86
Switzerland	CHF	1.08	1.08	1.09	1.07
Norway	NOK	10.17	10.47	10.23	10.71

### 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 425 (comparative period: KEUR 483) 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 99,721 (comparative period: KEUR 125,058) generated in Germany and KEUR 91,822 (comparative period: KEUR 102,014) generated abroad.

### Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net profit/loss for the year after taxes attributable to ordinary shareholders of GERRY WEBER International AG and the average number of shares outstanding during the period. The consolidated net profit/loss attributable exclusively to the shareholders of the parent company amounted to KEUR –24,364 (comparative period: KEUR –32,186).

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,220,238 shares were outstanding in the period from 1 January to 30 September 2021. The average number of shares outstanding in the comparative period was 1,094,370. As of 31 December 2020, the number of shares was 1,237,846.

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

Earnings per share amount to EUR –19.68 (comparative period: EUR –26.00).

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).

Reporting period 1 January to 30 September 2021:

In KEUR	GERRY WEBER Core-Wholesale	GERRY WEBER Core-Retail	Consolidation entries	Total
<b>Sales by segments</b>	<b>78,333</b>	<b>113,210</b>	<b>0</b>	<b>191,543</b>
Personnel expenses	13,957	34,922	0	48,879
<b>EBITDA</b>	<b>8,511</b>	<b>11,870</b>	<b>-1,108</b>	<b>19,273</b>
Depreciation/amortisation	4,855	27,004	0	31,859
<b>EBIT (earnings before interest and tax)</b>	<b>3,656</b>	<b>-15,133</b>	<b>-1,108</b>	<b>-12,585</b>
Assets	193,010	206,165	-576	398,599
Liabilities	176,648	190,095	-311	366,433
Investments in non-current assets	767	1,525	0	2,292
Number of employees (average)	311	1,904	0	2,215

Comparative period 1 January to 30 September 2020:

In KEUR	GERRY WEBER Core-Wholesale	GERRY WEBER Core-Retail	Consolidation entries	Total
<b>Sales by segments</b>	<b>104,215</b>	<b>122,857</b>	<b>0</b>	<b>227,072</b>
Personnel expenses	18,650	52,257	0	70,907
<b>EBITDA</b>	<b>5,301</b>	<b>9,835</b>	<b>424</b>	<b>15,560</b>
Depreciation/amortisation	6,979	30,746	0	37,725
<b>EBIT (earnings before interest and tax)</b>	<b>-1,678</b>	<b>-20,911</b>	<b>424</b>	<b>-22,165</b>
Assets	226,577	234,725	-3,244	458,058
Liabilities	185,905	186,364	-3,214	369,055
Investments in non-current assets	971	1,395	0	2,366
Number of employees (average)	389	2,173	0	2,562

### Rights of use and liabilities from rental and lease agreements

As of 30 September 2021, rights of use under rental and lease agreements for retail stores of KEUR 158,746 (31 December 2020: KEUR 178,827) and leases for motor vehicles of KEUR 171 (31 December 2020: KEUR 367) were recognised.

The liabilities recognised in the balance sheet include the amortised liabilities from rental and lease agreements with a non-current portion of KEUR 134,937 (31 December 2020: KEUR 151,023) and a current portion of KEUR 28,649 (31 December 2020: KEUR 30,398).

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

### Inventories

In KEUR	30 Sep. 2021	31 Dec. 2020
Raw materials and supplies	20	20
Work in progress	2,538	4,862
Finished goods and merchandise	50,753	41,820
	<b>53,311</b>	<b>46,702</b>

Impairments in the amount of KEUR 22,088 (31 December 2020: KEUR 28,396) existed as of 30 September 2021. These primarily cover risks relating to recoverability in the context of the COVID-19 pandemic. Additional impairments may be necessary 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 20,574 (31 December 2020: KEUR 18,176) have a maturity of less than one year. Other assets comprise:

In KEUR	30 Sep. 2021	31 Dec. 2020
<b>Financial assets</b>		
Rent deposits	1,792	2,078
Supplier balances	479	702
	<b>2,271</b>	<b>2,780</b>
<b>Non-financial assets</b>		
Payments on account	9,488	8,101
Tax claims	5,153	4,704
Prepaid expenses	3,004	1,857
Other	658	734
	<b>18,303</b>	<b>15,396</b>
	<b>20,574</b>	<b>18,176</b>

## Equity

Equity capital comprises the subscribed capital and the reserves of the Group. Based on an entry in the Commercial Register on 23 August 2021, the subscribed capital of GERRY WEBER International AG was increased by EUR 17,608.00 from EUR 1,220,238.00 to EUR 1,237,846.00. After deduction of 76 own shares held as at the quarterly reporting date, the subscribed capital amounted to EUR 1,237,770.00.

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

Positionen:

In KEUR	Carrying amount 30 Sep. 2021	Carrying amount 31 Dec. 2020
<b>Insolvency liabilities</b>		
Bonds	33,486	38,487
Convertible bonds	1,832	1,832
GWI* cash quota	7,044	7,999
GWI* excess liquidity quota	9,684	9,447
GWR* cash quota and excess liquidity quota	1,696	7,309
Additional quotas	30,122	29,146
Interest on bonds	1,051	311
Provisions and adjustments	4,730	5,309
	<b>89,645</b>	<b>99,840</b>
Thereof current	30,814	13,800
Thereof non-current	58,831	86,040
<b>Loans</b>		
Long-term loan (incl. capitalised interest)	36,009	23,539
Revolving credit facility (including deferred interest)	1,406	17,500
	<b>37,415</b>	<b>41,039</b>
<b>Financial liabilities (total)</b>	<b>127,060</b>	<b>140,879</b>

\* 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 prior year period.

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. No use was made of the credit facility as at the end of the third quarter. The current interest rate for the long-term loan is 12.0% p.a.; up to 8.0% thereof may be deferred until final maturity (PIK). The loan is accounted for using the effective interest method, taking into account a one-off amount of KEUR 2,496 deferred until 30 June 2024. The revolving credit facility has an interest rate of 8.0% p.a. and a commitment rate of 4.0% p.a. The long-term loan has a final maturity date of 31 December 2023. The revolving credit facility is limited until 31 December 2023.

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

#### Provisions as of 30 September 2021 and 31 December 2020 (current)

In the context of the **restructuring**, provisions of KEUR 7,106 (previous year: KEUR 8,360) were recognised as of 30 September 2021.

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

The provisions for restructuring are composed as follows:

In KEUR	30 Sep. 2021	31 Dec. 2020
Social plan obligations	1,316	2,188
Expected dismantling and compensation payments for store closures and redemption of landlord liens	459	510
Litigation costs	5,331	5,662
	<b>7,106</b>	<b>8,360</b>

## Other liabilities

In KEUR	30 Sep. 2021	31 Dec. 2020
<b>Financial liabilities</b>		
Liabilities to customers	1,304	1,374
	<b>1,304</b>	<b>1,374</b>
<b>Non-financial liabilities</b>		
Advance payments of public grants	12,000	0
Other taxes (especially wage and turnover tax)	5,925	1,945
Customer vouchers, bonus cards and goods on return	671	327
Social security	1,632	527
Deferred income	468	500
Liabilities to personnel	448	632
Other liabilities	1,852	1,471
	<b>22,996</b>	<b>5,402</b>
	<b>24,300</b>	<b>6,776</b>

## Notes to the cash flow statement

As of 30 September 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 instruments and the carrying amounts in accordance with IFRS 9 measurement categories as of 30 September 2021 and 31 December 2020.

In KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 30 Sep. 2021	Carrying amount	For information: fair value	Recognised in profit or loss (net profit/loss for the year)	Not recognised in profit or loss (other comprehensive income)
<b>Non-current financial assets</b>				
Loans	178	178		
Equity instruments			6	
<b>Current financial assets</b>				
Trade receivables	15,757	15,757		
Other financial assets	2,271	2,271		
Cash and cash equivalents	90,394	90,394		
	<b>108,600</b>	<b>108,600</b>	<b>6</b>	<b>0</b>
<b>Non-current liabilities</b>				
Financial liabilities	94,841	94,841		
Other liabilities	–	–		
<b>Current liabilities</b>				
Financial liabilities	32,220	32,220		
Trade liabilities	19,486	19,486		
Other liabilities	1,304	1,304		
	<b>147,851</b>	<b>147,851</b>	<b>0</b>	<b>0</b>

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)
<b>Non-current financial assets</b>				
Loans	178	178		
Equity instruments			6	
<b>Current financial assets</b>				
Trade receivables	12,015	12,015		
Other financial assets	2,780	2,780	0	
Cash and cash equivalents	85,250	85,250		
	<b>100,223</b>	<b>100,223</b>	<b>6</b>	<b>0</b>
<b>Non-current liabilities</b>				
Financial liabilities	109,579	109,579		
Other liabilities	-	-		
<b>Current liabilities</b>				
Financial liabilities	31,300	31,300		
Trade liabilities	15,055	15,055		
Other liabilities	1,374	1,374		
	<b>157,308</b>	<b>157,308</b>	<b>0</b>	<b>0</b>

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 no longer utilised at the end of the reporting period.

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

**Post balance sheet events**

No reportable events occurred after the balance sheet date.

Halle/Westphalia, 17 November 2021



# IMPRINT

## Editor and Contact

GERRY WEBER International AG  
Dr. Andrea Rolvering  
Neulehenstraße 8  
33790 Halle/Westfalen

Phone: +49 (0) 5201 18 5– 0  
Fax: +49 (0) 5201 58 57  
Email: [ir@gerryweber.com](mailto:ir@gerryweber.com)  
Internet: [www.gerryweber.com](http://www.gerryweber.com)

## Layout and typesetting

IR-ONE. Hamburg  
[www.ir-one.de](http://www.ir-one.de)

## Translation

Network Translators, Hamburg  
[www.networktranslators.de](http://www.networktranslators.de)

# FINANCIAL CALENDAR

Publication annual financial report 2021	29.03.2022
Publication quarterly statement for the first three month 2022	12.05.2022
Annual General Meeting 2022	07.07.2022
Publication half-yearly financial statements 2022	11.08.2022
Publication quarterly statement for the first nine month 2022	10.11.2022

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

## Forward-looking statements

The present 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.

GERRY WEBER International AG

Neulehenstraße 8 • 33790 Halle / Westfalen

Phone: +49 (0)5201 185-0 • Fax: +49 (0)5201 5857

[ir@gerryweber.com](mailto:ir@gerryweber.com) • [gerryweber.com](http://gerryweber.com)