Prospectus dated October 15, 2020

GERRY WEBER
INTERNATIONAL AG

Prospectus

for the admission to trading on the
regulated market segment (*regulierter Markt*) (General Standard) of
the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
and the regulated market of the Dusseldorf Stock Exchange

of

1,016,623 bearer shares with no par value (*Stückaktien*)
issued pursuant to the Restructuring Capital Increase
implemented by the GWI Insolvency Plan on October 25, 2019

and

40,000 bearer shares with no par value (*Stückaktien*)
stemming from the Company's conditional capital
implemented by the GWI Insolvency Plan on October 25, 2019

and

195,238 bearer shares with no par value (*Stückaktien*)
issued pursuant to the JPM Capital Increase
resolved by the annual general shareholders' meeting of the Company on February 11, 2020

of

GERRY WEBER International AG

International Securities Identification Number (ISIN): DE000A255G36
German Securities Code (*Wertpapierkennnummer* (*WKN*)): A255G3
Ticker Symbol: GWI1

Listing Agent

Baader Bank

This Prospectus is valid until the time when trading on a regulated market begins. Trading of the New Shares is expected to commence on October 19, 2020. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the time when trading on a regulated market begins does not apply after the time when trading of the shares of the company on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange begins on October 19, 2020, and the Prospectus will not be supplemented thereafter (Article 23 of the Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017).

TABLE OF CONTENTS

Page

SUMMARY OF THE PROSPECTUS

A. Introduction and warnings

This prospectus (the "**Prospectus**") relates to bearer shares with no par value (*Stückaktien*) of GERRY WEBER International AG, Halle/Westphalia, Germany, ("**GWI AG**", "**GWI**" or the "**Company**" and, together with its direct and indirect subsidiaries, "**GERRY WEBER**" or the "**GERRY WEBER Group**", the "**Group**", "**we**", "**us**" and "**our**"), with the legal entity identifier ("**LEI**") 529900PGN4LKDAV34J75 and International Securities Identification Number ("**ISIN**") DE000A255G36.

There will be no public offering. The persons asking for admission to trading on a regulated market are the Company and Baader Bank Aktiengesellschaft ("**Baader Bank**"). The Company can be contacted at: Neulehenstraße 8, 33790 Halle/Westfalen, Germany (telephone: +49 (0) 5201 185140); www.gerryweber.com. Baader Bank can be contacted at: Weihenstephaner Str. 4, 85716 Unterschleißheim, Germany (telephone: +49 (0) 89 5150 0).

This Prospectus has been approved in accordance with Article 20 paragraph 2 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**")), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany (telephone: +49 (0) 228 4108-0); www.bafin.de, on October 15, 2020.

This summary (the "**Summary**") should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. The Company and Baader Bank have assumed responsibility for the content of this summary, including the translation thereof. They are liable only in the event that the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.

B. Key information on the issuer

Who is the issuer of the securities?

The issuer is GERRY WEBER International AG (LEI: 529900PGN4LKDAV34J75), a stock corporation (*Aktiengesellschaft*) incorporated at Neulehenstraße 8, 33790 Halle/Westfalen, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany, under docket number HRB 4779 and operating under German law.

We are a vertically integrated fashion and lifestyle group operating in the modern classic mainstream and the modern woman fashion segments of the women's apparel market in Germany, and in more than 60 countries worldwide. We believe we are a leading fashion retailer in the growing demographic sub-segment of women aged 50+ years ("**best ager**") in the markets in which we operate, with little competition of the same scale and high brand recognition. We currently operate three brands, which collectively serve a broad target group of women aged between 40+ and 50+ years: GERRY WEBER, TAIFUN and SAMOON. Our brands are established brands in the German and other European women's apparel markets as well as in Russia and the Middle East, offering high-quality fashion, accessories and lifestyle products for demanding, stylish and quality-conscious customers. Our products include, among others, trousers, dresses, skirts, jackets, coats, t-shirts, knitwear, blouses, blazers, and accessories. We have a strong international footprint with 2,818 points of sales ("**POS**") worldwide as of June 30, 2020, including (i) 588 POS within our retail GERRY WEBER segment (the "**Retail GERRY WEBER Segment**") and (ii) 2,230 POS within our wholesale GERRY WEBER segment ("**Wholesale GERRY WEBER Segment**") in more than 60 countries worldwide. Our core market is Germany, where we had 1,876 retail and wholesale POS as of June 30, 2020 and generated 56.1% of our consolidated revenues for the six-month period ended June 30, 2020. Furthermore, we sell our products through our own online shops, which are available across Europe, as well as third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto.

It is our mission to inspire our customers with clearly distinguishable brands as well as a demand-driven product range across all points of contact.

On February 7, 2019, we granted Robus SCSp SICAV-FIAR – Robus Recovery Fund II ("**Robus**") a purchase option for an 88.0% interest in HALLHUBER GmbH, Germany ("**HALLHUBER**") as part of our restructuring (the "**Restructuring**"). As a result of the grant of the purchase option, the assets of HALLHUBER were reclassified as assets held for sale in our balance sheet and the operations of our HALLHUBER retail segment ("**HALLHUBER Segment**") were reclassified as discontinued operations in our income statement accordance with IFRS 5 "non-current assets held for sale and discontinued operations" from February 7, 2019, as shown in the consolidated financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the consolidated financial statements for the short fiscal year ended March 31, 2019. Following the exercise of the purchase option by Robus, the 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale, as shown in the consolidated financial statements as of and for the short fiscal year ended December 31, 2019. The segment reporting for the short fiscal year ended December 31, 2019 still included the financial information of HALLHUBER, differing from the consolidated income statement, as the financial performance of HALLHUBER has been reported to the management board in the short fiscal year ended December 31, 2019.

For the six-month period ended June 30, 2020, we generated revenues of € 140.5 million (€ 330.5 million and € 215.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 794.8 million (including HALLHUBER; excluding HALLHUBER: € 597.2 million) and € 880.9 million (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively), adjusted EBITDA (defined as earnings before interest, taxes, depreciation and amortization ("**EBITDA**") adjusted for exceptional items, such as restructuring-related expenses) of € 13.4 million (€ 31.7 million and € 2.2 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 29.2 million (including HALLHUBER; excluding HALLHUBER: € 36.3 million) and € 63.9 million (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively), representing an adjusted EBITDA margin (defined as adjusted EBITDA divided by sales with external third parties) of 9.5% (9.6% and 1.0% for the short fiscal years ended December 31, 2019 and March 31, 2019, and 3.7% (including HALLHUBER; excluding HALLHUBER: 6.1%) and 7.3% (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively).

We sell our products through a fully integrated omni-channel distribution model via our wholesale and own retail channels, which reflect our operating segment structure, as well as our eCommerce channel, comprising of our own online shops and cooperations with third-party online marketplaces.

Retail GERRY WEBER – In the Retail GERRY WEBER Segment, which constituted 53.1% of our total revenues in the six-month period ended June 30, 2020, we sell apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON, directly to consumers via our (i) own retail stores (including outlet stores), (ii) concession stores and (iii) own online shops. Our Retail GERRY WEBER Segment included a total of 588 POS as of June 30, 2020 across Europe (including 350 POS in Germany), of which 291 were multi-label stores operated under the brand GERRY WEBER (so-called Houses of GERRY WEBER), 15 were mono-label stores of our TAIFUN and SAMOON brands (8 TAIFUN stores and 3 SAMOON stores) as well as our GERRY WEBER Edition sub-label (4 stores), and 254 were concession stores. We count one multi-brand store as either two or three POS, one for each of our three brands, depending on which of our brands are represented in such store. In addition, we operate a growing outlet business which, as of June 30, 2020, was comprised of 21 outlet stores in Germany, 3 in the Netherlands, 2 in Belgium, 1 in Austria and 1 in Italy. The outlet stores mainly offer out-of-season products of our brands at a reduced price, and provide us with an efficient way to sell returned or excess stock. Moreover, we sell apparel and accessories of all three brands through our own online shops, which are available across Europe. Furthermore, we plan to make our online shop accessible in Asia and Russia. For the six-month period ended June 30, 2020, our Retail GERRY WEBER Segment generated sales with third parties of € 74.6 million (€ 210.4 million and € 121.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 339.5 million and € 392.6 million for the fiscal years ended October 31, 2018 and 2017, respectively) and EBITDA of € -2.2 million (€ 133.5 million and € 3.1 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € -64.6 million and € 12.5 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of -3.0% (63.5% and 2.6% for the short fiscal years ended December 31, 2019 and March 31, 2019, and -19.0% and 3.2% for the fiscal years ended October 31, 2018 and 2017, respectively).

Wholesale GERRY WEBER – The Wholesale GERRY WEBER Segment, which constituted 46.9% of our total revenues in the six-month period ended June 30, 2020, is our historical foundation. Through our wholesale channel we distribute apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON to our wholesale partners that sell our products to their customers at their POS. As of June 30, 2020, our products were offered in 2,230 wholesale POS worldwide (excluding third-party online marketplaces), of which 1,526 were located in Germany. Our wholesale channel comprises of two distinct sales formats: Franchise stores (242 as of June 30, 2020) and shop-in-shop stores (1,988 as of June 30, 2020). Furthermore, we sell our apparel and accessories through third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto. As these purchase the merchandise from us, the revenues generated through such third-party online marketplaces are counted towards our Wholesale GERRY WEBER Segment. For the six-month period ended June 30, 2020, our Wholesale GERRY WEBER Segment generated sales with third parties of € 66.0 million (€ 120.1 million and € 94.0 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 257.7 million and € 294.0 million for the fiscal years ended October 31, 2018 and 2017, respectively) and an EBITDA of € 0.9 million (€ 42.4 million and € 6.8 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 29.5 million and € 34.6 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of 1.4% (35.3% and 7.3% for the short fiscal years ended December 31, 2019 and March 31, 2019, and 11.4% and 11.8% for the fiscal years ended October 31, 2018 and 2017, respectively).

Retail HALLHUBER – The Retail HALLHUBER Segment bundles all business activities in connection with HALLHUBER. As of October 31, 2018, the HALLHUBER Segment comprised 423 own retail stores (including outlet stores) in Germany and Europe, as well as 21 company-managed online shops, and partnerships with third-party online marketplaces, such as Amazon, Otto, Zalando or House of Fraser in the UK. For the short fiscal years ended December 31, 2019 and March 31, 2019, the HALLHUBER Segment generated sales with third parties of € 48.7 million and € 89.0 million, and € 197.6 million and € 194.3 million for the fiscal years ended October 31, 2018 and 2017, an EBITDA of € 1.8 million and € -15.4 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € -12.3 million and € 11.1 million for the fiscal years ended October 31, 2018 and 2017, representing an EBITDA margin of 3.7% and -17.3% for the short fiscal years ended December 31, 2019 and March 31, 2019, and -6.2% and 5.7% for the fiscal years ended October 31, 2018 and 2017, respectively.

Our principal shareholders are Robus, WBOX 2018-3 Ltd. ("**Whitebox**") (together, the "**Plan Sponsors**") and J.P. Morgan Securities plc ("**JPM**"). Robus directly holds 42.0%, Whitebox directly holds 42.0% and JPM holds 16.0% of our current share capital. The current members of the Company's management board (*Vorstand*) (the "**Management Board**") are Florian Frank, Alexander Gedat and Angelika Schindler-Obenhaus.

The Company's independent auditor is PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

What is the key financial information regarding the issuer?

The following financial information is taken from (i) the audited consolidated financial statements of the Group as of and for the short fiscal years ended December 31, 2019 and March 31, 2019 and as of and for the fiscal years ended October 31, 2018 and October 31, 2017, each prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Section 315e paragraph 1 of the German Commercial Code (*Handelsgesetzbuch*) (together, the "**Audited Consolidated Financial Statements**"), (ii) the unaudited interim consolidated financial information of the Group as of and for the six-month period ended June 30, 2020 (including comparative figures for the six-month period ended June 30, 2019) prepared in accordance with the International Accounting Standard No. 34: *Interim Finacial Reporting* (IAS 34) (the "**Unaudited Interim Consolidated Financial Statements**"),and (iii) from our accounting records or internal management reporting systems. By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. of the German Insolvency Act (*Insolvenzordnung*) ("**InsO**"). Pursuant to § 155(2) InsO a new financial year begins with the opening of insolvency proceedings, which required us to prepare consolidated financial statements for the short fiscal year ended March 31, 2019. Furthermore, by resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as from December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements for the short fiscal year ended December 31, 2019. The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months. Due to the different lengths of our fiscal years, our financial statements as of and for the short fiscal years ended March 31, 2019 and December 31, 2019 as well as our financial statements as of and for the short fiscal year ended March 31, 2019 and as of and for the fiscal year ended October 31, 2018 are only comparable to a limited extent. Where financial data in the following tables is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the Audited Consolidated Financial Statements but from our Unaudited Interim Consolidated Financial Statements or our accounting records or management reporting.

Consolidated Balance Sheet

The table below sets forth selected financial information from our consolidated balance sheet as of the dates indicated:

(in € thousand)	As of June 30, 2020	December 31, 2019	March 31, 2019	October 31, 2018	October 31, 2017
	(unaudited)		*(audited)*		
Total assets	**517,924**	**580,667**	**374,890**	**641,490**	**789,907**
Total equity	**87,751**	**121,442**	**1,065**	**245,635**	**412,749**
Total liabilities	**430,173**	**459,225**	**373,825**	**395,855**	**377,158**

Consolidated Income Statement

The table below sets forth selected financial information from our consolidated income statement for the periods indicated:

(in € thousand, except as otherwise indicated)	Six-month period from January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	Short fiscal year from April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	Fiscal year from November 1, 2017 to October 31, 2018[2]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited, unless otherwise indicated)*			
Revenue[3]	140,541	247,743	330,512	215,566	597,204	794,766	880,885
Change from prior period, in %[4]	*(43.3)*	–	*53.3*	*(63.9)*	*(32.2)*	*(9.8)*	
Operating Result (Earnings before interest and taxes ("**EBIT**"))	(27,336)	(122,869)	129,962	(130,096)	(131,008)	(192,171)	10,302
EBIT margin (% of revenue)[4]	*(19.5)*	*(49.6)*	*39.3*	*(60.4)*	*(21.9)*	*(24.2)*	*1.2*
EBITDA	(1,053)	34,444	176,731	7,648	(34,726)	(47,024)	58,153
EBITDA margin (% of revenue)[4]	*(0.7)*	*13.9*	*53.5*	*3.5*	*(5.8)*	*(5.9)*	*6.6*
Result from continuing operations	(34,179)	(144,056)	119,322	(148,226)	(116,831)	–	–
Result from discontinued operations attributable to shareholders of the parent company	0	(101,332)	0	(96,274)	(55,446)	–	–
Consolidated net profit/loss for the year	**(34,179)**	**(245,388)**	**119,322**	**(244,501)**	**(172,277)**	**(172,277)**	**(782)**
Earnings per share from continuing operations attributable to the owners of the parent company [5], in €	**(33.17)**	**(139.81)**	**3.35**	**(3.26)**	**(2.57)**	–	–
Earnings per share attributable to the owners of the parent company[5], in €	**(33.17)**	**(238.15)**	**3.35**	**(5.37)**	**(3.79)**	**(3.79)**	**(0.02)**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.
(3) Revenue corresponds to "sales revenue" in the Company's financial statements.
(4) Unaudited.
(5) Calculation based on an average of 1,030,393 outstanding Shares for the six-month period ended June 30, 2020, 45,507,715 outstanding Shares for the six-month period ended June 30, 2019, 35,622,667 and 45,507,715 outstanding Shares in the short fiscal years ended December 31, 2019 and March 31, 2019 and 45,507,715 outstanding Shares in each of the fiscal years ended October 31, 2018 and 2017, respectively.

Consolidated Cash Flow Statement

The table below sets forth selected financial information from the Company's consolidated cash flow statement for the periods indicated:

(in € thousand)	Six-month period from January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	Short fiscal year from April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	Fiscal year from November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited)*		
Cash inflows from operating activities	**2,994**	**65,511**	**63,499**	**15,025**	**25,045**	**47,170**
Cash inflows from current operating activities	**2,023**	**62,951**	**55,520**	**13,438**	**18,941**	**40,501**
Cash inflows/(outflows) from investing activities	**(1,979)**	**(3,251)**	**7,730**	**31,969**	**(18,365)**	**(12,524)**
Cash inflows/(outflows) from financing activities	**(44,310)**	**(21,134)**	**6,247**	**0**	**(3,000)**	**(47,139)**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

Alternative Performance Measures

We *inter alia* present EBIT, adjusted EBIT, adjusted EBIT margin, EBITDA, adjusted EBITDA, adjusted EBITDA margin, gross profit, gross margin, cost of materials ratio and net working capital as alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**").

Specifically, we use EBITDA, adjusted EBITDA and adjusted EBITDA margin as indicators for evaluating our operating performance as they do not include interest, taxes, depreciation and amortization as well as, in the case of adjusted EBIT, adjusted EBIT margin, adjusted EBITDA and adjusted EBITDA margin, costs for special items such as restructuring-related expenses. We present these financial measures, ratios and adjustments which are not defined under IFRS, German GAAP or any other generally accepted accounting principles ("**GAAP**") because we use such information in monitoring our business and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry and it may contribute to a more comprehensive understanding of our business. However, such non-GAAP measures may not be comparable to similarly titled information published by other companies, may not be suitable for an analysis of our business and operations, and should not be considered as a substitute for an analysis of our operating results prepared in accordance with IFRS. Non-GAAP measures do not necessarily indicate whether our cash flow will be sufficient or available for our cash requirements and may not be indicative of our results of operations.

No comparative figures for adjusted EBIT, adjusted EBITDA, adjusted EBIT margin and adjusted EBITDA margin for the six-month period ended June 30, 2019 are available. Due to the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*), which commenced on April 1, 2019 and were concluded on December 31, 2019, we had to prepare financial statements for the short-fiscal years from November 1, 2018 to March 31, 2019 and April 1, 2019 to December 31, 2019, respectively. Therefore, no financial statements for the six-month period from January 1, 2019 to June 30, 2019 have been prepared and no delimitations of the effects underlying the adjustments for the aforementioned alternative performance measures have been made as of such dates. It is impracticable to make such delimitations with hindsight, because it is not possible to retroactively precisely allocate the effects underlying the adjustments to such period.

The following table shows our EBIT, adjusted EBIT, adjusted EBIT margin, EBITDA, adjusted EBITDA, adjusted EBITDA margin, gross profit, gross margin and cost of materials ratio for the periods indicated as well as our net working capital for the dates indicated:

	Six-month period from		Short fiscal year from		Fiscal year from		
(in € thousand, except as otherwise indicated)	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	November 1, 2017 to October 31, 2018[2]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(unaudited, unless otherwise indicated)*			
EBIT[4]	(27,336)	(122,869)	129,962	(130,096)	(131,008)	(192,171)	10,302
Adjusted EBIT	(12,877)	–	(15,065)	(12,071)	(5,899)	(26,678)	19,419
Adjusted EBIT margin (% of revenue)	*(9.2)*	–	*(4.6)*	*(5.6)*	*(1.0)*	*(3.4)*	*2.2*
EBITDA[4]	(1,053)	34,444	176,731	7,648	(34,726)	(47,024)	58,153
Adjusted EBITDA	13,406	–	31,704	2,242	36,258	29,198	63,893
Adjusted EBITDA margin (% of revenue)	*9.5*	–	*9.6*	*1.0*	*6.1*	*3.7*	*7.3*
Gross profit	*81,648*	*141,326*	*193,516*	*105,786*	*337,402*	*457,137*	*516,064*
Gross margin (in %)	*58.1*	*57.0*	*58.6*	*49.1*	*56.5*	*57.5*	*58.6*
Cost of materials ratio (in %)	*41.9*	*43.0*	*41.4*	*50.9*	*43.5*	*42.5*	*41.4*
Net working capital[3]	39,867	–	46,148	96,167	148,492	148,492	160,044

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.
(3) As of period end.
(4) Audited.

The following table shows the reconciliation of operating result (EBIT) to EBITDA, adjusted EBITDA and adjusted EBIT for the periods indicated:

	Six-month period from		Short fiscal year from		Fiscal year from		
(in € thousand)	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	November 1, 2017 to October 31, 2018[2]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited, unless otherwise indicated)*			
Operating result (EBIT)	**(27,336)**	**(122,869)**	**129,962**	**(130,096)**	**(131,008)**	**(192,171)**	**10,302**
Depreciation and amortization:							
Impairment related to the Restructuring:							
Impairment of goodwill	–	–	–	23,665	10,971	42,471	–
Impairment of other intangible assets	–	–	–	8,906	26,594	26,594	–
Impairment of property, plant and equipment	–	–	–	90,860	16,560	20,206	–
Total Restructuring-related impairments	–	–	–	123,431[3]	54,125[3]	89,271	–
Impairments related to FIT4GROWTH[4]	–	–	–	–	–	–	3,377
Depreciation and amortization[4][5]	26,283	157,313	46,770	14,312	42,157	55,876	44,474
Total depreciation and amortization	26,283	157,313	46,770	137,743	96,282	145,147	47,851
EBITDA	**(1,053)**	**34,444**	**176,731**	**7,648**	**(34,726)**	**(47,024)**	**58,153**
Adjustments related to the Restructuring:							
Impairment of inventories	–		843	15,956	12,923	12,923	–
Severance payments / Interim employment companies	8,485	–	1,966	990	24,827	26,040	–
Proceedings-related expenses	–	–	4,813	18,082	–	–	–
Legal and consulting costs	5,974	–	19,621	6,771	5,468	5,468	–
Result from sale of "Halle 29"	–	–	–	(17,377)	–	–	–
Restructuring gains	–	–	(167,579)	–	–	–	–
Release of provisions	–	–	(4,691)	(29,828)	–	–	–

(in € thousand)	Six-month period from		Short fiscal year from		Fiscal year from		
	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	November 1, 2017 to October 31, 2018[2]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)		*(audited, unless otherwise indicated)*				
Costs of store closures	–	–	–	–	17,755	21,780	–
Other non-operative expenditures	–	–	–	–	10,011	10,011	–
Adjustments related to the FIT4GROWTH program:							
Severance costs[4]	–	–	–	–	–	–	2,901
Other expenditures[4]	–	–	–	–	–	–	2,840
Total adjustments[4]	14,459	–	(145,027)	(5,406)	70,984	76,222	5,740
Adjusted EBITDA[4]	**13,406**	–	**31,704**	**2,242**	**36,258**	**29,198**	**63,893**
Depreciation and amortization[4][5]	(26,283)	–	(46,770)	(14,312)	(42,157)	(55,876)	(44,474)
Adjusted EBIT[4]	**(12,877)**	–	**(15,065)**	**(12,071)**	**(5,899)**	**(26,678)**	**19,419**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.
(3) Relating to continuing operations.
(4) Unaudited.
(5) Excluding restructuring-related impairments and impairments related to the FIT4GROWTH program.

We define our gross profit as revenue minus cost of materials, adjusted for changes in inventories. Our gross margin is defined as gross profit divided by revenue. Our cost of materials ratio is defined as the inverse of our gross margin. The following table shows the calculation of our gross profit, our gross margin and our cost of materials ratio for the periods indicated:

(in € thousand, unless otherwise indicated)	Six-month period from		Short fiscal year from		Fiscal year from		
	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[1]	November 1, 2018 to March 31, 2019[1]	November 1, 2017 to October 31, 2018[2]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)		*(audited, unless otherwise indicated)*				
Revenue[3]	140,541	247,743	330,512	215,566	597,204	794,766	880,885
less: Cost of materials	(58,093)	(76,025)	(117,242)	(83,828)	(248,532)	(323,029)	(356,743)
Adjusted for: Change in inventories	(800)	(30,392)	(19,755)	(25,952)	(11,270)	(14,600)	(8,078)
Gross profit[4]	**81,648**	**141,326**	**193,516**	**105,786**	**337,402**	**457,137**	**516,064**
Gross margin (in %)[4]	*58.1*	*57.0*	*58.6*	*49.1*	*56.5*	*57.5*	*58.6*
Cost of materials ratio (in %)[4]	*41.9*	*43.0*	*41.4*	*50.9*	*43.5*	*42.5*	*41.4*

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.
(3) Revenue corresponds to "sales revenue" in the Company's financial statements.
(4) Unaudited.

We define net working capital as net current assets (current assets less cash and cash equivalents) less net current liabilities (current liabilities less financial liabilities, tax provisions, provisions for personnel and other provisions). The following table shows the calculation of our net working capital as of the dates indicated:

(in € thousand)	As of				
	June 30,2020	December 31, 2019	March 31, 2019	October 31, 2018	October 31, 2017
	(unaudited)	*(audited, unless otherwise indicated)*			
Current assets	199,085	241,729	222,306	239,154	276,814
less: Cash and cash equivalents	(90,782)	(126,929)	(70,580)	(35,065)	(36,578)
Net current assets[1]	108,303	114,800	151,726	204,089	240,236
Current liabilities	130,909	181,545	326,446	190,872	115,521
less: Financial liabilities	(30,162)	(74,187)	(221,105)	(57,755)	(10,844)
less: Provisions[1][2]	(32,311)	(38,706)	(49,782)	(77,520)	(24,486)
Net current liabilities[1]	68,436	68,652	55,559	55,598	80,191
Net working capital[1]	**39,867**	**46,148**	**96,167**	**148,492**	**160,044**

(1) Unaudited.
(2) Provisions consists of tax provisions, provisions for personnel and other provisions, as shown in the Company's financial statements.

What are the key risks that are specific to the issuer?

- The COVID-19 pandemic has had and may continue to have a material adverse effect on our retail and wholesale sales, and supply chain.
- We have incurred significant operating losses which led to insolvency proceedings in 2019, and there is no guarantee that we will be able to successfully complete our Restructuring and strategic repositioning in a timely manner or at all, to grow and operate our business successfully and achieve profitability in the future.
- A weak or deteriorating economy in Germany or other markets in which we sell our apparel could influence consumer demand for our apparel and adversely affect our revenues and profitability.
- We face strong competition in both our retail and the wholesale market. If competition becomes more intense or new competitors enter our markets, we could lose market share and suffer downward pricing pressure and margin deterioration.

- Our success and future development depends significantly on our management, qualified executives and other key personnel. We may not be able to appoint a new Chief Executive Officer or to retain our existing management, qualified executives and other key personnel, which could impair our development and growth, increase our costs and harm our reputation.
- We are currently repositioning our brands, which could fail and therefore compromise our growth prospects, or even lead to a reduction of our sales revenues, decreased margins or profitability of our business, or advance at a slower pace, in which case we could incur excess costs.
- The image of our brands may be damaged as a result of our brand repositioning or we may be unable to maintain consumer awareness and perception of our brands, which could negatively affect our revenues.
- Our insolvency proceedings in 2019 have harmed our relationships with key wholesale customers, suppliers, employees and consumers and we may not be able to regain their trust or attract new wholesale customers, suppliers and consumers, in the near future or at all, which could have a negative effect on our business, financial condition and results of operations.
- We may fail to identify and meet the fashion preferences and expectations of our target customers and on offering our products at the right price and face the risk of not being able to sell our apparel at the price intended or at all, which could place pressure on our revenue and/or profitability.
- The operation of our business requires a high level of net working capital. Our ability to generate sufficient cash to fund our working capital requirements depends on factors beyond our control, the occurrence of which could have a material adverse effect on our business, net assets, financial condition and results of operations.
- We may require further financing, which might not be available to us on economically viable terms or at all. Furthermore, we are subject to restrictive debt covenants and obligations that may limit our ability to finance future business operations and capital needs and to pursue business opportunities and activities.
- We may not be able to generate sufficient cash flows to meet our debt service obligations and sustain our business operations.

C. Key information on the securities

What are the main features of the securities?

This prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange (the "**Listing**") of 1,251,861 bearer shares of the Company with no par value (*Stückaktien*), each such share representing a notional value of € 1.00, consisting of (i) 1,016,623 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash conducted in context of the Restructuring (the "**Restructuring Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company, with full dividend rights from April 1, 2019 (the "**Restructuring Capital Increase Shares**") and (ii) 40,000 bearer shares with no par value stemming from the Company's conditional capital (*bedingtes Kapital*) for the purpose of issuing ordinary no-par value bearer shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or a group company within the meaning of Section 18 German Stock Corporation Act (*Aktiengesetz*) until December 31, 2020, with full dividend rights from the beginning of the Company's fiscal year for which no resolution on the distribution of profits has been adopted by the general shareholders' meeting of the Company at the time of delivery of shares to the bondholders (the "**Conditional Capital Shares**"), both as implemented by the insolvency plan of the Company (the "**GWI Insolvency Plan**") on October 25, 2019 and registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019, as well as (iii) 195,238 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash (the "**JPM Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company and with full dividend rights from April 1, 2019 (the "**JPM Capital Increase Shares**" and, together with the Restructuring Capital Increase Shares and the Conditional Capital Shares, the "**New Shares**", and the New Shares together with the existing shares of the Company, the "**Shares**") as resolved by the general shareholders' meeting of the Company on February 11, 2020.

As of the date of this Prospectus, all of the Shares are ordinary bearer shares with no par value (*Stückaktien*). The ISIN of the Shares is DE000A255G36. The Shares are denominated in Euros and are issued for an indefinite term. Each share in the Company carries one vote at the Company's shareholders' meeting. All of the Shares confer the same voting rights. There are no restrictions on voting rights. The Shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. There are no prohibitions on disposals or restrictions with respect to the transferability of the Shares. All Shares of the Company provide holders thereof with the same rights and no Shares provide any additional rights or advantages.

In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital.

The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business. Therefore, the Company currently does not intend to pay dividends in the foreseeable future.

Where will the securities be traded?

As of the date of this Prospectus, 8,377 shares of the Company are admitted to trading on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange. An application will be made for admission of the New Shares to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange.

What are the key risks that are specific to the securities?

- The Plan Sponsors exercise significant influence on the Company, and the interests of the Plan Sponsors could conflict with the interests of other future shareholders, all of which could have a material adverse effect on our business, net assets, share price, financial condition and results of operations.
- Trading of the Company's Shares is currently suspended and there is no guarantee that an active and liquid market for the Shares will be established. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Shares at any time or at fair market prices.

D. Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Not applicable. There will be no public offering of the New Shares. Consequently, the Company will not receive any proceeds from the issuance of shares.

The following is the expected timetable of the Listing:

October 2, 2020	Application for admission of the New Shares to trading on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange
October 15, 2020	Approval of this Prospectus by BaFin
	Publication of the approved Prospectus on the Company's website https://group.gerryweber.com under the "Investors" section
October 16, 2020	Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange
October 19, 2020	Commencement of trading in the New Shares on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange

Who is the person asking for admission to trading?

The persons asking for admission to trading on a regulated market are the Company and Baader Bank. The Company is a German stock corporation incorporated in Germany and operating under the laws of Germany. Baader Bank is a German stock corporation incorporated in Germany and operating under the laws of Germany.

Why is this Prospectus being produced?

The Company intends to list the New Shares on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange to maintain access to the capital markets and to finance the future growth and development of its business.

Due to their important role in our Restructuring and ownership of 42%, 42% and 16% of our outstanding Shares, Robus, Whitebox and JPM have an interest in the Listing of the New Shares.

Baader Bank is acting for the Company in connection with the admission to trading of the New Shares on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange, and as specialist pursuant to § 85 of the Exchange Rules (*Börsenordnung*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with regard to the Shares listed on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and is coordinating the listing process. Baader Bank will receive a customary fixed commission for such services. As a result of this contractual relationship, Baader Bank has a financial interest in the success of the admission to trading of the Shares.

Baader Bank, or its affiliates may from time to time in the future have business relations with GWI AG or may perform services for GWI AG in the ordinary course of business.

Other than the interests described above, there are no conflicts of interest with respect to the admission to trading of the Shares.

ZUSAMMENFASSUNG DES PROSPEKTS

A. Einleitung und Warnhinweise

Dieser Prospekt (der „**Prospekt**") bezieht sich auf den Inhaber lautende Stückaktien der GERRY WEBER International AG, Halle/Westfalen, Deutschland, („**GWI AG**", „**GWI**" oder die „**Gesellschaft**" und, zusammen mit ihren unmittelbaren und mittelbaren Tochtergesellschaften, „**GERRY WEBER**", die „**GERRY WEBER Gruppe**", die „**Gruppe**", „**wir**", „**uns**" und „**unser**") mit der Rechtsträgerkennung („**LEI**") 529900PGN4LKDAV34J75 und der internationalen Wertpapierkennnummer („**ISIN**") DE000A255G36.

Es wird kein öffentliches Angebot geben. Die Zulassung zum Handel an einem regulierten Markt beantragenden Personen sind die Gesellschaft und die Baader Bank Aktiengesellschaft (die „**Baader Bank**"). Die Gesellschaft ist erreichbar unter: Neulehenstraße 8, 33790 Halle/Westfalen, Deutschland (Telefon: +49 (0) 5201 185140); www.gerryweber.com. Baader Bank ist erreichbar unter: Weihenstephaner Str. 4, 85716 Unterschleißheim, Deutschland (Telefon: +49 (0) 89 5150 0).

Dieser Prospekt wurde gemäß Artikel 20 Paragraph 2 der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist und zur Aufhebung der Richtlinie 2003/71/EG von der Bundesanstalt für Finanzdienstleistungsaufsicht („**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland (Telefon: +49 (0) 228 4108-0); www.bafin.de, am 15. Oktober 2020 gebilligt.

Diese Zusammenfassung (die „**Zusammenfassung**") soll als Einführung zu diesem Prospekt verstanden werden. Der Anleger sollte jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts stützen. Der Anleger könnte das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts zu Prozessbeginn zu tragen haben. Die Gesellschaft und Baader Bank tragen die Verantwortung für den Inhalt dieser Zusammenfassung einschließlich ihrer Übersetzung. Sie haften nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

B. Basisinformationen über die Emittentin

Wer ist die Emittentin der Wertpapiere?

Die Emittentin ist die GERRY WEBER International AG (LEI: 529900PGN4LKDAV34J75), eine Aktiengesellschaft, mit eingetragenem Sitz in der Neulehenstraße 8, 33790 Halle/Westfalen, Deutschland, eingetragen im Handelsregister des Amtsgerichts Gütersloh, Deutschland, unter der Geschäftsnummer HRB 4779, die deutschem Recht unterliegt.

Wir sind als vertikal integriertes Mode- und Lifestyleunternehmen in Deutschland sowie in über 60 Ländern weltweit in den Modesegmenten Modern Classic Mainstream und Modern Woman tätig. In diesen Märkten sind wir nach unserer Einschätzung ein führender Anbieter von Mode im demographisch wachsenden Teilsegment der Damenbekleidung für Frauen im Alter von 50+ Jahren („**Best Ager**"), haben nur wenige Konkurrenten vergleichbarer Größe und zeichnen uns durch eine hohe Markenbekanntheit aus. Unser Portfolio umfasst derzeit drei Marken, die in ihrer Gesamtheit Produkte für eine breite Zielgruppe von Frauen im Alter zwischen 40+ und 50+ Jahren anbieten: GERRY WEBER, TAIFUN und SAMOON. Unsere Marken sind im deutschen und europäischen Markt für Damenbekleidung sowie in Russland und im Nahen Osten etabliert und bieten hochwertige Mode, Accessoires und Lifestyle-Produkte für anspruchsvolle, modische und qualitätsbewusste Kundinnen. Das Produktangebot umfasst u. a. Hosen, Kleider, Röcke, Jacken, Mäntel, Shirts, Strickwaren, Blusen, Blazer und Accessoires. Unser Unternehmen ist international stark aufgestellt und verfügte zum 30. Juni 2020 weltweit über 2.818 Verkaufsstellen („**POS**"), einschließlich (i) 588 Verkaufsstellen in unserem Retail GERRY WEBER-Segment[1] („**Retail GERRY WEBER-Segment**") sowie (ii) 2.230 Verkaufsstellen in unserem Wholesale GERRY WEBER-Segment[2] (das „**Wholesale GERRY WEBER-Segment**") in über 60 Ländern. Unser Kernmarkt ist Deutschland, wo das Unternehmen zum 30. Juni 2020 über 1.876 Retail- und Wholesale-Verkaufsstellen verfügte und 56,1 % des konsolidierten Umsatzes für den zum 30. Juni 2020 beendete Sechsmonatszeitraum erwirtschaftet hat. Darüber hinaus vertreiben wir unsere Produkte in ganz Europa über unsere eigenen Online-Shops sowie über externe Online-Plattformen wie Amazon, Zalando, Boozt, about you and Otto.

Unser zentrales Leitbild ist es, die Kundinnen mit klaren und abgegrenzten Marken sowie einem bedarf- und bedürfnisgerechten Sortiment über sämtliche Kontaktstellen zu begeistern.

Im Rahmen unserer Restrukturierung (die „**Restrukturierung**") haben wir zum 7. Februar 2019 Robus SCSp SICAV-FIAR - Robus Recovery Fund II („**Robus**") eine Kaufoption für einen 88,0% Anteil an HALLHUBER GmbH, Deutschland („**HALLHUBER**"), eingeräumt. Aufgrund der Einräumung der Kaufoption wurden alle Vermögenswerte von HALLHUBER gemäß IFRS 5 "Zur Veräußerung gehaltene langfristige Vermögenswerte und aufgegebene Geschäftsbereiche" ab dem 7. Februar 2019 als zur Veräußerung gehaltene Vermögenswerte in unserer Bilanz klassifiziert, und die Aktivitäten des Retail HALLHUBER Segments („**HALLHUBER Segment**") in nicht fortgeführte Aktivitäten in unserer Gewinn- und Verlustrechnung reklassifiziert, wie in dem Konzernabschluss für das zum 31. März 2019 beendeten Rumpfgeschäftsjahr dargestellt. Die Vergleichszahlen für das zum 31. Oktober 2018 beendete Geschäftsjahr wurden in dem Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr entsprechend angepasst. Nach Ausübung der Kaufoption durch Robus wurde der 88% Anteil in HALLHUBER zum 8. Juli 2019 verkauft, und unser verbleibender 12% Anteil in HALLHUBER seit dem Verkaufszeitpunkt als at-Equity Beteiligung gehalten, wie in dem Konzernabschluss für das zum 31. Dezember 2019 beendeten Geschäftsjahr dargestellt. Die Segmentberichterstattung für das zum 31. Dezember 2019 beendete Geschäftsjahr enthielt in Abweichung zur Konzern-Gewinn- und Verlustrechnung noch die Finanzinformationen von HALLHUBER, da die Geschäftsergebnisse von HALLHUBER im zum 31. Dezember 2019 beendeten Geschäftsjahr noch an unseren Vorstand berichtet wurden.

Für den zum 30. Juni 2020 beendete Sechsmonatszeitraum haben wir Umsatzerlöse von € 140,5 Mio. (€ 330,5 Mio. bzw. € 215,6 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € 794,8 Mio. (einschließlich HALLHUBER; ausschließlich HALLHUBER: € 597,2 Mio.) bzw. € 880,9 Mio. (einschließlich HALLHUBER) für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erwirtschaftet und ein bereinigtes EBITDA (definiert als Ergebnis vor Zinsen, Steuern und Abschreibungen

[1] Retail GERRY WEBER Segment bezeichnet das Einzelhandels- bzw. Filial-Segment der GERRY WEBER Gruppe.
[2] Wholesale GERRY WEBER Segment bezeichnet das Großkunden-Segment der GERRY WEBER Gruppe.

(„**EBITDA**“), bereinigt um bestimmte Sonderfaktoren, wie Restrukturierungskosten) von € 13,4 Mio. (€ 31,7 Mio. bzw. € 2,2 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € 29,2 Mio. (einschließlich HALLHUBER; ausschließlich HALLHUBER: € 36,3 Mio.) bzw. € 63,9 Mio. (einschließlich HALLHUBER) für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erzielt, was eine bereinigte EBITDA-Marge (definiert als bereinigtes EBITDA dividiert durch Umsatzerlöse mit externen Dritten) von 9,5 % (9,6 % bzw. 1,0 % für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und 3,7 % (einschließlich HALLHUBER; ausschließlich HALLHUBER: 6,1 %) bzw. 7,3 % (einschließlich HALLHUBER) für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) ergibt.

Wir vertreiben unsere Produkte in einem vollständig integrierten Omni-Channel-Vertriebsmodell über unsere Wholesale- und eigenen Retail-Kanäle, welche die Struktur unserer operativen Segmente widerspiegeln, sowie über unseren eCommerce-Kanal, der aus unseren eigenen Online-Shops sowie Kooperationen mit externen Online-Plattformen besteht.

Retail GERRY WEBER − In unserem Retail GERRY WEBER-Segment, in dem wir in dem zum 30. Juni 2020 beendeten Sechsmonatszeitraum 53,1 % unseres Gesamtumsatzes erzielt haben, vertreiben wir Bekleidung und Accessoires unserer Marken GERRY WEBER, TAIFUN und SAMOON über unsere (i) eigenen Retail-Stores (einschließlich Outlet-Stores), (ii) Concession-Stores und (iii) eigenen Online-Shops direkt an unsere Kundinnen. Zum 30. Juni 2020 umfasste unser Retail GERRY WEBER-Segment insgesamt 588 Verkaufsstellen in ganz Europa (einschließlich 350 Verkaufsstellen in Deutschland), davon 291 unter der Marke GERRY WEBER betriebene Multi-Label-Stores (die sogenannten Houses of GERRY WEBER), 15 Monolabel-Stores unserer Marken TAIFUN und SAMOON (8 TAIFUN-Stores und 3 SAMOON-Stores) sowie unserer Sub-Label GERRY WEBER Edition (4 Stores) und 254 Concession-Flächen. Ein Multibrand-Store zählt als zwei oder drei Verkaufsstellen, eine für jede unserer drei Marken, je nachdem, welche unserer Marken in dem betreffenden Store angeboten werden. Darüber hinaus betreiben wir ein wachsendes Outlet-Geschäft, das zum 31. Dezember 2019 21 Outlet-Stores in Deutschland, drei in den Niederlanden, zwei in Belgien, einen Store in Österreich sowie einen in Italien umfasste. In den Outlet-Stores bieten wir vorwiegend "out-of-season"-Produkte unserer Marken zu einem reduzierten Preis an, was uns die Möglichkeit bietet, Retour- oder Überbestände effizient zu veräußern. Daneben vertreiben wir Bekleidung und Accessoires unserer drei Marken in ganz Europa über unsere Online-Shops. Darüber hinaus planen wir, unseren Online-Shop in Asien und Russland zugänglich zu machen. Für den zum 30. Juni 2020 beendeten Sechsmonatszeitraum haben wir in unserem Retail GERRY WEBER-Segment Außenumsätze von € 74,6 Mio. (€ 210,4 Mio. bzw. € 121,6 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € 339,5 Mio. bzw. € 392,6 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erwirtschaftet und ein EBITDA von € -2,2 Mio. (€ 133,5 Mio. bzw. € 3,1 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € -64,6 Mio. bzw. € 12,5 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erzielt, was eine EBITDA-Marge von -3,0 % (63,5% und 2,6 % für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und -19,0 % bzw. 3,2 % für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) ergibt.

Wholesale GERRY WEBER − Unser Wholesale GERRY WEBER-Segment, in dem wir in dem zum 30. Juni 2020 beendeten Sechsmonatszeitraum 46,9 % unserer Gesamtumsätze erzielt haben, bildet unser historisches Fundament. Über unseren Wholesale-Kanal vertreiben wir Bekleidung und Accessoires unserer Marken GERRY WEBER, TAIFUN und SAMOON an unsere Wholesale-Partner, die unsere Produkte in ihren Verkaufsstellen an ihre Kundinnen verkaufen. Zum 30. Juni 2020 wurden unsere Produkte in weltweit 2.230 Wholesale-Verkaufsstellen angeboten (ausgenommen externe Online-Plattformen), 1.526 davon in Deutschland. Unser Wholesale-Kanal umfasst zwei unterschiedliche Vertriebsformate: Franchise-Stores (zum 30. Juni 2020: 242) und Shop-in-Shop-Stores (zum 30. Juni 2020: 1.988). Darüber hinaus verkaufen wir unsere Bekleidung und Accessoires über von Drittparteien betriebene Online-Marktplätze, wie zum Beispiel Amazon, Zalando, Boozt, about you und Otto. Da diese die Ware von uns erwerben, werden die Umsätze, die über von Drittparteien betriebene Online-Marktplätze erzielt werden, unserem Wholesale GERRY WEBER-Segment zugerechnet. Für den zum 30. Juni 2020 beendeten Sechsmonatszeitraum haben wir in unserem Wholesale GERRY WEBER-Segment Außenumsätze von € 66,0 Mio. (€ 120,1 Mio. bzw. € 94,0 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € 257,7 Mio. bzw. € 294,0 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erwirtschaftet und ein EBITDA von € 0,9 Mio. (€ 42.4 Mio. bzw. € 6,8 Mio. für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre und € 29,5 Mio. bzw. € 34,6 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) erzielt, was eine EBITDA-Marge von 1,4 % (35,3% bzw. 7,3 % für die zum 31. Dezember und 31. März 2019 beendeten Rumpfgeschäftsjahre und 11,4 % bzw. 11,8 % für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre) ergibt.

Retail HALLHUBER − Das HALLHUBER Segment bündelt alle Geschäftsaktivitäten im Zusammenhang mit HALLHUBER. Zum 31. Oktober 2018 umfasste das HALLHUBER Segment 423 eigene Filialen (einschließlich Outlet-Stores) in Deutschland und Europa sowie 21 eigenverwaltete Online-Shops und Partnerschaften mit von Drittparteien betriebenen Online-Marktplätzen, wie Amazon, Otto, Zalando oder House of Fraser im Vereinigten Königreich. Für die zum 31. Dezember und 31. März 2019 beendeten Rumpfgeschäftsjahre hat das HALLHUBER Segment Außenumsätze von € 48,7 Mio. bzw. € 89,0 Mio., und € 197,6 Mio. bzw. € 194,3 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre erwirtschaftet, ein EBITDA von € 1.8 Mio. bzw. -15,4 Mio. für die zum 31. Dezember und 31. März 2019 beendeten Rumpfgeschäftsjahre und € -12,3 Mio. bzw. € 11,1 Mio. für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre, was eine EBITDA-Marge von 3,7% bzw. -17,3% für die zum 31. Dezember und 31. März 2019 beendeten Rumpfgeschäftsjahre und -6,2 % bzw. 5,7 % für die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre ergibt.

Unsere Hauptanteilseigner sind Robus, WBOX 2018-3 Ltd („**Whitebox**“) (zusammen, die „**Plansponsoren**“) und J.P. Morgan Securities plc („**JPM**“). Robus hält direkt 42,0 %, Whitebox hält direkt 42,0 % und JPM hält direkt 16,0 % unseres derzeitigen Grundkapitals. Die derzeitigen Vorstandsmitglieder der Gesellschaft sind Florian Frank, Alexander Gedat und Angelika Schindler-Obenhaus. Der Abschlussprüfer der Gesellschaft ist PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

Welches sind die wesentlichen Finanzinformationen der Emittentin?

Die folgenden Finanzinformationen sind (i) den geprüften Konzernabschlüssen der Gesellschaft für die zum 31. Dezember 2019 und 31. März 2019 beendeten Rumpfgeschäftsjahre sowie für die zum 31. Oktober 2018 und 31. Oktober 2017 beendeten Geschäftsjahre, die in Übereinstimmung mit den Vorgaben der International Financial Reporting Standards („**IFRS**“), wie sie in der Europäischen Union anzuwenden sind, und den ergänzend nach § 315a HGB anzuwendenden handelsrechtlichen Vorschriften erstellt wurden, (die „**Geprüften Konzernabschlüsse**“), (ii) dem ungeprüften Konzernzwischenabschluss der Gesellschaft für den zum 30. Juni 2020 beendeten Sechsmonatszeitraum (einschließlich Vergleichszahlen für den zum 30. Juni 2019 beendeten Sechsmonatszeitraum), die nach dem Internationalen Accounting Standard No. 34: *Zwischenberichterstattung* (IAS 34) (der „**Ungeprüfte Konzernzwischenabschluss**“) sowie (iii) aus unserem internen Berichtswesen oder unserer Managementberichterstattung, entnommen. Mit Beschluss vom 1. April 2019 hat das zuständige Amtsgericht Bielefeld - Insolvenzgericht - das Insolvenzverfahren über das Vermögen der GWI in Eigenverwaltung gemäß § 270 ff. Insolvenzordnung („**InsO**“), eröffnet. Gemäß § 155 Abs. 2 InsO beginnt ein neues Geschäftsjahr mit der Eröffnung des Insolvenzverfahrens, was uns zur Aufstellung eines Konzernabschlusses für das zum 31. März 2019 endende Rumpfgeschäftsjahr verpflichtet hat. Darüber hinaus hat das zuständige Amtsgericht Bielefeld - Insolvenzgericht – mit Beschluss vom 27. Dezember 2019 das Insolvenzverfahren über das

Vermögen der GWI in Eigenverwaltung mit Wirkung zum 31. Dezember 2019 aufgehoben, so dass wir für das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr einen Konzernabschluss aufstellen mussten. Das zum 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das zum 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten. Daher sind unsere Konzernabschlüsse für die zum 31. Dezember 2019 und zum 31. März 2019 beendeten Rumpfgeschäftsjahre sowie unsere Konzernabschlüsse für das zum 31. März 2019 beendete Rumpfgeschäftsjahr sowie das zum 31. Oktober 2018 beendete Geschäftsjahr nur eingeschränkt vergleichbar. Soweit Finanzinformationen in den folgenden Tabellen als „geprüft" gekennzeichnet sind, bedeutet dies, dass sie den Geprüften Konzernabschlüssen entnommen wurden. Mit der Kennzeichnung „ungeprüft" werden in den folgenden Tabellen Finanzinformationen gekennzeichnet, die nicht den Geprüften Konzernabschlüssen entnommen wurden, sondern unserem ungeprüften Konzernzwischenabschluss, unserem internen Berichtswesen oder unserer Managementberichterstattung entnommen wurden.

Konzernbilanz

Die Tabelle unten zeigt ausgewählte Finanzinformationen aus unserer Konzernbilanz für die angegebenen Zeitpunkte:

	Zum				
(in € tausend)	**30. Juni 2020**	**31. Dezember 2019**	**31. März 2019**	**31. Oktober 2018**	**31. Oktober 2017**
	(ungeprüft)		*(geprüft)*		
Bilanzsumme	**517.924**	**580.667**	**374.890**	**641.490**	**789.907**
Summe Eigenkapital	**87.751**	**121.442**	**1.065**	**245.635**	**412.749**
Summe Verbindlichkeiten	**430.173**	**459.225**	**373.825**	**395.855**	**377.158**

Konzern-Gewinn- und Verlustrechnung

Die Tabelle unten zeigt ausgewählte Finanzinformationen aus unserer Konzern-Gewinn- und Verlustrechnung für die angegebenen Perioden:

	Sechsmonatszeitraum vom		Rumpfgeschäftsjahr vom		Geschäftsjahr vom		
(in € tausend, sofern nicht anders angegeben)	**1. Januar 2020 bis zum 30. Juni 2020**	**1. Januar 2019 bis zum 30. Juni 2019**	**1. April 2019 bis zum 31. Dezember 2019[(1)]**	**1. November 2018 bis zum 31. März 2019[(1)]**	**1. November 2017 bis zum 31. Oktober 2018[(2)]**	**1. November 2017 bis zum 31. Oktober 2018**	**1. November 2016 bis zum 31. Oktober 2017**
	(ungeprüft)			*(geprüft, wenn nicht anders angegeben)*			
Umsatz[(3)]	140.541	247.743	330.512	215.566	597.204	794.766	880.885
Veränderung gegenüber den vorherigen Zeitraum, in %[(4)]	*(43,3)*	–	*53,3*	*(63,9)*	*(32,2)*	*(9,8)*	
Operatives Ergebnis (Gewinn vor Zinsen und Steuern ("**EBIT**"))	(27.336)	(122.869)	129.962	(130.096)	(131.008)	(192.171)	10.302
EBIT-Marge (% des Umsatzes)[(4)]	*(19,5)*	*(49,6)*	*39,3*	*(60,4)*	*(21,9)*	*(24,2)*	*1,2*
EBITDA	(1.053)	34.444	176.731	7.648	(34.726)	(47.023)	58.153
EBITDA-Marge (% des Umsatzes)[(4)]	*(0,7)*	*13,9*	*53,5*	*3,5*	*(5,8)*	*(5,9)*	*6,6*
Ergebnis aus fortzuführenden Geschäftsbereichen	(34.179)	(144.056)	119.322	(148.226)	(116.831)	–	–
Ergebnis aus aufgegebenen Geschäftsbereichen, das den Eigentümern des Mutterunternehmens zuzurechnen ist	0	(101.332)	0,0	(96.274)	(55.446)	–	–
Konzernjahresüberschuss/ -fehlbetrag.	**(34.179)**	**(245.388)**	**119.322**	**(244.501)**	**(172.277)**	**(172.277)**	**(782)**
Ergebnis je Aktie aus fortzuführenden Geschäftsbereichen, das den Eigentümern des Mutterunternehmens zuzurechnen ist[(5)], in €	**(33,17)**	**(139,81)**	**3,35**	**(3,26)**	**(2,57)**	**–**	**–**
Ergebnis je Aktie, das den Eigentümern des Mutterunternehmens zuzurechnen ist[(5)], in €	**(33,17)**	**(238,15)**	**3,35**	**(5,37)**	**(3,79)**	**(3,79)**	**(0,02)**

(1) Das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das am 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten.

(2) Der Geschäftsbereich von HALLHUBER wird in dem Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr als aufgegebener Geschäftsbereich ausgewiesen. Die Vergleichszahlen für das vorangegangene zum 31. Oktober 2018 beendete Geschäftsjahr wurden in den Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr entsprechend angepasst.

(3) Umsatz entspricht Umsatzerlösen in den Finanzabschlüssen der Gesellschaft.

(4) Ungeprüft.

(5) Berechnung basierend auf durchschnittlich 1.030.393 ausstehenden Aktien in dem zum 30. Juni 2020 beendeten Sechsmonatszeitraum, 45.507.715 ausstehenden Aktien in dem zum 30. Juni 2019 beendeten Sechsmonatszeitraum, 35.622.667 bzw. 45.507.715 ausstehenden Aktien in den zum 31. Dezember und 31. März beendeten Rumpfgeschäftsjahren und jeweils 45,507,715 in den zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahren.

Konzern-Kapitalfluss-Rechnung

Die Tabelle unten zeigt ausgewählte Finanzinformationen aus unserer Konzern-Kapitalflussrechnung für die angegebenen Perioden:

	Sechsmonatszeitraum vom		Rumpfgeschäftsjahr vom		Geschäftsjahr vom	
(in € tausend)	**1. Januar 2020 bis zum 30. Juni 2020**	**1. Januar 2019 bis zum 30. Juni 2019**	**1. April 2019 bis zum 31. Dezember 2019[(1)]**	**1. November 2018 bis zum 31. März 2019[(1)]**	**1. November 2017 bis zum 31. Oktober 2018**	**1. November 2016 bis zum 31. Oktober 2017**
	(ungeprüft)			*(geprüft)*		
Mittelzufluss aus operativer Geschäftstätigkeit	**2.994**	**65.511**	**63.499**	**15.025**	**25.045**	**47.170**
Mittelzufluss aus der laufenden Geschäftstätigkeit	**2.023**	**62.951**	**55.520**	**13.438**	**18.941**	**40.501**
Mittelzu-/-abfluss aus der Investitionstätigkeit	**(1.979)**	**(3.251)**	**7.730**	**31.969**	**(18.365)**	**(12.524)**
Mittelzu-/-abfluss aus der Finanzierungstätigkeit	**(44.310)**	**(21.134)**	**6.247**	**0**	**(3.000)**	**(47.139)**

(1) Das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das am 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten.

Alternative Leistungsindikatoren

Wir präsentieren u.a. das EBIT, das bereinigte EBIT, die bereinigte EBIT-Marge, das EBITDA, das bereinigte EBITDA, die bereinigte EBITDA-Marge, den Rohertrag, die Brutto-Marge, die Materialaufwandsquote und das Nettoumlaufvermögen als alternative Leistungsindikatoren gemäß den Leitlinien zu alternativen Leistungskennzahlen der Europäischen Wertpapieraufsichtsbehörde (ESMA) vom 05. Oktober 2015 (die „**ESMA Leitlinien**"). Insbesondere verwenden wir das EBITDA, das bereinigte EBITDA sowie die bereinigte EBITDA-Marge als Indikatoren für die Bewertung unserer operativen Leistung, da sie keine Zinsen, Steuern, Abschreibungen und im Falle des bereinigten EBIT, der bereinigten EBIT-Marge, des bereinigten EBITDA und der bereinigten EBITDA-Marge auch keine Kosten für Sonderposten wie Restrukturierungskosten enthalten. Zudem legen wir diese Finanzinformationen, Kennzahlen und Anpassungen, die weder nach IFRS, HGB noch nach anderen allgemein anerkannten Rechnungslegungsgrundsätzen („**GAAP**") definiert sind) vor, da wir diese Informationen zur Überwachung unseres Geschäfts verwenden und weil wir der Ansicht sind, dass sie von Analysten, Investoren und anderen interessierten Parteien häufig zur Bewertung von Unternehmen in unserer Branche verwendet werden und zu einem umfassenden Verständnis unseres Geschäfts beitragen können. Allerdings sind solche Non-GAAP-Finanzinformationen unter Umständen nicht mit ähnlich bezeichneten Informationen anderer Gesellschaften, die diese veröffentlichen, vergleichbar, sind möglicherweise nicht für eine Analyse unseres Geschäfts und unserer Geschäftstätigkeit geeignet und sollten nicht als Ersatz für eine Analyse unserer gemäß IFRS erstellten Betriebsergebnisse angesehen werden. Non-GAAP-Finanzinformationen enthalten nicht unbedingt Aussagen darüber, ob unser Kapitalfluss ausreichend oder für unseren Zahlungsmittelbedarf verfügbar sein wird und lassen möglicherweise keine Aussagen über unsere Betriebsergebnisse zu.

Es sind keine Vergleichszahlen für bereinigtes EBIT, bereinigtes EBITDA, bereinigte EBIT-Marge, bereinigte EBITDA-Marge für den zum 30. Juni 2019 beendeten Sechsmonatszeitraum verfügbar. Aufgrund des Insolvenzverfahrens in Eigenverwaltung von GWI, das am 1. April 2019 begann und am 31. Dezember 2019 beendet wurde, mussten wir Finanzabschlüsse für die Rumpfgeschäftsjahre vom 1. November 2018 bis zum 31. März 2019 und vom 1. April 2019 bis zum 31. Dezember 2019 erstellen. Daher ist kein Finanzabschluss für den zum 30. Juni 2019 beendeten Sechsmonatszeitraum erstellt und keine Abgrenzungen von den vorgenannten alternativen Leistungsindikatoren zugrundeliegenden Effekten zu diesem Datum vorgenommen worden. Es ist impraktikabel eine solche Abgrenzung im Nachhinein vorzunehmen, da eine präzise Zuordnung der zugrundeliegenden Effekte zu diesem Zeitraum rückwirkend nicht möglich ist.

Die folgende Tabelle zeigt unser(e) EBIT, bereinigtes EBIT, bereinigte EBIT-Marge, EBITDA, bereinigtes EBITDA, bereinigte EBITDA-Marge, unseren Rohertrag, Brutto-Marge und Materialaufwandsquote für die angegebenen Perioden und unser Nettoumlaufvermögen zum angegebenen Datum:

	Sechsmonatszeitraum vom		**Rumpfgeschäftsjahr vom**		**Geschäftsjahr vom**		
(in € tausend, wenn nicht anders angegeben)	**1. Januar 2020 bis zum 30. Juni 2020**	**1. Januar 2019 bis zum 30. Juni 2019**	**1. April 2019 bis zum 31. Dezember 2019[1]**	**1. November 2018 bis zum 31. März 2019[1]**	**1. November 2017 bis zum 31. Oktober 2018[2]**	**1. November 2017 bis zum 31. Oktober 2018**	**1. November 2016 bis zum 31. Oktober 2017**
	(ungeprüft)		*(ungeprüft, sofern nicht anders angegeben)*				
EBIT[4]	(27.336)	(122.869)	129.962	(130.096)	(131.008)	(192.171)	10.302
Bereinigtes EBIT	(12.877)		(15.065)	(12.071)	(5.899)	(26.678)	19.419
Bereinigte EBIT-Marge (% der Umsatzerlöse)	*(9,2)*	*–*	*(4,6)*	*(5,6)*	*(1,0)*	*(3,4)*	*2,2*
EBITDA[4]	(1.053)	34.444	176.731	7.648	(34,726)	(47.024)	58.153
Bereinigtes EBITDA	13.406	–	31.704	2.242	36.258	29.198	63.893
Bereinigte EBITDA-Marge (% der Umsatzerlöse)	*9,5*	*–*	*9,6*	*1,0*	*6,1*	*3,7*	*7,3*
Rohertrag	*81.648*	*141.326*	*193.516*	*105.786*	*337.402*	*457.137*	*516.064*
Brutto-Marge (in %)	*58,1*	*57,0*	*58,6*	*49,1*	*56,5*	*57,5*	*58,6*
Materialaufwandsquote (in %)	*41,9*	*43,0*	*41,4*	*50,9*	*43,5*	*42,5*	*41,4*
Nettoumlaufvermögen[3]	39.867	–	46.148	96.167	148.492	148.492	160.044

(1) Das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das am 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten.

(2) Der Geschäftsbereich von HALLHUBER wird in dem Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr als aufgegebener Geschäftsbereich ausgewiesen. Die Vergleichszahlen für das vorangegangene zum 31. Oktober 2018 beendete Geschäftsjahr wurden in den Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr entsprechend angepasst.

(3) Zum Ende der Geschäftsperiode.

(4) Geprüft.

Die folgende Tabelle zeigt die Überleitung vom operativen Ergebnis (EBIT) zu EBITDA, bereinigtem EBITDA sowie bereinigtem EBIT für die angegebenen Perioden:

	Sechsmonatszeitraum vom		**Rumpfgeschäftsjahr vom**		**Geschäftsjahr vom**		
(in € tausend)	**1. Januar 2020 bis zum 30. Juni 2020**	**1. Januar 2019 bis zum 30. Juni 2019**	**1. April 2019 bis zum 31. Dezember 2019[1]**	**1. November 2018 bis zum 31. März 2019[1]**	**1. November 2017 bis zum 31. Oktober 2018[2]**	**1. November 2017 bis zum 31. Oktober 2018**	**1. November 2016 bis zum 31. Oktober 2017**
	(ungeprüft)		*(geprüft, wenn nicht anders angegeben)*				
Operatives Ergebnis (EBIT)	**(27.336)**	**(122.869)**	**129.962**	**(130.096)**	**(131.008)**	**(192.171)**	**10.302**
Abschreibungen und Wertminderungen:							
Wertminderung bezogen auf die Restrukturierung:							
Wertminderung von Geschäfts- oder Firmenwerten	–	–	–	23.665	10.971	42.471	–
Wertminderung von übrigen immaterielle Vermögenswerte	–	–	–	8.906	26.594	26.594	–
Wertminderung von Sachanlagen	–	–	–	90.860	16.560	20.206	–
restrukturierungsbezogene Wertminderungen	–	–	–	123.431[3]	54.125[3]	89.271	–
Wertminderungen bezogen auf FIT4GROWTH[4]	–	–	–	–	–	–	3.377

(in € tausend)	Sechsmonatszeitraum vom 1. Januar 2020 bis zum 30. Juni 2020	1. Januar 2019 bis zum 30. Juni 2019	Rumpfgeschäftsjahr vom 1. April 2019 bis zum 31. Dezember 2019[1]	1. November 2018 bis zum 31. März 2019[1]	Geschäftsjahr vom 1. November 2017 bis zum 31. Oktober 2018[2]	1. November 2017 bis zum 31. Oktober 2018	1. November 2016 bis zum 31. Oktober 2017
	(ungeprüft)		*(geprüft, wenn nicht anders angegeben)*				
Abschreibungen und Wertminderungen[4][5]	26.283	157.313	46.770	14.312	42.157	55.876	44.474
Summe Wertminderungen und Abschreibungen	26.283	157.313	46.770	137.743	96.282	145.147	47.851
EBITDA	**(1.053)**	**34.444**	**176.731**	**7.648**	**(34,726)**	**(47.024)**	**58.153**
Bereinigungen bezogen auf die Restrukturierung:							
Wertberichtigungen auf Vorräte	–	–	843	15.956	12.923	12.923	–
Abfindungen / Transfergesellschaft	8.485	–	1.966	990	24.827	26.040	–
Verfahrensbedingte Aufwendungen	–	–	4.813	18.082	–	–	–
Rechts- und Beratungskosten	5.974	–	19.621	6.771	5.468	5.468	–
Ergebnis aus dem Verkauf von "Halle 29"	–	–	–	(17.377)	–	–	–
Sanierungsgewinne	–	–	(167.579)	–	–	–	–
Auflösung von Rückstellungen	–	–	(4.691)	(29.828)	–	–	–
Schließungskosten	–	–	–	–	17.755	21.780	–
Sonstige Ausgaben	–	–	–	–	10.011	10.011	–
Bereinigungen in Bezug auf das FIT4GROWTH Programm:							
Abfindungen[4]	–	–	–	–	–	–	2.901
Sonstige Ausgaben[4]	–	–	–	–	–	–	2.840
Summe Bereinigungen[4]	14.459	–	(145.027)	(5.406)	70.984	76.222	5.740
Bereinigtes EBITDA[4]	**13.406**	–	**31.704**	**2.242**	**36.258**	**29.198**	**63.893**
Abschreibungen und Wertminderungen[4][5]	(26.283)	–	(46.770)	(14.312)	(42.157)	(55.876)	(44.474)
Bereinigtes EBIT[4]	**(12.877)**	–	**(15.065)**	**(12.071)**	**(5.899)**	**(26.678)**	**19.419**

(1) Das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das am 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten.
(2) Der Geschäftsbereich von HALLHUBER wird in dem Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr als aufgegebener Geschäftsbereich ausgewiesen. Die Vergleichszahlen für das vorangegangene zum 31. Oktober 2018 beendete Geschäftsjahr wurden im Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr entsprechend angepasst.
(3) Bezogen auf fortzuführende Geschäftsbereiche.
(4) Ungeprüft.
(5) Ausgenommen sind Restrukturierungsaufwendungen und Abschreibungen im Zusammenhang mit dem FIT4GROWTH Programm.

Wir definieren unseren Rohertrag als Umsatzerlöse abzüglich Materialaufwand, bereinigt um Bestandsveränderungen. Unsere Brutto-Marge ist definiert als Rohertrag geteilt durch Umsatzerlöse. Unsere Materialaufwandsquote ist definiert als Umkehrung unserer Brutto-Marge. Die folgende Tabelle zeigt die Berechnung unseres Rohertrags, unserer Brutto-Marge und unserer Materialaufwandsquote für die angegebenen Perioden:

(in € tausend, wenn nicht anders angegeben)	Sechsmonatszeitraum vom 1. Januar 2020 bis zum 30. Juni 2020	1. Januar 2019 bis zum 30. Juni 2019	Rumpfgeschäftsjahr vom 1. April 2019 bis zum 31. Dezember 2019[1]	1. November 2018 bis zum 31. März 2019[1]	Geschäftsjahr vom 1. November 2017 bis zum 31. Oktober 2018[2]	1. November 2017 bis zum 31. Oktober 2018	1. November 2016 bis zum 31. Oktober 2017
	(ungeprüft)		*(geprüft, wenn nicht anders angegeben)*				
Umsatz[3]	140.541	247.743	330.512	215.566	597.204	794.766	880.885
Minus: Materialaufwand	(58.093)	(76.025)	(117.242)	(83.828)	(248.532)	(323.029)	(356.743)
Bereinigt um: Bestandsveränderungen	(800)	(30.392)	(19.755)	(25.952)	(11.270)	(14.600)	(8.078)
Rohertrag[4]	**81.648**	**141.326**	**193.516**	**105.786**	**337.402**	**457.137**	**516.064**
Brutto-Marge (in %)[4]	*58,1*	*57,0*	*58,6*	*49,1*	*56,5*	*57,5*	*58,6*
Materialaufwandsquote (in %)[4]	*41,9*	*43,0*	*41,4*	*50,9*	*43,5*	*42,5*	*41,4*

(1) Das am 31. Dezember 2019 beendete Rumpfgeschäftsjahr umfasste 9 Monate und das am 31. März 2019 beendete Rumpfgeschäftsjahr umfasste 5 Monate, während die zum 31. Oktober 2018 und 2017 beendeten Geschäftsjahre jeweils 12 Monate umfassten.
(2) Der Geschäftsbereich von HALLHUBER wird in dem Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr als aufgegebener Geschäftsbereich ausgewiesen. Die Vergleichszahlen für das vorangegangene zum 31. Oktober 2018 beendete Geschäftsjahr wurden in den Konzernabschluss für das zum 31. März 2019 beendete Rumpfgeschäftsjahr entsprechend angepasst.
(3) Umsatz entspricht Umsatzerlösen in den Finanzabschlüssen der Gesellschaft.
(4) Ungeprüft.

Wir definieren Nettoumlaufvermögen als kurzfristiges Nettovermögen (kurzfristige Vermögenswerte minus liquide Mittel) minus kurzfristige Nettoverschuldung (kurzfristige Verbindlichkeiten minus Finanzverbindlichkeiten, Steuerrückstellungen, Rückstellungen für Personal und sonstige Rückstellungen). Die folgende Tabelle zeigt die Berechnung unseres Nettoumlaufvermögens zu den angegebenen Daten:

(in € tausend)	Zum 30. Juni 2020	31. Dezember 2019	31. März 2019	31. Oktober 2018	31. Oktober 2017
	(ungeprüft)	*(geprüft, wenn nicht anders angegeben)*			
Kurzfristige Vermögenswerte	199.085	241.729	222.306	239.154	276.814
minus: Liquide Mittel	(90.782)	(126.929)	(70.580)	(35.065)	(36.578)
Kurzfristiges Nettovermögen[1]	108.303	114.800	151.726	204.089	240.236
Kurzfristige Verbindlichkeiten	130.909	181.545	326.446	190.872	115.521
minus: Finanzverbindlichkeiten	(30.162)	(74.187)	(221.105)	(57.755)	(10.844)
minus: Rückstellungen[1][2]	(32.311)	(38.706)	(49.782)	(77.520)	(24.486)

(in € tausend)	Zum 30. Juni 2020	31. Dezember 2019	31. März 2019	31. Oktober 2018	31. Oktober 2017
	(ungeprüft)	*(geprüft, wenn nicht anders angegeben)*			
Kurzfristige Nettoverschuldung[(1)]......................	68.436	68.652	55.559	55.598	80.191
Nettoumlaufvermögen[(1)]..................................	**39.867**	**46.148**	**96.167**	**148.492**	**160.044**

(1) Ungeprüft.
(2) Rückstellungen umfassen Steuerrückstellungen, Rückstellungen für Personal und sonstige Rückstellungen wie in den Abschlüssen der Gesellschaft dargestellt.

Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

- Die COVID-19 Pandemie hatte und könnte weiterhin erhebliche negative Auswirkungen auf unsere Retail- und Wholesale-Verkäufe und unsere Lieferkette haben.
- Wir haben erhebliche betriebliche Verluste erlitten, die zur Insolvenz im Jahr 2019 geführt haben, und es besteht keine Garantie, dass wir unsere Restrukturierung und strategische Repositionierung zeitnah oder überhaupt erfolgreich beenden können, wachsen und unser Geschäft erfolgreich führen können und zukünftig profitabel sein werden.
- Eine schwache oder verschlechternde Wirtschaft in Deutschland oder anderen Märkten, in denen wir unsere Bekleidung verkaufen, könnte die Kundennachfrage beeinflussen und unseren Umsatz und unsere Profitabilität erheblich beeinträchtigen.
- Wir sind sowohl im Retail-Segment als auch im Wholesale-Markt einem starken Wettbewerb ausgesetzt. Wenn sich der Wettbewerb verschärft oder neue Wettbewerber in unsere Märkte eintreten, könnten wir Marktanteile verlieren und unter Preisdruck und Margenverschlechterung leiden.
- Unser zukünftiger Erfolg ist erheblich von unserem Management, qualifizierten Führungskräften und anderen wichtigen Mitarbeitern abhängig. Wir sind möglicherweise nicht in der Lage, einen neuen Chief Executive Officer zu ernennen oder unser bestehendes Management, qualifizierten Führungskräfte und wichtigen Mitarbeiter zu halten, was unsere Entwicklung und unser Wachstum beeinträchtigen, unsere Kosten erhöhen und unseren Ruf schädigen könnte.
- Wir sind derzeit dabei, unsere Marken neu zu positionieren, was scheitern und daher unsere Wachstumsaussichten beeinträchtigen oder sogar zu einer Verringerung unserer Umsatzerlöse, Margen oder Profitabilität führen könnte, oder langsamer vorankommen könnte, wodurch übersteigende Kosten entstehen könnten.
- Das Image unserer Marken könnte durch die Repositionierung unserer Marken geschädigt werden, oder wir könnten nicht in der Lage sein, das Bewusstsein und die Wahrnehmung unserer Marken durch die Verbraucher zu erhöhen, was unsere Umsätze beeinträchtigen könnte.
- Unser Insolvenzverfahren im Jahr 2019 hat unsere Beziehungen zu wichtigen Wholesale-Kunden, Lieferanten, Mitarbeitern und Konsumenten beeinträchtigt und wir könnten nicht in der Lage sein, in naher Zukunft oder überhaupt deren Vertrauen zurückzugewinnen, neue Großkunden, Lieferanten oder Kunden zu gewinnen, was einen negativen Einfluss auf unser Geschäft sowie auf unsere Finanz- und Ertragslage haben könnte.
- Es könnte uns nicht gelingen, die modischen Vorlieben und Erwartungen unserer Zielkunden zu identifizieren und zu erfüllen und unsere Produkte zum richtigen Preis anzubieten und unterliegen dem Risiko, dass wir unsere Kleidung nicht zum gewünschten Preis oder überhaupt verkaufen können, was Druck auf unseren Umsatz und/oder unsere Profitabilität auslösen könnte.
- Der Betrieb unseres Geschäfts setzt ein hohes Nettoumlaufvermögen voraus. Unsere Fähigkeit, ausreichend Zahlungsmittel für unseren Betriebsmittelbedarf zu generieren, hängt von Faktoren außerhalb unserer Kontrolle ab, deren Eintritt einen wesentlichen negativen Effekt auf unser Geschäft und unsere Finanz- und Ertragslage haben könnte.
- Wir könnten weitere Finanzierungen benötigen, die möglicherweise nicht zu wirtschaftlich tragbaren Bedingungen oder überhaupt nicht zur Verfügung stehen. Des Weiteren unterliegen wir einschränkenden Kreditbedingungen und Verpflichtungen, die unsere Möglichkeit einschränken könnten, unseren zukünftigen Geschäftsbetrieb und unseren Kapitalbedarf zu finanzieren und unsere Geschäftsmöglichkeiten und -tätigkeit zu verfolgen.
- Wir könnten nicht in der Lage sein, ausreichenden Kapitalfluss zu generieren, um unsere Schuldendienstverpflichtungen zu erfüllen und unseren Geschäftsbestrieb aufrecht zu erhalten.

C. Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Dieser Prospekt bezieht sich auf die Zulassung von 1.251.861auf den Inhaber lautenden Stückaktien der Gesellschaft ohne Nennwert, jeweils mit einem rechnerischen Anteil am Grundkapital von € 1,00, zum Handel im regulierten Markt (*General Standard*) der Frankfurter Wertpapierbörse und im regulierten Markt der Düsseldorfer Wertpapierbörse (die „**Notierung**"), bestehend aus (i) 1.016.623 auf den Inhaber lautenden Stückaktien ohne Nennwert, die aus einer im Rahmen der Restrukturierung durchgeführten Kapitalerhöhung gegen Bareinlagen unter Ausschluss des Bezugsrechts der bestehenden Aktionäre der Gesellschaft stammen (die „**Restrukturierungskapitalerhöhung**"), mit voller Dividendenberechtigung ab 1. April 2019 (die „**Restrukturierungskapitalerhöhungsaktien**") und (ii) 40.000 auf den Inhaber lautenden Stückaktien ohne Nennwert aus dem bedingten Kapital der Gesellschaft zur Ausgabe von auf den Inhaber lautenden Stückaktien ohne Nennwert an die Inhaber von Wandel- oder Optionsanleihen (oder einer Kombination dieser Instrumente) mit Wandlungs- oder Optionsrechten bzw. Wandlungs- oder Optionspflichten, die von der Gesellschaft oder einem Konzernunternehmen im Sinne des § 18 Aktiengesetz bis zum 31. Dezember 2020 ausgegeben werden, mit voller Dividendenberechtigung ab Beginn des letzten Geschäftsjahres der Gesellschaft, für das im Zeitpunkt der Lieferung von Aktien an die Inhaber der Wandelschuldverschreibungen noch kein Hauptversammlungsbeschluss über die Verwendung des Bilanzgewinns gefasst worden ist (die „**Bedingten Aktien**"), wie sie durch den Insolvenzplan der Gesellschaft (der „**GWI-Insolvenzplan**") am 25. Oktober 2019 umgesetzt und am 31. Oktober 2019 im Handelsregister des Amtsgerichts Gütersloh, Deutschland, eingetragen wurden, sowie (iii) 195.238 auf den Inhaber lautenden Stückaktien ohne Nennwert aus einer Kapitalerhöhung gegen Bareinlagen (die „**JPM Kapitalerhöhung**") unter Ausschluss des Bezugsrechts der bestehenden Aktionäre der Gesellschaft, mit voller Dividendenberechtigung ab 1. April 2019 (die „**JPM Kapitalerhöhungsaktien**" und, zusammen mit den Restrukturierungskapitalerhöhungsaktien und den Bedingten Aktien, die „**Neuen Aktien**", und die Neuen Aktien zusammen mit den bestehenden Aktien der Gesellschaft, die „**Aktien**").

Zum Datum dieses Prospekts sind alle Aktien der Gesellschaft auf den Inhaber lautende Aktien ohne Nennbetrag (*Stückaktien*). Die ISIN der Aktien der Gesellschaft lautet DE000A255G36. Die Aktien der Gesellschaft lauten auf Euro und sind für eine unbestimmte Laufzeit ausgegeben. Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung. Alle Aktien der Gesellschaft verleihen die gleichen Stimmrechte. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien der Gesellschaft sind in Übereinstimmung mit den gesetzlichen Bestimmungen für auf den Inhaber lautende Stückaktien frei übertragbar. Alle Aktien der Gesellschaft verleihen ihren Inhabern dieselben Rechte und keine Aktien verleihen zusätzliche Rechte oder Vorteile.

Im Fall der Liquidation der Gesellschaft werden alle Erträge an die Aktionäre, ihrem Anteil am Grundkapital der Gesellschaft entsprechend, ausgeschüttet.

Die Gesellschaft beabsichtigt derzeit, alle verfügbaren Mittel und etwaige zukünftige Einnahmen einzubehalten, um ihre Geschäftstätigkeit zu fördern und deren Wachstum und Entwicklung zu finanzieren. Daher beabsichtigt die Gesellschaft derzeit nicht, in absehbarer Zeit Dividenden auszuschütten.

Wo werden die Wertpapiere gehandelt?

Zum Datum dieses Prospekts sind 8.377 Aktien der Gesellschaft zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) und im regulierten Markt der Düsseldorfer Wertpapierbörse zugelassen. Es wird ein Antrag auf Zulassung der Neuen Aktien zum Handel im regulierten Markt (*General Standard*) der Frankfurter Wertpapierbörse (*Frankfurter Wertpapierbörse*) und im regulierten Market der Düsseldorfer Wertpapierbörse gestellt werden.

Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Die Plansponsoren üben einen erheblichen Einfluss auf das Unternehmen aus, und die Interessen der Plansponsoren könnten mit den Interessen der anderen Aktionäre in Konflikt geraten, was wesentliche nachteilige Auswirkungen auf unser(en) Geschäft, Nettovermögen, Aktienkurs, Finanzlage und Betriebsergebnis haben könnten.
- Der Handel der Aktien der Gesellschaft ist derzeit ausgesetzt und es besteht keine Garantie, dass ein liquider Markt für die Aktien geschaffen wird und dass das Listing der Aktien aufrechterhalten werden kann. In einem illiquiden Markt, ist ein Anleger dem Risiko ausgesetzt, dass seine Anteile nicht zu jeder Zeit oder zu fairen Marktpreisen verkaufen kann.

D. Basisinformationen über die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Nicht anwendbar. Es wird kein öffentliches Angebot der Neuen Aktien geben. Demzufolge werden der Gesellschaft keine Erlöse aus der Emission von Aktien zufließen.

Der Börsennotierung zugrundeliegende erwartete Zeitplan ist nachfolgend wiedergegeben:

2. Oktober 2020	Antrag auf Zulassung der Neuen Aktien zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) und im regulierten Markt an der Düsseldorfer Wertpapierbörse
15. Oktober 2020	Billigung dieses Prospekts durch die BaFin Veröffentlichung des gebilligten Prospekts auf der Internetseite der Gesellschaft https://group.gerryweber.com unter dem Abschnitt "Investoren"
16. Oktober 2020	Zulassungsentscheidung der Frankfurter Wertpapierbörse und der Düsseldorfer Wertpapierbörse
19. Oktober 2020	Aufnahme zum Handeln in die Neuen Aktien im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) und im regulierten Market an der Düsseldorfer Wertpapierbörse

Wer ist Anbieter und die die Zulassung zum Handel beantragende Person?

Die die Zulassung zum Handel in einem regulierten Markt beantragenden Personen sind die Gesellschaft und Baader Bank. Die Gesellschaft ist eine Aktiengesellschaft mit Sitz in Deutschland und unterliegt dem deutschen Recht. Baader Bank ist eine deutsche Aktiengesellschaft mit Sitz in Deutschland und unterliegt ebenfalls dem deutschen Recht.

Weshalb wird dieser Prospekt erstellt?

Die Gesellschaft beabsichtigt, die Neuen Aktien im regulierten Markt (General Standard) der Frankfurter Wertpapierbörse (*Frankfurter Wertpapierbörse*) und im regulierten Market der Düsseldorfer Wertpapierbörse zu notieren, um ihren Zugang zum Kapitalmarkt zu erhalten und das weitere Wachstum und die Entwicklung ihres Geschäftsbetriebes zu finanzieren.

Aufgrund ihrer wichtigen Rolle in unserer Restrukturierung und dem Eigentum von 42%, 42% bzw. 16% unserer ausstehenden Aktien, haben Robus, Whitebox und JPM ein Interesse an der Notierung der Neuen Aktien.

Baader Bank handelt für die Gesellschaft im Zusammenhang mit der Zulassung der Neuen Aktien im regulierter Markt der Frankfurter Wertpapierbörse (*Frankfurter Wertpapierbörse*) und im regulierten Markt der Düsseldorfer Wertpapierbörse, sowie als Spezialist gemäß § 85 Börsenordnung der Frankfurter Wertpapierbörse in Bezug auf die im regulierten Markt der Frankfurter Wertpapierbörse notierten Aktien der Gesellschaft und koordiniert das Zulassungsverfahren. Für diese Leistungen erhält Baader Bank eine übliche Provision. Aufgrund dieses Vertragsverhältnisses hat Baader Bank ein finanzielles Interesse am Erfolg des Angebots.

Baader Bank oder ihre verbundenen Unternehmen werden unter Umständen in der Zukunft Geschäftsbeziehungen mit GWI AG einschließlich etwaiger Dienstleistungen im Rahmen des normalen Geschäftsbetriebes unterhalten.

Außer den vorstehend beschriebenen Interessen bestehen keine Interessenkonflikte im Hinblick auf die Börsennotierung der Aktien.

1. RISK FACTORS

*Investing in the shares (the "**Shares**") of GERRY WEBER International AG ("**GWI AG**", "**GWI**" or the "**Company**" and, together with its direct and indirect subsidiaries, "**GERRY WEBER**", the "**GERRY WEBER Group**" or the "**Group**", "**we**", "**us**" and "**our**") involves a high degree of risk. The risk factors described below represent those risks which are material and specific to GWI and/or the shares being admitted to trading.*

*The risk factors set out below are divided into the following 5 risk categories each indicated by a title (in **bold font**), according to their nature: 1. Market and industry related risks, 2. Risks associated with our business, 3. Risks relating to our financing and financial information, 4. Legal, compliance and regulatory risks, and 5. Risks relating to the Company's shareholder structure and the listing of the Shares. Within these different risk categories each individual risk factor is set out in a separate sub-section entitled with a sub-heading in **bold italic** font, with the two most significant risks being listed first in each risk category. We have assessed the materiality of the risk factors on the basis of the probability of their occurrence and the expected magnitude of their negative impact.*

*Investors should carefully consider the following risks in addition to the other information contained in this prospectus (the "**Prospectus**").*

1.1 Market and Industry Related Risks

1.1.1 A weak or deteriorating economy in Germany or other markets in which we sell our apparel could influence consumer demand for our apparel and adversely affect our revenues and profitability.

Our future business success is dependent on the demand for apparel in our markets, particularly among our target customer groups of women aged 40+ and 50+ years of the modern classic mainstream and the modern woman fashion segments of the womenswear market. The most important geographic market for us is Germany, where 56.1% of our revenues were generated in the six-month period ended June 30, 2020. The demand for apparel in our target markets is materially dependent on the overall economic conditions globally and in these markets as well as the associated consumer behaviour. Apparel is generally a consumer discretionary item and thus its sales are more dependent on the availability of disposable income and the willingness of our target customer group to spend money on apparel. Factors influencing consumer spending include the level of employment, inflation, disposable income, interest rates, availability of consumer financing, as well as consumer perception of the overall economic condition and their own economic prospects.

A weak or deteriorating economy in Germany or other markets in which we sell our apparel could have a negative impact on consumer confidence and discretionary spending. This could influence consumer demand for our apparel and adversely affect our revenues and profitability. In addition to lower sales to retail customers, a deterioration in economic conditions could have an adverse effect on our sales to wholesale customers because our wholesale customers' sales to retail customers may be affected by a deteriorating economy in the same way as our direct sales to retail customers. We have experienced in the past, and may experience in the future, a decline in demand for our apparel due to a challenging market environment in the fashion retail sector, including as a result of the COVID-19 Pandemic which had a severe adverse effect on the fashion retail sector, leading to a decline of revenues, in both, our retail segment (the "**Retail GERRY WEBER Segment**") and our wholesale segment (the "**Wholesale GERRY WEBER Segment**"). Customer footfall in the city centres and shopping malls may continue to decline and other products and services such as electronic devices may continuously replace clothing as one of consumers' main spending items. Deteriorating economic conditions, by limiting demand for our products, may also increase pricing pressure on the products that we sell and a corresponding decline in our margins. A negative economic development globally or in the markets in which we operate could therefore result in a decrease in demand for our products, which could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.1.2 The COVID-19 pandemic has had and may continue to have a material adverse effect on our retail and wholesale sales, and supply chain.

In early March 2020, COVID-19, a disease caused by a novel coronavirus, was characterized as a pandemic by the World Health Organization (the "**COVID-19 pandemic**"). Since December 2019, the COVID-19 pandemic has spread rapidly, with most countries and territories worldwide having confirmed cases of COVID-19, and a high concentration of cases in the United States and many other countries, including countries in which we conduct business. The rapid spread has resulted in international, federal, state and local public health and governmental authorities implementing numerous measures to contain the COVID-19 pandemic, such as travel restrictions and bans, quarantines, shelter-in-place orders, and mandated business closures. The COVID-19 pandemic and these containment measures have had, and are expected to continue to have, a substantial negative impact on businesses around the world, including us, and on global, regional, and national economies.

At the macroeconomic level, the consequences of the COVID-19 pandemic are extremely severe. The global economy is expected to enter into recession in 2020. Key markets for the GERRY WEBER Group, in particular Germany, and the Eurozone are expected to experience the steepest decline in gross domestic product since the financial crisis in 2008/09 or even worse. Unemployment rates are expected to rise, or have already increased significantly, depending on the circumstances of different economies. As a result, disposable income and consumer sentiment are expected to decline, which will have a negative impact on our business prospects. In addition, financial market conditions have become more volatile as a result of the COVID-19 pandemic, which may have a negative impact on refinancing conditions for us.

Our sales channels are affected in different ways by the Covid-19 pandemic:

The lockdown measures imposed as a result of the COVID-19 pandemic had a severe negative impact on our Retail GERRY WEBER Segment, which accounted for 53.1% of our total revenues in the six-month period ended June 30, 2020. Most of the GERRY WEBER Group's physical stores had to close temporarily due to the lockdown measures, including Germany and Europe, starting in mid-March 2020, which materially adversely affected our sales revenues particularly in the months of March and April 2020. For the six-month period ended June 30, 2020, revenues of our Retail GERRY WEBER Segment decreased to € 74.6 million as compared to € 150.6 million for the six-month period ended June 30, 2019. Since reopening in May 2020, customer frequency remains well behind the previous year, however, at a higher conversion rate. However, it cannot be excluded that new lockdown measures might be imposed in case of infection rates rising again.

The COVID-19 pandemic also considerably affected our Wholesale GERRY WEBER Segment, which accounted for 46.9% of our total revenues in the six-month period ended June 30, 2020, particularly in the months of March and April 2020. We experienced a considerable loss of wholesale partners, including due to the insolvency of Galeria Karstadt Kaufhof. For the six-month period ended June 30, 2020 revenues of our Wholesale GERRY WEBER Segment decreased to € 66.0 million as compared to € 97.1 million for the six-month period ended June 30, 2019.

In the short- to medium-term, price pressure in the fashion segment and a general deterioration in consumer sentiment also represent considerable risks for the prospects of our Retail and Wholesale GERRY WEBER Segments. Fashion retailers have begun to discount prices aggressively to reduce unsold inventory and are expected to continue to do so for a longer time period. This price competition is expected to weigh heavily on profitability in the fashion sector. In addition, the expected economic recession, rising unemployment and lower household incomes in all of our key markets are likely to lead to a deterioration in consumer sentiment, which could negatively affect sales within our Retail and Wholesale GERRY WEBER Segments.

In addition, disruptions in the supply chain resulting from the COVID-19 pandemic and the various government responses in our sourcing countries have had and may again have a negative impact on the availability of goods. If our operations were curtailed, we may need to seek alternate sources of supply, which may be more expensive.

The extent to which the COVID-19 pandemic will continue to impact our business and results of operations going forward will be dependent on future developments such as the length and severity of the COVID-19 pandemic, the potential resurgence of the pandemic, future government actions in response to the pandemic and the overall impact of the COVID-19 pandemic on the global economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable. The ongoing COVID-19 pandemic, as well as intensified measures undertaken to contain the spread of COVID-19, could further adversely affect demand for our products, cause one or more of our wholesale partners or suppliers to file for bankruptcy, lead to a deterioration in payment behaviour of our customers and wholesale partners or disrupt our supply chain, all of which could adversely affect our business, financial condition, liquidity and results of operations. In addition, the COVID-19 pandemic could impact the health of our management team and employees. Any of these negative impacts, alone or in combination with others, could also exacerbate many of the other risk factors discussed below in this section "*1. Risk Factors*".

1.1.3 We face strong competition in both our retail and the wholesale market. If competition becomes more intense or new competitors enter our markets, we could lose market share and suffer downward pricing pressure and margin deterioration.

We operate globally in the modern classic mainstream and the modern women fashion segments of the apparel market, which are characterized by a large number of established competitors. In the retail market, we sell apparel under our own brands directly to consumers. In the retail market, competitors also targeting our group of women aged 40+ years include department store chains, online apparel retailers, and other players offering apparel over a variety of different distribution channels. These competitors focus on our target markets with a large number of brand and private label apparel products in the same price segments as we do. Although fashion retailing targeting 50+ years old women ("**best ager**") is less competitive than young fashion retailing, we also face competition in the best ager target market to a certain extent. In the retail market, some of our competitors benefit from positive brand recognition, a broad market presence, a large customer base and extensive financial resources. They can use these advantages to finance extensive marketing campaigns for their products, and can pursue aggressive pricing policies because of their large sales volumes. Against the background of the persistently challenging market conditions, particularly due to the COVID-19 pandemic, we expect competitive pressure to intensify further, which may result in a substantial price competition as fashion retailers are expected to discount prices aggressively in order to reduce unsold inventory. This price competition is expected to severely affect the fashion sector in the foreseeable future and may have a significant effect on our profit margins. In addition, large retailers of brand apparel or competitors who are currently focusing on other geographical markets, younger customers or lower or higher price segments could become direct competitors in our target markets and price segments by entering our markets, changing or expanding their product portfolio or by pursuing aggressive pricing policies in the markets that we are targeting. Such new competition could substantially increase pricing pressure, which may result in a loss of market share and lower revenues and profits for us. To compete effectively against these competitors we may be forced to reduce prices or increase marketing expenditures significantly, which would lower our margins.

Furthermore, there is significant competition from online apparel retailers and changing shopping behaviours among our target customers could result in a loss of market share to these competitors. Primarily due to the rapid expansion of eCommerce retailing, many market players, including us, have experienced declining customer traffic in certain locations. The ongoing shift from stationary retailing to eCommerce retailing in the fashion industry has accelerated significantly due to the worldwide lockdown during the COVID-19 pandemic. The implementation of our own eCommerce strategy may not be fast enough or otherwise sufficient and we may not be able to develop other distribution concepts to compensate for the increasing shift from in-store to online apparel sales, or to meet the growing competition in the online apparel retail market, where other players may be better positioned. Due to the rapid expansion of eCommerce retailing, we face strong competition from other competitors with regard to suppliers and manufacturers. Our competitors might find themselves in a stronger position with suppliers and manufacturers than us because they are placing higher volume orders. In addition, suppliers might give those competitors priority in the case of delivery bottlenecks, which, in turn could delay our ability to deliver to our customers. Increased competition could also lead to the loss of preferred terms with current suppliers and manufacturers or us not being able to negotiate preferred terms with new suppliers and manufacturers, resulting in an increase of our costs, which could have a negative impact on our results of operations and profitability.

In the wholesale market, we compete with other developers and distributors of apparel. We face competition along our entire value chain, including product development, sourcing and distribution. Wholesale customers increasingly demand superior quality and ever faster product supply while concurrently increasing the price pressure. We could fail to meet our wholesale customers' expectations and lose market share to competitors.

The strong competition in both the retail and the wholesale market could adversely affect our market share, and we could suffer downward pricing pressure and margin deterioration which could, in turn, have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2 Risks Associated with Our Business

1.2.1 We have incurred significant operating losses which led to insolvency proceedings in 2019, and there is no guarantee that we will be able to successfully complete our Restructuring and

strategic repositioning in a timely manner or at all and to grow and operate our business successfully and achieve profitability in the future.

We incurred a net loss of € 781.5 million and € 172.3 million in the fiscal years ended October 31, 2017 and 2018, respectively. These developments were due to a number of internal and external crisis factors. Our previous management had pursued an aggressive growth strategy, but had not focused sufficiently on profitability. Our strategy was not clearly defined and we lost focus on our key target customer groups. As a result, we had a large and diverse product offering, which often did not meet the expectations of our customers and wholesale partners. Consequently, our products may no longer be sold at the full price but rather at a high discount. We also experienced a substantial loss of shop floor space at some of our key wholesale partners, due to the decline in demand for our products also resulting from an over-distribution of our own stores and our brands, particularly in the German market. These problems were compounded by a logistics strategy that was not fully aligned with the needs of our business and by a challenging market environment in the fashion retail market. When sales declined as a result of the above and other factors, we were able to compensate only partially by adjusting our costs. Because of the complexity of our product portfolio and the fragmented structure of our supply chain we were able to reduce costs only to a limited extent. All of this led to a significant reduction in our operating liquidity. At the same time, it became more difficult for us to obtain financing for our business. As our share price declined and the maturity of certain of our borrower's note loans (*Schuldscheindarlehen*) due in November 2018 approached, banks reduced the working capital lines made available to us. These challenges ultimately resulted in a comprehensive strategic, operational and financial restructuring program (the "**Restructuring Program**") initiated in the fourth quarter of the fiscal year 2018 on the basis of a detailed restructuring report (*Sanierungsgutachten*) prepared by an independent accounting firm in accordance with standard IDW S6 as promulgated by the Institute of Public Auditors in Germany (IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.). The restructuring report (*Sanierungsgutachten*) as of November 2019 provided for several restructuring-related actions to address the described challenge, to reposition the Gerry Weber Group and optimize its cost structure (the "**Restructuring**"). By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. of the German Insolvency Act (*Insolvenzordnung*) ("**InsO**"). GWI as holding company of the GERRY WEBER Group was while continuing its operations as a going concern restructured on the basis of an insolvency plan (the "**GWI Insolvency Plan**"). The GWI Insolvency Plan has been resolved upon by the creditors' meeting on September 18, 2019. In a further resolution of May 1, 2019, the Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of Gerry Weber Retail GmbH & Co. KG (now Gerry Weber Retail GmbH) ("**GWR**") under self-administration (*Insolvenzverfahren in Eigenverwaltung*). GWR was also restructured on the basis of an insolvency plan (the "**GWR Insolvency Plan**" and together with the GWI Insolvency Plan, the "**Insolvency Plans**"). Though these insolvency proceedings have been concluded by resolutions of the competent Bielefeld District Court – Insolvency Court – as of December 27, 2019, with effect as of December 31, 2019 with regard to GWI, and as of February 20, 2020 with effect as of February 29, 2020 with regard to GWR, there is no assurance that we will become profitable in the future. Due to the COVID-19 pandemic, which had a severe adverse effect on us and the fashion retail sector in general, in June 2020, a second restructuring report (*Sanierungsgutachten*) (the "**Restructuring Report**") had been prepared, which updates and further specifies the Restructuring Program aimed at securing the GERRY WEBER Group's future viability and restore GERRY WEBER Group's economic success. The restructuring report (*Sanierungsgutachten*) confirmed that on the basis of the financing concept specified in the GWI Insolvency Plan the going concern of the business operations of the GERRY WEBER Group can be assessed as more likely than not according to the current circumstances.

As part of our insolvency proceedings and our Restructuring, we adopted certain strategies and made certain projections with respect to the operation of our business after the completion of the insolvency proceedings. While we successfully completed the insolvency proceedings and largely implemented the restructuring-related actions provided for in the Restructuring Report and such actions in connection with our financial planning form the basis for our on-going Restructuring which we expect to be fully completed by 2023, we may underperform on certain aspects of the Restructuring Report. For example, our strategy to reposition and enhance the awareness for our existing brands required significant financial resources in the context of our Restructuring and will continue to require such resources in the future, which might not be available by the time required. Furthermore, our strategy *e.g.*, to grow operations by expanding our wholesale business in our growth markets, to improve our eCommerce capabilities, enhance our online penetration by expanding cooperations with third-party online market places or to increase the performance of our retail business, and implement our efficiency and cost reduction measures may fail or be subject to delays or prove more expensive than we currently anticipate. Particularly, we may fail in achieving our objective to negotiate rent reductions of around € 10.0 million to cut costs across all sorts of retail stores. As of the date of this Prospectus, negotiations on these rent reductions, which relate to the current fiscal year and the next two years, have not yet been concluded. Furthermore, our aim to change our product procurement by increasingly making use of full package services (*Vollkauf*) on a case-by-case basis may be not successful, subject to delays or more expensive than anticipated. There is also a risk that our strategy may not generate the revenue or profit growth anticipated, as the success of our strategy depends on our ability to execute such strategy in a focused way. If we are unable to successfully generate increased revenue or profit by way of implementing our strategy, we may not be able to cover our operating costs or required capital expenditures. Accordingly, there can be no assurance that we will be able to achieve profitability in the future. Furthermore, it may take more time than anticipated to complete the Restructuring in a timely manner, in which case we could incur excess costs. Although our Restructuring has been largely implemented in 2019, our strategic repositioning will continue to require a significant amount of time and attention of our management. Should these tasks divert management from other responsibilities, our operational business could be negatively affected.

While some of the reasons for a possible underperformance of the plan are beyond our control, such as unforeseen negative market conditions, it is possible that other assumptions and predictions incorporated in the Restructuring Report, including assumptions and predictions made with regard to the further development of the COVID-19 pandemic, may also prove to be incorrect. Because our business plan is predicated on certain assumptions and projections included in the Restructuring Report, we may not be able to achieve all of the expected business and financial outcomes included in the Restructuring Report if future conditions vary significantly from the conditions assumed in the Restructuring Report. The materialization of any of the aforementioned risks could adversely affect our plan to become profitable, which would in turn have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.2 Our success and future development depends significantly on our management, qualified executives and other key personnel. We may not be able to appoint a new Chief Executive Officer or to retain our existing management, qualified executives and other key personnel, which could impair our development and growth, increase our costs and harm our reputation.

Our success and future development depends significantly on our management, qualified executives and other key personnel. On February 21, 2020, Johannes Ehling, who was appointed as chief sales officer and chief digital officer to the management board of the Company (the "**Management Board**") on April 1, 2018, and served as spokesman of our Management Board since November 1, 2018, and Urun Gursu, who was appointed as Chief Product Officer to the Management Board on March 1, 2019, departed from the Company. Johannes Ehling was primarily responsible for the reorganization and Restructuring of the Company, including the reorganization of our sales, marketing and IT infrastructure, the eCommerce business and product management. Urun Gursu was responsible for the product related and creative aspects regarding our GERRY WEBER core brands, including the repositioning of our brands as well as the optimization of our product development process, purchasing organization and supply chain. Alexander Gedat, who served as chairman of the supervisory board of the Company (the "**Supervisory Board**") since December 2019, was appointed as interim chairman of our Management Board on February 20, 2020. Though we aim to appoint a new Chief Executive Officer, there can be no assurance that we will be able to attract suitable candidates in a timely manner, or at all. The departure of Johannes Ehling and Urun Gursu could lead to considerable expertise and process knowledge being lost by us or access thereto being gained by our competitors.

We also employ a number of qualified executives and other talented and highly qualified personnel, which is key to our business. Companies in the apparel industry increasingly compete for qualified executives and talented and qualified personnel. We have had frequent changes in certain executive and management positions in previous years. There can be no assurance that we will succeed in retaining our executives or other key personnel or in attracting and recruiting new talented staff with the appropriate qualifications. A lack of qualified executives and talented personnel could impair our development and growth, increase our costs and harm our reputation. The inability to appoint a new Chief Executive Officer or the loss of our existing management members, qualified executives or other key personnel could therefore have a material adverse effect on our business, financial condition and results of operations.

1.2.3 We are currently repositioning our brands, which could fail and therefore compromise our growth prospects or even lead to a reduction of our sales revenues, decreased margins or profitability of our business, or advance at a slower pace, in which case we could incur excess costs.

Our success is, to a large extent, dependent on the strength and image of, and value associated with, our GERRY WEBER, TAIFUN and SAMOON brands. As part of our Restructuring, we have undertaken various measures to reposition our brands. We have undertaken an extensive overhaul and substantially invested in the modernization of our brands' collections to again also attract younger customers of our target customer groups and to increase the value perception of our brand, which became externally visible with the release of our collections in the summer of 2019. At the same time, we streamlined our current product portfolio to reduce the complexity and breadth of our product assortment by adjusting the product range. Additionally, in order to revitalize our brand appearance in particular of our core brand GERRY WEBER in the German market and to communicate our brand repositioning, we made considerable investments in a broadly media-based, target group-focused marketing campaign. There is a risk that the repositioning of our brands may fail, as we may be unable to adequately meet consumer tastes and preferences. The success of our strategy essentially depends on our ability to adapt our fashion products in a way that generates greater demand by our target customer groups. In the past, our customers were also accustomed to buy our products at high discounts. If we do not manage to meet our customer's expectations or if they are not willing to buy our products at their full price, we may not be able to increase our sales volumes or this could even lead to a reduction in our sales, excess inventories, higher mark-downs, write-offs of unsold merchandise and decreased margins and profitability of our business. Furthermore, it may take more time than anticipated to reposition our brands, in which case we could incur excess costs. The materialization of any of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.4 The image of our brands may be damaged as a result of our brand repositioning or we may be unable to maintain consumer awareness and perception of our brands, which could negatively affect our revenues.

Our products are marketed and sold under the three established brands GERRY WEBER, TAIFUN and SAMOON, which we believe have high brand recognition among the respective brand's target customer group. If we misinterpret and change the attributes that our customers connect with one of our brands through repositioning our brands, this could result in a dilution of that brand. For example, by modernizing the GERRY WEBER collection, we could fail to meet the fashion preferences of our classic mainstream customers which could result in a loss of brand acceptance and thus lower demand. Should this happen either repeatedly or with several products, there is a risk that our target customers are no longer enticed by our brands and that our brands may lose their ability to generate or promote sales. Should we be unable to maintain consumer awareness and positive perception of our brands, we may not be able to increase our sales volumes and there may even be a reduction in our sales. In addition, there are risks relating to how our products are presented at our POS. When selling our products to wholesale customers, we do not always have the ability to influence the presentation of our apparel and may therefore be unable to ensure that our products are presented and sold in accordance with the relevant brand image. Should our products be presented and sold by wholesale customers in a manner which is inconsistent with the relevant brand image, the perception of our brands may be damaged. Our failure to successfully reposition and protect our brands or to increase consumers' awareness and perception of our brands could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.5 Our insolvency proceedings in 2019 have harmed our relationships with key wholesale customers, suppliers and consumers and we may not be able to regain their trust or attract new wholesale customers, suppliers and consumers, in the near future or at all, which could have a negative effect on our business, financial condition and results of operations.

Our insolvency proceedings in 2019 have harmed our relationships with key wholesale customers and consumers. Already in 2018, we experienced a loss of shop floor space at some of our key wholesale partners, due to the decline in demand of our consumers for our products also resulting from an over-distribution of our own stores and our brands, particularly the GERRY WEBER brand in the German market. Furthermore, we had a large and diverse product offering, which often did not meet the expectations of consumers and wholesale customers. Consequently, our products may no longer be sold at the full price but rather at a high discount. As a consequence, we experienced lower orders from wholesale customers and have lost sale space at some of our key customers' POS, which ultimately led to a decline in our revenues Also, some of our suppliers tightened their conditions and require us to make prepayments for placing an order. Although we have undertaken various measures to improve our key account management with wholesale partners and relationships with suppliers and consumers, we may not rule out, whether we will be able to regain trust of these wholesale customers, suppliers and consumers or attract new wholesale customers, suppliers and consumers, in the near future or at all, which could have a negative effect on our business, financial condition and results of operations.

1.2.6 A failure to adopt technological advances in a timely manner and to implement our eCommerce strategy could have an adverse effect on our business, financial condition and results of operations.

Internet retailing has been the fastest growing distribution channel for the apparel sector. We believe that in the future, eCommerce retailing will continue to become more and more relevant. The ongoing shift from stationary retailing to eCommerce retailing in the fashion industry has even accelerated due to the worldwide lockdown during the COVID-19 pandemic. We face risks in connection with the implementation of our eCommerce strategy, which we consider to be key for our future profitability. For example, we may fail to adopt new technological advances in a timely manner or experience compatibility issues regarding technological advances, which could decrease the attractiveness of our online presence, leading to a decline in revenue, and increase competitive pressure. In addition, our efforts at vertical integration of our physical stores and our eCommerce capabilities (*e.g.*, click and collect, in-store ordering, click and pay) may fail to effectively address customer demand. Furthermore, our strategy of expanding our eCommerce activities by launching further online shops, including the opening of online outlets, or expanding cooperation with eCommerce platforms such as Zalando, Amazon and Otto and entering into business relationships with additional eCommerce retailers, may not be successful. Thus, our intended growth in online sales may be limited or not occur at all, which would have an adverse effect on eCommerce strategy. In order to be well positioned as an omni-channel distributor and remain competitive, we will need to make further significant investments, for example, in our IT landscape and in new business intelligence tools in order to enhance our data analytics capabilities to increase the attractiveness of our omni-channel offerings Furthermore, the required integration of processes may pose more challenges than expected, in particular as regards to successfully implementing these across our wholesale channel given that our wholesale partners operate their own systems, which requires an intensified channel-linking effort compared to our own retail channel.

If we fail to adopt and apply technological advances in a timely manner or fail to successfully expand our eCommerce capabilities in order to effectively address our customers' demand, this could have a material adverse effect on our business, financial condition and results of operations.

1.2.7 Our business is subject to seasonal fluctuations and weather conditions which could have disproportionate impacts on our revenues.

Our revenues, results of operations and also our financing requirements are subject to seasonal fluctuations. Our revenues in the second half of the year, particularly in the fourth quarter, tend to be higher than in the other quarters because winter apparel is sold which has a generally higher average price per item. In contrast, the product range in the spring and summer includes a comparatively higher proportion of apparel at lower prices such as T-shirts. As a result of such seasonal demands for clothing, our peak periods for purchases of goods, and therefore higher financing requirements, are in the months before the peaks of demand, in particular in March and April as well as August and September.

Atypical seasonal weather conditions and the resulting seasonal shifts may lead to lower-than-planned sales and, consequently, reduce revenues significantly. Unseasonal temperatures or extreme weather patterns may weigh heavily on consumers' inclination to buy the seasonal merchandise offered at a given point in time. Long hot summers and very mild winters, for instance, have in recent years led to reduced or delayed sales of winter apparel. As a result, merchandise may no longer be sold at the full price but only at a discount. Consequently, higher discounts to sell the remaining seasonal merchandise and/or increased stocks at the end of a season may be a consequence of adverse weather conditions. The influence of atypical seasonal weather conditions on consumers' purchasing behavior affects both the physical stores and online sales. If the weather is seasonally atypical for an extended period or for several seasons in a row, this may have notably negative effects on our revenues.

1.2.8 We may fail to identify and meet the fashion preferences and expectations of our target customers and on offering our products at the right price and face the risk of not being able to sell our apparel at the price intended or at all, which could place pressure on our revenue and/or profitability.

The success of our business and our results of operations depend on our ability to develop collections that meet the fashion preferences of our target customers and are competitively priced. The apparel industry is characterized by rapidly changing customer preferences and quickly emerging and dissipating fashion trends. Fashion trends are difficult to predict and can often only be identified subjectively. The fashion preferences of our principal target group may change at any time. Customers in different markets have varying levels of appreciation for different styles, sizes, fittings and prices, further increasing the difficulty of satisfying customer expectations.

Each apparel product and each collection bears the risk of not meeting the fashion preferences of our target customers at that respective point in time and may therefore not be bought. This is commonly referred to as fashion risk. In connection with our brand repositioning, we have streamlined our current product portfolio to reduce the complexity and breadth of our product assortment, *e.g.*, by reducing the amount of product categories and colour options and we may not rule out if our new collections will be accepted by the market. In addition, not meeting the fashion preferences of our target customers could result in a loss of our brand acceptance and, in the worst case, lower demand for subsequent collections. We may also fail to promptly identify a trend and therefore react to it more slowly. If we are unable to offer apparel that meets the fashion preferences of our target customers or respond to changing preferences quickly, there is a risk that certain products or entire collections may not be accepted by the market, resulting in lower sales, excess inventory, write-offs of unsold products and lower margins and profitability of our business.

In addition to meeting our target group's fashion preferences, we must also meet our target group's expectations regarding price. The pricing of our products may not coincide with the pricing demanded or expected by consumers or by our wholesale customers, which could have similar negative effects on our business.

In our Retail GERRY WEBER Segment, we offer apparel through various points of sales ("**POS**") directly to consumers. At our retail POS, we bear the risk that the inventory owned by us cannot be sold at the price intended, or at all. This is commonly referred to as sales risk. We produce ten collections for each of our brands per year and each collection comprises of a number of products. Therefore, there is the risk that a significant amount of products may not be sold. We may misjudge consumer demand for our products and a significant volume of our products, as was often the case in the past, may therefore not be sold at the intended prices, or at all. This risk is even more heightened due to the aggressive discounting of prices experienced in context of the COVID19 pandemic. In addition, the recent past has shown that customers are increasingly waiting until collections are offered at reduced prices in sale seasons instead of buying our products at the original price. If products delivered to retail POS which we operate directly and where we bear the sales risk are not sold within the season-specific window of opportunity, a stock overhang may arise, resulting in a decline in sales per square meter. If a collection is not fully sold within a certain period of time, the products may no longer be marketable and unsold inventory may have to be written off. As a result of the sales risk we may also face liquidity risk due to high net working capital, as lower revenues reduce cash available for our operations, particularly for purchases of raw materials for new products. Should we be unable to effectively manage our sales risks, this could have a material adverse effect on our business, net assets, financial condition and results of operations.

The failure to meet the fashion preferences of our target customers and to offer our apparel at the right price, could thus have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.9 The operation of our own retail stores requires high operational fixed costs and we face the risk of bearing these costs even when sales decline.

The operation of own retail stores involves high operational fixed costs. As of June 30, 2020, our own retail store network included a total of 588 locations worldwide (including 350 stores in Germany). In addition, we operate an outlet business which, as of June 30, 2020, was comprised of 28 outlet stores. The operation of our retail stores requires incurring high operational costs, including rent and labor costs. In the recent past, including in the context of the COVID-19 pandemic, we were not be able to increase revenue and cash flows at a sufficient level to compensate for our operating costs within our retail business and we may not be able to do so in the future, which could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.10 We may lose additional wholesale customers if they decide to turn to our competitors, if they consolidate or if their economic situation deteriorates, which could lead to declines in our revenue.

We are exposed to the risk of a decline in revenues should we lose major wholesale customers. Our ten largest wholesale customers accounted for approximately 21% of our consolidated revenues for the six-month period ended June 30, 2020. We have no long-term purchase contracts with wholesale customers, so there is no assurance that wholesale customers that send us regular purchase orders will not turn to our competitors. A reason for not purchasing from us may be product prices if we are not able to sufficiently reduce costs to provide products at both the requested price and at acceptable margins. Moreover, there might be instances where we are not able to deliver products to wholesale customers on time or at all, as recently was the case in context of the COVID-19 pandemic resulting in the customer being unsatisfied with our performance and therefore turning to our competitors.

There is strong competition in the retail apparel market in Germany, which may adversely affect our wholesale customers. Furthermore, market consolidation among wholesale customers, which has even more accelerated due to the COVID-19 pandemic, may affect our business, as was the case with the merger of Galeria Kaufhof und Karstadt Warenhaus. The growing number of insolvencies in the retail sector, such as the insolvency of Galeria Karstadt Kaufhof, is expected to result in a significant loss of sales areas at our wholesale customers, which could adversely severe effect our sales revenues. We may lose certain customers completely as a result of such market consolidation or insolvency, which could result in a significant reduction in sales. Alternatively, a post-consolidation customer could gain increased buying and negotiation power, which could result in less favorable terms for us, and the resultant pricing pressure could result in lower margins or sub-optimal working capital requirements for us. In addition, any deterioration of the financial condition of major wholesale customers may directly translate into lower volumes sold by us to the affected customers, resulting in lower revenues and lower margins for us. Furthermore, if customers experience payment difficulties or become insolvent, this could result in sizeable impairment charges for us. The economic situation of wholesale customers depends particularly upon the macroeconomic situation, the competitive environment, their management and retail capability, their financing and their assessment and management of fashion risks.

A further loss of major wholesale customers or a deterioration of the economic situation or insolvency of our major wholesale customers could lead to declines in our revenue, which could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.11 We depend on the ability of the retail destinations where our POS are located to attract customers. Any decrease in footfall at those retail destinations or our ability to be represented at attractive retail destinations could adversely impact our sales.

Our points of sale are located in retail destinations such as shopping malls, city centers, city stores and retail parks. The sales at our POS are to a significant extent dependent on the volume of customer traffic in the respective retail destinations and the surrounding areas which, in turn, is to a large extent dependent on the ability of other retailers and retail destination owners near to those destinations to generate customer traffic.

Any decrease in popularity of the retail destinations or certain anchor stores near our POS, the closing of anchor stores, stores of other retailers, or stores of our wholesale customers, such as multi-label fashion retail stores, could reduce the attractiveness of the retail destinations where our POS are located. This could result in a decrease of customer traffic at our POS which could, in turn, result in a decrease of our sales and the sales of our wholesale customers. In recent years, operators of department stores have had to close down stores due to difficult financial conditions. We cannot assure that we will be able to obtain alternative store leases or be represented at wholesale POS in attractive locations, especially those that have high customer traffic, on commercially acceptable terms or at all. Moreover, an existing location that we feel is successful for us may deteriorate, for example if a new, large and popular shopping center were opened near one of our existing locations or if consumer shopping patterns change in a way that negatively affected that particular location, which could have a negative impact on our competitive position and profitability. Furthermore, the increase in use of eCommerce platforms and online shops by consumers has led to a decline in footfalls across the industry, including the retail destinations where our POS are located. This trend may continue or even further accelerate, *e.g.*, due to the persisting COVID-19 pandemic, and may further reduce the footfall as the use of eCommerce platforms increases. We may not be able to timely respond to such risk as we are still in the process of advancing our eCommerce offering, which is subject to various risks, including costumer acceptance of our eCommerce offering. Any decrease in footfall at our POS as a result of the aforementioned or other factors could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.2.12 Product defects and product quality issues may cause supply shortages and may expose us to claims for damages and administrative sanctions and damage the public perception of our brands and our reputation, which could lead to a significant decline in our sales.

Both consumers and our wholesale customers expect defect-free products of high quality from us. If we sell products that do not meet the required quality standards, we could be exposed to returns, warranty claims and claims for damages by retail and wholesale customers as well as to product recalls. In addition, if we sell defective products, for example products containing harmful substances, raw materials or chemicals, this could expose us to claims for damages, product recalls and administrative sanctions and fines. Most importantly, our reputation may be damaged and brand perception may be adversely affected if we sell products that do not meet the required quality standards or are defective.

Our products are predominately manufactured using full-package services, *i.e.*, our products are manufactured by third parties in accordance with our specifications, and going forward we aim to increasingly make use of such full-package services on a case-by-case basis. Therefore, we are significant extent dependent on third-party manufacturers and on third-party suppliers of raw materials, as well as our own internal quality control process, to ensure that our products and the materials they are made from comply with consumer expectations and with relevant specifications and quality standards. If we discover a defect or quality issue during a quality inspection, we do not accept delivery of the product or raw material. In this case, we may be unable to replace the rejected product or raw material in a timely manner, which could result in supply shortages or delays in order fulfilment for the particular product or raw material that is affected, resulting in a decline in revenue. In addition, although our manufacturers and suppliers are subject to quality controls by us, there is a risk that certain quality issues and product defects may not be detected and it is possible that a whole range of articles may be affected by a single defect and that we may be obliged to implement cost-intensive product recalls on a large scale. Although we may have a right of recourse against a culpable manufacturer or supplier, enforcing such rights could be a long and difficult process, as most manufacturers and suppliers are located outside of Germany. In the event of product defects it is also possible that the warranty provisions in our agreements with manufacturers and suppliers do not cover the quality issues the customer has objected to, or that the manufacturer or supplier is not or not fully solvent for purposes of recovering any losses.

Quality deficits and product defects could also deteriorate the market's acceptance of our products and damage our reputation. Where there are several instances of quality issues or product defects within a short period of time, our reputation could be damaged, which could lead to a significant decline in sales, and our relationship with our wholesale customers could be damaged, which in turn could result in a loss of customers and decline in revenues.

1.2.13 Our reputation, corporate image and the perception of our brands could be adversely affected or damaged if we or our suppliers fail to comply with ethical, social and ecological standards, which could have a material adverse effect on our business, financial condition and results of operations.

Wholesale customers and consumers, particularly those included in our target customer group of women aged 40+ years, increasingly demand clothes that have been manufactured in compliance with ethical, social and ecological standards and increasingly consider an apparel producer's reputation when making buying decisions. To the extent we do not meet relevant standards, our reputation may be adversely affected. Any non-compliance may also expose us to negative publicity which may significantly increase the risk of damage to our reputation and our image and the perception of our brands may be adversely affected.

We procure our products from low-labor cost countries in Turkey, Asia and Eastern Europe. Production in these countries is characterized by intense manual labor, large numbers of workers, and significant time and pricing pressures. The employment conditions and social standards experienced by employees in these countries may differ significantly from those in Western Europe. It is possible that our products, and in particular any raw material used therein, may be produced by suppliers in violation of our and other applicable standards. It may particularly be the case that suppliers of our suppliers may not comply with our standards or the standards imposed by our suppliers. Any such breach by us or any of our suppliers or their suppliers may result in contractual payment obligations and other penalties payable by us to our wholesale customers, which may be significant.

In addition, there is the risk that applicable standards may change or that other standards may become relevant in the future with which we may not be able to comply. Should any breaches of standards—regardless of whether we are able to influence the relevant matter—occur, retail customers may refrain from buying our products and our image as well as our brand perception may be significantly harmed. Any failure to comply with employment, ethical, social and ecological standards may adversely affect our reputation among our customers, and we may lose business in a significant quantity and be obliged to make significant payments to our wholesale customers. Additionally, incidents comparable to the collapse of the Rana Plaza building site in Bangladesh in April 2013, in which thousands of textile workers died, may happen in the future, and such incidents may be connected with our business, be attributed to us, or have a negative impact on our business or the public's perception of our business and our brands irrespective of our actual involvement in any such incident. Our sourcing processes could be affected by campaigns of non-governmental organizations. Further, increased public attention on corporate social responsibility could result in tighter legislation, which may adversely affect our business. If increased public attention results in political pressure or initiatives, our suppliers may face increased labour costs which may, in consequence, result in our suppliers charging us higher and, if we were unable to pass these higher prices to our customers, deteriorating margins.

The occurrence of one or more of the aforementioned risks above could have a material adverse effect on our business, financial condition and results of operations.

1.2.14 We are subject to the risk of price increases for raw materials which may decrease our margins.

Cost of materials, which includes expenses for raw materials and supplies and purchased goods and expenses for services purchased, historically represents our largest cost factor and therefore significantly influences our results of operations and financial position. Cost of materials as a percentage of our revenues (the cost of materials ratio) was 41.9% in the six-month period ended June 30, 2020.

The raw materials that we or our suppliers purchase are subject to price volatility due to fluctuations in the prices and availability of the raw material and natural resources required for the materials. In the past, the main raw materials for the productions of fabrics, namely cotton, wool and leather, have been subject to substantial price increases. This may, among others, be due to changes in demand, supply conditions, crop failures, weather conditions, health crises, political reasons (such as duties or export restrictions) or currency exchange rate fluctuations. Going forward, prices for raw materials, in particular cotton, may increase and the prices for fabrics and materials may also increase accordingly.

Furthermore, we are sometimes required to agree to minimum order quantities with certain of our suppliers to source raw materials at an appropriate price level. If we are not able to satisfy these minimum order quantities in case of declining demand for our products, this could result in price increases.

If prices for raw materials increase, we may not be able to pass these price increases on to our customers by increasing our sales prices, which may decrease our margin and which could have a material adverse effect on our business, financial condition and results of operations.

1.2.15 We may not be able to pass on higher costs to our customers resulting from increases in the wages to be paid by us or our suppliers to our or their employees, which may have a material adverse effect on our business, financial condition and results of operations.

Manufacturing of apparel is labor intensive and an increase of wages increases the production cost of apparel. Since most of the intensive labor work is conducted by our suppliers, they generally bear the risk of increases in wages. However, our suppliers could increase the prices for their services due to increases in the wages of their workforce. Particularly in historically low wage countries, from where we source a predominant part of our products, there is a clear trend of rising labor costs due to their improving economies as well as a shortage of qualified staff, particularly seamstresses and staff with tailoring skills.

If labor costs increase, there is a risk that we may not be able to pass these cost increases on to our customers by increasing our sales prices. Increased costs of labor may thus have a material adverse effect on our business, financial condition and results of operations.

1.2.16 Our new go-to-market approach may not be successful, which could have a material adverse effect on our business, financial condition and results of operations.

In order to offer our wholesale customers even more up-to-date collections, we changed the "traditional" pre-order process with our wholesale customers and delivery process for our own retail stores by launching a new go-to-market approach comprising ten collections for each of our three brands, which will be offered to our wholesale customers in four physical order rounds with shorter order periods in one of our showrooms and two digital order rounds per year by placing orders using an internet-based order platform. The quick changeover is intended to allow us to respond more quickly to trends and customer preferences during the season, which we believe reduces the fashion and sales risk for our products. However, there can be no guarantee that our new go-to-market approach will be successful. As an example, from 2018 until and (including) August 2019 only around 10% of our wholesale customers took advantage of the two digital order rounds, and 70% of our wholesale customers of the two physical order rounds, while 100% of wholesale customers placed orders during the two main physical order rounds, each comprising of a four week order phase, which took place at the Collection Première Düsseldorf (CPD) fair in Düsseldorf.

If our new wholesale strategy and go-to-market approach are not successful, this could have a material adverse effect on our business, financial condition and results of operations.

1.2.17 Any delays in development, production and delivery of our products may result in fewer sales and the demand of compensation or the termination of arrangements with our wholesale customers.

Punctual delivery of our products is key to our wholesale customers and having the apparel at their or our own POS when demanded by them is of utmost importance to our business. This requires a fast, reliable and fully integrated supply chain system that is able to ensure delivery of raw materials and ready garment from our suppliers to multiple factories in different international jurisdictions, to our own warehouse and logistic centre "Ravenna Park" in Halle (Westfalen) ("**Ravenna Park**") and finally to our wholesale customers' as well as our own POS. We face the risk that delivery of our products could be delayed or fail due to various reasons, including technical problems, strikes, natural events or insolvency of suppliers. In particular, as a result of the COVID-19 pandemic, our supply chain has experienced disruption. Depending on the further spread of the COVID-19 pandemic, our supply chain may be adversely affected by such disruptions. Any breakdown, interruption or material cost increase associated with our supply chain system may cause delays in production and delivery of our products to our own or our wholesale customers' POS, which could have a material adverse effect on our business, financial condition and results of operations.

Any delay in the development of products may decrease the sales in our stores and may adversely affect our relationships with wholesale customers. If we are not able to develop new collections in time, for example, due to delays in the prototyping production, or deliver them within the required deadline for each collection cycle, our wholesale customers might cancel orders on short notice or demand compensation.

Furthermore, there might be delays in relation to the production of products. There can be no assurance that our suppliers will deliver on time or that we will be able to consistently deliver on time. In addition, if we experience increases in demand or the need to replace an existing supplier, there can be no assurance that additional manufacturing capacity will be available when required on terms that are acceptable to us, or at all. We also face the risk that the delivery of our products could be delayed or fail due to various other reasons, including failures of IT systems, failure of logistic providers or the inability of suppliers, including shipping providers, to meet delivery obligations.

As a result of delays in development, production or delivery of our products, we may not be able to fulfil our supply obligations vis-à-vis our wholesale customers and meet consumer demand, resulting in fewer sales and potential claims for compensation or the termination of arrangements with our wholesale customers. In addition, we may not be able to assert compensation claims against suppliers, sourcing agents or shipping service providers, depending on the specific allocation of risk in the underlying contracts.

1.2.18 We face risks associated with our logistic centre "Ravenna Park", the occurrence of which could have a material adverse effect on our business, financial condition and results of operations.

The sourcing and punctual delivery of our products pose high demands on our logistic infrastructure. We handle the logistic processes for the delivery of our products from transport preparations and stock-keeping to processing and order picking to delivery to the individual POS, through our own logistic centre "Ravenna Park" located in Halle (Westfalen), Germany. However, Ravenna Park is designed to handle a certain throughput volume and induces high running costs. In order to be able to operate Ravenna Park profitably, we are therefore dependent on a certain degree of capacity utilization and thus on the achievement of certain revenues. If we do not manage to achieve such revenues, the running costs could exceed the benefits of the logistics centre which could significantly harm our business.

Pursuant to the GWI Insolvency Plan, we are obligated to sell Ravenna Park until December 31, 2021. The proceeds from such sale of Ravenna Park (after deduction of disposal costs) will be distributed to our creditors. If the sale of Ravenna Park has not been completed by such time, the sale will be carried out by the trustee in the interest of our creditors. The Restructuring Report provides for a use of the Ravenna Park until 2021. We are in the process of developing a concept, which provides for a commercially suitable alternative for the Group to efficiently handle our logistic requirements, which will be ready for implementation by the time of the sale of Ravenna Park. We face the risk that we will not be able to find a suitable alternative to sufficiently handle our logistic requirements by that time or the implementation of a new logistic concept may take longer than anticipated, which could lead to a substantial delay or interruption of delivery, which would materially affect our business operations. Any increase in shipping, transportation and other logistic costs may also impact our profitability if we are not able to increase product prices. If we pass the increase in shipping costs on to our customers by raising the prices of our products, the demand for our products may decline. Thus, any of these factors related to our supply chain could have a material adverse effect on our business, financial condition and results of operations.

1.2.19 Our operations may be interrupted or otherwise adversely affected as a result of failures in our information technology systems which could in turn adversely impact our revenues and future growth.

Advanced IT systems are a key success factor for a profitable and cost-efficient operation of our business and therefore of significant relevance for our turnaround process. Thus, as part of our Restructuring, we initiated an extensive overhaul of our IT infrastructure, which, as a first step, included the stabilization of our IT-infrastructure by making investments in hardware and software to provide for a reliable support of our operational processes. Further significant investments in the modernization and consolidation of our IT system will be required to be able to exploit performance and efficiency potentials of our various operational processes, and reduce IT costs. With technological advances, greater networking and an increasing integration of our business processes across our multi-channel distribution channels, the modernization and consolidation our IT systems has become even more critical. Our efforts of and investments in f our IT landscape could be delayed or result in disruptions of our business, due to insufficient implementation or result in significant higher project costs.

We rely on a variety of disparate IT products and systems of various ages and levels of sophistication. Furthermore, in relation to the maintenance, upgrading and integration of our IT infrastructure, we rely on services provided by third-party IT service providers. As IT systems are particularly susceptible to malfunctions, programming errors and outages, we may experience disruption or interruption to our systems from time to time. It is also possible that the IT systems could be compromised by electronic or physical attacks by third parties or computer viruses or similar attacks, as already experienced by us in the past. Any failure of our IT systems could keep us from doing business and could be seriously detrimental to orders, warehousing, cooperation with external services providers, online sales and cashier services in our stores. This could lead to shortages of products and to delays or failures to deliver products purchased online. As a result, we may not be able to keep the necessary product range in stock in our stores or meet existing delivery obligations, which could lead to a loss of customers and sales.

1.2.20 We lease all of our stores, which exposes us to legal and financial risks in connection with the respective lease agreements, the occurrence of which could have an adverse effect on our business, net assets, financial condition and results of operations.

As of June 30, 2020, we operated 588 company-managed stores (which comprise of 334 own retail stores (including 28 outlet stores) and 254 concession stores). All stores were leased. We generally enter into lease agreements for a fixed term of 5 to 10 years, which may make it difficult for us to close or relocate unprofitable stores quickly and at an acceptable cost for stores with long leases. Usually the lease agreements entitle us to sublease the stores; nevertheless the search for suitable tenants can be difficult and prove unsuccessful. Moreover, if a tenant wants to sublet property, in most cases, the landlord must give his consent or may limit the type of use of the store to certain sectors. We could therefore have to continue operating stores in unprofitable locations for the agreed periods, or only be able to exit the lease agreement by paying substantial amounts in compensation to the landlord. Moreover, a number of lease agreements contain automatic renewals of up to two years if not terminated upon up to 12 months prior written notice. The rent for the leased retail space is usually linked to the consumer price index. Any increase in the consumer price index therefore leads to an increase in the rent we pay. This could have an adverse effect on our liquidity or results. Rent levels in certain locations in which we have stores could also experience a general decline, but depending on the store, the landlord and the term of the lease, we may not be able to take advantage of falling rents through a lease amendment or rent reduction. This could prevent us from realizing cost savings and thus have a negative impact on our competitiveness and results of operations.

Under certain lease agreements, we have also assumed extensive property maintenance and repair obligations. As a result, we could face extensive costs for repair work. Moreover, we have undertaken modifications to many of the stores we lease, which under most lease agreements we will be required to remove or reverse if the leases are terminated unless requested otherwise by the landlord. The termination of leases could thus give rise to substantial costs for us. It may also be possible that the landlord under some lease agreements may have a right to terminate the lease before expiry of the intended term because of non-compliance with the statutory written form requirements. Consequently, if leases are terminated due to a non-compliance of the statutory written form requirements (which is − in our experience – not very likely), we may be compelled to give up a range of locations at short notice.

The occurrence of one or more of the aforementioned risks in connection with our store leases could have an adverse effect on our business, net assets, financial condition and results of operations.

1.3 Risks Relating to our Financing and Financial Information

1.3.1 The operation of our business requires a high level of net working capital. Our ability to generate sufficient cash to fund our working capital requirements depends on factors beyond our control, the occurrence of which could have a material adverse effect on our business, net assets, financial condition and results of operations.

The operation of our business regularly requires a high level of net working capital. As of June 30, 2020, our net working capital, which we define as our "net current assets" (current assets less cash and cash equivalents) less our "net current liabilities" (current liabilities less financial liabilities, tax provisions, provisions for personnel and other provisions), was € 39.9 million. This high net working capital requirement is primarily due to the volume and speed of our sales and our amount of unsold inventory. In our Retail GERRY WEBER Segment, it may take several months from the acquisition of raw materials to the sale of our products in order to generate revenues and receive payment for our products. In addition, in our Wholesale GERRY WEBER Segment, depending on the individual payment terms and other terms or contractual arrangements in place with our respective wholesale customers, it may take in general 10 to 120 days to receive payment from our wholesale customers. The goods delivered to our wholesale customers need therefore to be pre-financed, which increases our working capital requirements. In addition, we generally make substantial advance payments to our suppliers to initiate the production of a collection and thus bear the risk of delivery defaults by our supplier's due to many reasons, including insolvency of suppliers.

Our ability to fund working capital will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic and other factors, including but not limited to the further development of the COVID-19 pandemic, many of which are beyond our control. Though we are of the opinion that our current net working capital is sufficient to meet our requirements in the mid-term, we cannot rule out, that the occurrence of unforeseen events, such as a potential resurgence of the COVID-19 pandemic, may lead to an unexpected increase in our net working capital requirements, which without a corresponding increase in liquidity may require us to seek additional financing, which would increase our costs and, in particular if unavailable, could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.3.2 We may require further financing, which might not be available to us on economically viable terms or at all. Furthermore, we are subject to restrictive debt covenants and obligations that may limit our ability to finance future business operations and capital needs and to pursue business opportunities and activities.

In light of changing conditions in the financial and capital markets, particularly due to the COVID-19 pandemic, the possibility for companies in general, and for apparel companies in particular, to raise financing may deteriorate in the future. There can be no assurance that additional funding will be available – at all or on economically viable terms – when we need it. In particular, in the event of any deteriorating financial markets crisis, for example due to a further spread of the COVID-19 pandemic, banks or other financial intermediaries may be reluctant to provide financing to us. If we are unable to access financing, or cannot access it on economically viable terms, we might be unable to service our debt, implement our business strategy, keep pace with the market or otherwise respond to competition.

More generally, in light of changing conditions in the financial and capital markets, particularly due to the COVID-19 pandemic, the possibility for companies in general, and for apparel companies in particular, to raise financing may deteriorate in the future. However, there can be no assurance that additional funding will be available – at all or on economically viable terms – when we need it. In particular, in the event of any deteriorating financial markets crisis, for example due to a further spread of the COVID-19 pandemic, banks or other financial intermediaries may be reluctant to provide financing to us. If we are unable to access financing, or cannot access it on economically viable terms, we might be unable to service our debt, implement our business strategy, keep pace with the market or otherwise respond to competition.

Furthermore, we are subject to the terms and conditions of our outstanding bonds and convertible bonds. As of the date of this Prospectus, as part of our consolidated non-current liabilities we have bonds outstanding in the amount of € 31.3 million. There is a risk that we may not be in a position to refinance the bonds and the convertible bonds at all or on reasonable terms when due. Moreover, the terms and conditions of the bonds and the convertible bonds contain negative pledge clauses which may limit us from incurring further debt when required. Furthermore, the terms of the bonds and the convertible bonds contain the right of bondholders to terminate the bonds and the convertible bonds under certain circumstances, *e.g.*, if we are in default on interest payments, but also in other cases. In case of a default on other financial indebtedness, holders of the notes have a right to terminate their notes (commonly referred to as "cross default"), which may result in the bonds and the convertible bonds becoming due for redemption. In such an event, we may not be in a position to refinance the bonds and the convertible bonds.

In order to finance the claims of insolvency creditors of the Company and GWR for immediate cash-quotas under the respective insolvency plan, we have taken a senior secured loan originally amounting to up to € 34,200,000 (the "**Term Facilities**") by entering into a facilities agreement (the "**Term Facilities Agreement**"). The original amount of each the Term Facilities represents the preliminary investment sums of originally € 31.2 million in relation to the Company and € 3.0 million in relation to GWR deposited in escrow by the Plan Sponsors (as defined below) under the investments agreements entered into on July 15, 2019 by each of the Company and GWR with the Plan Sponsors in preparation of, and having been a condition under, the Insolvency Plans (the "**Investment Agreements**").

Furthermore, we currently finance our net working capital requirements through a super senior secured revolving credit facility of originally € 15,000,000 (the "**Revolving Credit Facility**" and, together with the Term Facilities, the "**Financing Facilities**") by entering into a revolving credit facility agreement (the "**Revolving Credit Facility Agreement**" and, together with the Term Facilities Agreement, the "**Financing Agreements**"). The Revolving Credit Facility is available to us upon the conclusion of the insolvency proceedings over the Company and GWR for a period expiring, and to be repaid at the latest on December 31, 2023.

Due to the effects of the COVID-19 pandemic and the administrative and private measures taken in order to contain the COVID-19 pandemic, including the temporary closure of our POS, an adjustment of the Financing Agreements as well as the claims under the Insolvency Plan was required. The vast majority of the insolvency creditors agreed to a deferral, and conditional waiver, of certain of their claims under the GWI Insolvency Plan (such agreements the "**Creditors' Consents**"), and the Plan Sponsors (as defined below) agreed to defer, and under certain conditions to waive, their claims and to increase the Revolving Credit Facility by € 2,500,000. By an amendment and restatement agreement dated June 1, 2020, the loans under the Term Facilities Agreement were adjusted down to € 22,350,586.21 and the commitment under the Revolving Credit Facility Agreement was increased to € 17,500,000.

The final investment sum relating to GWI was determined in accordance with the exercise of available option rights of the insolvency creditors under the Insolvency Plans, as amended by the Creditors' Consents, and amounts to up to € 19,350,586.21 in relation to the Company.

The Financing Agreements restrict by way of affirmative, negative and restructuring covenants and referring to, and requesting compliance with, the applicable Insolvency Plans and the Restructuring Report, including certain restructuring milestones, among other things, our ability to:

- incur or guarantee additional indebtedness and issue shares in, or other equity instruments or debt instruments relating to, the Company or any member of the Group;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of such entity;
- prepay or redeem subordinated debt or equity;
- make certain investments;

- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to such entity;

- sell, lease or transfer certain assets, including certain assets to be sold for the benefit of our insolvency creditors in accordance with the insolvency plan;

- engage in certain transactions with affiliates; and

- consolidate or merge with other entities.

Despite these exceptions and qualifications, the covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest, in particular with respect to the persisting monitoring of the Company's and GWR's compliance with, and performance of the respective obligations under, the Insolvency Plans.

A breach of any of those covenants or the occurrence of certain specified events will, subject to applicable cure periods and other limitations, result in an event of default under the Financing Agreements. Upon the occurrence of any event of default under any of the Financing Agreements, the super majority lenders (being, subject to certain limitations, lenders under the relevant Financing Agreement whose commitments thereunder aggregate at least 85% of the respective total commitments thereunder) could, while such (event of) default remains unremedied or unwaived, in relation to the Revolving Credit Facility Agreement, cancel the availability thereunder, and, in relation to each of the Financing Agreements, instruct the respective agent to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable, however subject to certain restrictions in the intercreditor agreement. In addition, a default or event of default under each of the Financing Agreements could lead to an event of default and acceleration under the other Financing Agreements and other debt instruments that contain cross-default or cross-acceleration provisions. If our creditors, including the creditors under the Financing Agreements, accelerate the payment of amounts owing to them under such other debt instruments, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts and to satisfy all other liabilities of our subsidiaries which would be due and payable

The occurrence of one or more of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.3.3 We may not be able to generate sufficient cash flows to meet our debt service obligations and sustain our business operations.

Our ability to make payments on or to refinance our debt, to fund working capital, and to make capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. Our financial and operating performance may be affected by general economic conditions and by financial, competitive, regulatory and other factors, many of which are beyond our control.

There can be no assurance that our business will generate sufficient cash flows from operating activities, that revenue growth, cost savings and operating improvements will be realized, or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due.

If we are unable to generate sufficient cash flow to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. Any failure to make payments on our debt on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to obtain additional debt or increase our cost of borrowing. In addition, the terms of our current financing arrangements limit, and any future financing arrangement may limit, our ability to pursue any of these alternatives.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance its indebtedness on commercially reasonable terms, would materially and adversely affect its financial condition and results of operations and our ability to satisfy our obligations under any financing arrangements.

Members of the Group incorporated or established outside Germany are financed by, or advanced by guarantees from, the Company or other members in the Group incorporated or established in Germany or by way of bilateral financing agreements with local banks of local branches of non-domestic banks. Further, the Company and other members of the Group, either incorporated or established in Germany or outside, might enter into bilateral facility agreements in order to cover the need for letters of credit or letters of guarantee, in particular when importing goods or otherwise trading with third parties abroad. Most of such bilateral arrangements with banks (the "**Bilateral Financing Agreements**") are granted on an uncommitted basis and/or cash-collateralized.

1.3.4 Our financial condition and results of operations in our most recent financial statements may neither be comparable to the financial condition and results of operations in our historical financial statements, nor a suitable indicator of our future financial condition and results of operations. Thus, investors may not be in a position to adequately evaluate the GERRY WEBER Group.

By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO. Pursuant to § 155(2) InsO a new financial year starts upon the opening of insolvency proceedings, which required us to prepare consolidated financial statements for the short fiscal year ended March 31, 2019. Furthermore, by resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as from December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements for the short fiscal year ended December 31, 2019. The short fiscal year ended December 31, 2019 comprised 9 months, and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2017 and October 31, 2018 each comprised 12 months. Furthermore, our financial statements as of and for the fiscal year ended October 31, 2018 and the short fiscal years ended March 31, 2019 and December 31, 2019, are significantly affected by extraordinary expenses incurred in connection with our Restructuring.

Furthermore, on February 7, 2019, we granted Robus SCSp SICAV-FIAR – Robus Recovery Fund II ("**Robus**"), a fund managed by Robus Capital Management LLP a purchase option for an 88.0% interest in HALLHUBER GmbH, Germany ("**HALLHUBER**"). HALLHUBER previously constituted one of the three reporting segments of the GERRY WEBER Group. As a result of the grant of the purchase option, the assets of HALLHUBER were reclassified as assets held for sale in our balance sheet and the operations of HALLHUBER were reclassified as discontinued operations in our income statement in accordance with IFRS 5 "non-current assets held for sale and discontinued operations" from February 7, 2019. Accordingly, the HALLHUBER Segment was no longer included in our segment reporting beginning with the short fiscal year ended March 31, 2019, and our business activities are now divided into the two reporting segments Retail and Wholesale. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements for the short fiscal year ended March 31, 2019. Following the exercise of the purchase option by Robus, the 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at equity participation from the date of the sale.

As a result, our financial condition and results of operations as of and for the fiscal year ended October 31, 2019 and as of and for the short fiscal years ended March 31, 2019 and December 31, 2019 may neither be comparable to the financial condition and results of operations in our historical financial statements for earlier dates, nor a suitable indicator of our future financial condition and results of operations. Thus, investors may not be in a position to adequately evaluate the GERRY WEBER Group.

1.3.5 We are subject to currency risks. Any depreciation of the euro could increase our supply costs, particularly for raw materials.

Our accounting currency is the euro. Currency risks result from the international orientation of our business activities, especially from the fact that we source a large part of our raw materials and supplies outside the eurozone. This exposes us to currency exchange rate fluctuations, and any depreciation of the euro could increase our supply costs. In particular, raw materials and ready garments that we procure are, to a significant extent, paid for in U.S. dollars. A weakening of the euro against the U.S. dollar would lead to increased procurement costs and, hence, to reduced operating margins. We currently have not entered into any hedging agreements to mitigate such currency risk. Any depreciation of the euro in relation to the other currencies in which we conduct business could therefore have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4 Legal, Compliance and Regulatory Risks

1.4.1 We may become involved in litigation, arbitration or administrative proceedings, which may adversely affect our financial condition.

We may become involved in litigation, arbitration or administrative proceedings, such as labor-related litigation, intellectual property litigation, administrative proceedings in relation to competition or antitrust law, or proceedings in relation to our customers, particularly wholesale customers, or other contractual parties, such as our suppliers.

Even if we are successful in defending any such proceedings, the proceedings could distract our management, we could incur costs and there could potentially be case-related publicity that damages our reputation. The involvement in litigation, arbitration or administrative proceedings as well as the outcome of any such litigation, arbitration or proceedings, which cannot be predicted and may not be as assessed by us, could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4.2 Stock procurement could become more difficult due to existing or future import restrictions on goods from our supply markets, which may result in increased costs and have a material adverse effect on our business, net assets, financial condition and results of operations.

We purchase a significant portion of our products from Asia. In the past, the European Union has introduced import quotas for certain products from certain countries outside the European Union in order to strengthen certain industrial sectors in the European Union. Existing or future import restrictions on goods from our supply markets may result in restrictions or increased costs when products are purchased outside the European Union (for example, because of customs duties or the need for sourcing from alternative or more costly sources). Should any import restrictions be implemented, this could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4.3 We are subject to laws and regulations with respect to data protection, the breach of which may result in litigation or administrative proceedings or significantly damage our relations with our customers; we may also be adversely affected by changes in these laws and regulations.

We are subject to laws and regulations governing the collection, use, retention, sharing and security of personal data. A failure to comply with applicable laws and regulations could have an adverse impact on our reputation and could subject us to penalties, sanctions and damage claims, which could, in return, have a material adverse effect on our business and results of operations. The need to comply with data protection laws and regulations results in a significant operational and reputational risk, which can affect us in a number of ways, including, for example, making it more difficult to maintain and expand our marketing data and potential litigation relating to the alleged misuse of personal data.

Recently, the EU legislator has updated the current EU data protection regime by passing the Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("**General Data Protection Regulation**"). The General Data Protection Regulation came into effect on May 25, 2018. It stipulates severe consequences for non-compliance with its provisions. For instance, the maximum fines for compliance failures may range to up to 4% of the total worldwide group turnover of the preceding financial year or up to € 20 million whichever is higher. The implementation of the General Data Protection regulation required substantial amendments to our data protection procedures and policies. There is a risk, that individuals within our group will not be compliant with these new procedures and policies. If there are breaches of these measures, we could face significant administrative and monetary sanctions as well as reputational damage.

Laws and regulations regarding data collection and data protection may also become stricter in the future. Significant changes in data protection laws and regulations in jurisdictions in which we operate may require us to incur higher costs or to change our business practices. The increasing risk of non-compliance may give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges. Thus, new laws, regulations or developments in this field and changes in consumer behavior could interfere with our strategy and could have an adverse effect on our business and results of operations.

1.4.4 Our compliance system and monitoring capabilities may not be sufficient in order to prevent infringements or to prevent damage from economic crime, which could have a material adverse effect on our business, net assets, financial condition and results of operations.

We generate revenues in more than 60 countries worldwide, including in certain countries with less stable political, legal and regulatory regimes as well as inconsistent enforcement of laws and regulations. In addition, most of the countries in which our suppliers operate have business environments, legal systems as well as political and cultural influences different to those which prevail in Western Europe.

All these circumstances inherently create a risk that applicable laws and regulations may be violated. This could lead to legal proceedings against us, fines, sanctions, court orders affecting future conduct, forfeiture of profits, rescission of existing contracts, exclusion from certain businesses, loss of trade licenses or other restrictions, which, in turn, might limit our ability to pursue strategic projects and transactions that may be important for the business.

Further, employees may not act in compliance with applicable laws and regulations (including antitrust laws, anti-corruption/anti-bribery laws and data protection laws) and internal guidelines, and we may face the risk that penalties or liabilities may be imposed on us or that our business could be adversely affected. Our compliance system and monitoring capabilities may not be sufficient to prevent infringements or to prevent damage from economic crime by any of our employees. Moreover, such infringements or crimes could harm our reputation and that of our management, lead to the loss of customers and have a negative impact on our brands and on our efforts to compete for new customers.

The occurrence of any of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4.5 We could infringe third-party intellectual property rights, which could be prejudicial to our business and result in a decline in sales and a reduction of margins.

There can be no assurance that we will not infringe third-party trademarks in selling our products. It is possible that products sold by us could infringe third-party intellectual property rights, particularly registered designs or trademarks. Such infringements may be met with claims for injunctive relief, damages or disposal or destruction of our products. This would mean that we would have to remove products from the market or pay substantial amounts in order to obtain a license. This could be prejudicial to our business and result in a decline in sales and a reduction of margins.

1.4.6 If we are unable to protect our intellectual property rights, in particular the trademarks of our brands and key domain names, our ability to compete could be adversely affected which could, in turn, have a material adverse effect on our business, net assets, financial condition and results of operations.

Our commercial success depends on our ability to successfully defend our intellectual property, including trademarks relating to our brands, know-how, customer lists and domain names. In particular, we own trademarks in relation to our brands including word trademarks and word and figurative trademarks used by us, domain names and design rights. We may also file further trademark applications seeking to protect selected newly-developed brands, products or concepts, or apply for registration of existing brands or products in other relevant jurisdictions. There is a risk that we could fail to renew trademarks or trademarks are challenged, invalidated or circumvented by third parties. In addition, even though a trademark has been duly registered, the fact that a trademark is not used for a certain period of time (such as five years in the European Union) may render the trademark registration voidable. Moreover, the effective and prior use of a name may prevail over the registration of the trademark. With respect to domain names, these are generally regulated by internet regulatory bodies and are also subject to trademark laws and other related laws of each jurisdiction.

If we do not have or cannot obtain or maintain on reasonable terms the ability to use our trademarks, or any other significant brand in a particular jurisdiction, or to use or register a certain domain name, we could be forced either to incur significant additional expenses to market our products in that jurisdiction, or elect not to sell products in that jurisdiction. Furthermore, the regulations governing domain names and laws protecting domain rights could change in ways adversely affecting us. Further, we may not be able to prevent third parties from registering, using or retaining domain names that interfere with names used by us. Moreover, there can be no assurance that we will be able to prevent infringement or misappropriation of our intellectual property by third parties in the future as we have in such cases in the past.

The occurrence of one or more of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4.7 We may be subject to competition law risks, including investigations by competition authorities or law enforcement agencies, the imposition of criminal or regulatory sanctions such as fines, or orders for us to pay damages.

We may in the future contravene or be accused of contravening, or may have in the past contravened competition law provisions, particularly antitrust and public procurement laws. In particular, competitors or customers may accuse us of abusing a dominant market position, price fixing or other anticompetitive conduct. This could lead to investigations by competition authorities or law enforcement agencies, the imposition of criminal or regulatory sanctions such as fines, or orders for us to pay damages. There is also the risk that any employees involved in such matters will be subject to criminal prosecution. Furthermore, any investigations by competition authorities or law enforcement agencies could have a negative impact on our reputation.

1.4.8 We may be required to make additional payments from future tax or social security audits or may face liabilities from commitments made under pension schemes.

While we believe that the tax returns prepared by us have been submitted in full and are correct, there is a risk that back taxes may result due to a deviating assessment of the facts by German or foreign tax authorities. If there were a social security audit of any of the Group companies, the social security carrier may have a different view with respect to the social security contributions and thus additional claims may arise against us.

We have determined transfer prices for intra-group sales of goods that we believe are the same as the prices that would be charged by unrelated third parties dealing with each other on an arms' length basis. However, we cannot ensure that tax authorities reviewing such arrangements would agree that we are in compliance with transfer pricing laws, or that such laws will not be modified. In the event that an authority of any relevant jurisdiction finds that transfer prices were manipulated in a way that distorts true taxable income, such authority could require our relevant Group company to re-determine transfer prices and thereby reallocate the income or adjust the taxable income or deduct cost and expense of the relevant Group company in order to accurately reflect such income. Any such reallocation or adjustment could result in a higher overall tax liability for us.

Our tax burden is dependent on certain aspects of the tax laws in the jurisdictions where we conduct business and their application and interpretation. Tax laws and administrative guidance (including, their interpretation or application) might be subject to change, possibly with retroactive or retrospective effect. Any changes in tax laws or their interpretation or application or in the amount of taxes imposed on companies in the Group could increase our future tax burden. We cannot exclude that liabilities associated with commitments under pension schemes of our Group will be higher than currently reported in our financial statements.

The occurrence of one or more of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.4.9 Our Restructuring may lead to adverse tax consequences.

GWI and certain other members of the GERRY WEBER Group underwent insolvency proceedings in 2019 which, among others, resulted in a net relief of financial liabilities in an amount of € 168 million. This relief would, in principle, lead to extraordinary income (recapitalization gain) being subject to corporate income tax (including solidarity surcharge) and trade tax. However, the tax on such a recapitalization gain may be tax exempt subject to the terms of Section 3a German Income Tax Act and Section 7b German Trade Tax Act. We have applied for and received a binding ruling from the responsible tax office according to which such recapitalization gain should be tax exempt according to Section 3a German Income Tax Act and Section 7b German Trade Tax Act. The tax returns for 2019 have not been filed so far. Should the recapitalization gain − contrary to the binding rulings − be (partially) subject to tax, this may have a significant financially adverse effect on us.

In addition to the change of ownership in the shares in GWI or the capital measures at the level of GWI during the insolvency proceedings, respectively, we were, are and will be undertaking certain restructuring measures in relation to certain entities within the GERRY WEBER Group which include inter alia mergers and liquidations of certain entities within the GERRY WEBER Group. These restructuring measures aim to streamline and render more efficiently the business organization within the GERRY WEBER Group and to reduce (in a mid- and long-term perspective) (administrative) costs. To the extent existing tax losses and tax loss carry-forwards (and interest carry-forwards) may have survived the insolvency proceedings, existing tax losses and tax loss carry-forwards (and interest carry-forwards) may also forfeit due to these additional restructuring measures.

1.4.10 Inadequate insurance protection or increasing insurance premiums could have a material adverse effect on our business, net assets, financial condition and results of operations.

We have taken out insurance to cover various risks associated with our business including among others product liability, directors and officers insurance, all risk insurance for property damage and disability and such insurance is subject to agreed maximum sums insured and contractually defined exclusions of liability, which we believe are standard. We decide on the type and scope of insurance protection based on a commercial cost/benefit analysis in order to cover what we perceive to be the significant risks. We cannot, however, guarantee that we will not sustain losses or be exposed to claims going beyond the type or scope of existing insurance protection. We could sustain damage for which we are not or only inadequately insured. If several insured events occur or major damage is sustained, our premiums may increase. There is no guarantee that we will be able to adequately insure the risks associated with our business on commercially feasible terms in the future. Inadequate insurance protection or increasing insurance premiums could have a material adverse effect on our business, net assets, financial condition and results of operations.

1.5 Risks Relating to the Company's Shareholder Structure and the Listing of the Shares

1.5.1 The Plan Sponsors exercise significant influence on the Company, and the interests of the Plan Sponsors could conflict with the interests of other future shareholders, all of which could have a material adverse effect on our business, net assets, share price, financial condition and results of operations.

For the purpose of our Restructuring, an M&A process was carried out, whereby funds managed by Robus Capital Management LLP and Whitebox Advisors LLP, Robus and WBOX 2018-3 Ltd. - (together, the "**Plan Sponsors**") acquired all Shares in GWI, by way of implementation of the GWI Insolvency Plan on October 31, 2019. Currently each of the Plan Sponsors holds 42% of the Shares and collectively they hold 84% of the Shares in GWI, and thus, collectively control the Company. Furthermore, J.P. Morgan Securities plc ("**JPM**") following the capital increase resolved by the general shareholders' meeting of the Company on February 11, 2020, holds 16% of the Shares.

Due to their important role in our Restructuring and ownership of 84% of our outstanding Shares, the Plan Sponsors are in a position to significantly influence the Company, particularly the resolutions at the Company's general shareholders' meeting. Assuming retention of the Plan Sponsors' 84% participation in the Company, the Plan Sponsors and JPM, through their coordination of voting rights, will be in a position to significantly influence the resolutions, *e.g.*, on the appropriation of profits or the implementation of the Company's dividend policy and its leverage ratio, as well as the composition of the Supervisory Board, as well as our business and affairs.

Furthermore, conflicts of interest may arise between the Plan Sponsors and other shareholders with regards to the exercise of voting rights at the general shareholders' meetings of the Company. Due to their majority of voting rights, the Plan Sponsors would be in a position to assert their interests against the will of the other shareholders. For example, it could be difficult for the Company to raise new capital if the Plan Sponsors do not participate in a future capital increase of the Company. The common interest of the Plan Sponsors could conflict with the interest of the other shareholders and they may have strategic objectives or business interest that could conflict with the interest of other shareholders. Even if the Plan Sponsors do not in fact use their controlling stake to influence the Group, the possibility of exercising such influence could have a material adverse effect on our business, net assets, share price, financial condition and results of operations.

1.5.2 Trading of the Company's Shares is currently suspended and there is no guarantee that an active and liquid market for the Shares will be established. In an illiquid market, an investor is subject to the risk that he will not be able to sell Shares at any time or at fair market prices.

Application has been made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange for the New Shares to be listed on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange, respectively (the "**Listing**"). By resolution of January 25, 2020 the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) suspended trading of the existing shares of the Company on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). All of the

Shares in GWI are currently held by three shareholders, whereby each of the Plan Sponsors currently holds 42.0%, and JPM holds 16.0%. We expect that the trading suspension will be lifted following the Listing of the Shares and trading of all Shares on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange will commence on October 19, 2020. However, the decision to lift the trading suspension is in the sole discretion of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and we may not rule out that the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) decides otherwise. We may also not predict whether an active and liquid market for the Shares will be established following the commencement of trading. In an illiquid market, an investor is subject to the risk that it will not be able to sell its Shares at any time or at fair market prices.

1.5.3 There is a risk that the Shares will be delisted, in which case an investor will not be able to sell its Shares on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) or the Dusseldorf Stock Exchange.

We cannot rule out that the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or the Dusseldorf Stock Exchange, respectively, may decide to delist the Shares in case no active and liquid market for the Shares will be established, in which case an investor will not be able to sell its Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or the Dusseldorf Stock Exchange.

1.5.4 The price and trading volume of the Company's shares could fluctuate significantly, and investors could lose all or part of their investment.

The price of the Shares may be subject to substantial fluctuations, especially due to the small number of shareholders, and as the result of the following: (i) changes in the operating results of the Group or our competitors; (ii) changes in the profit forecasts or failure to meet profit expectations of investors and securities analysts; (iii) assessments by investors with regard to the Company's strategy as well as the assessment of the related risks; (iv) changes in the general economic conditions, including as a result of the COVI-19 pandemic; or (v) changes in the shareholder structure as well as other factors. Furthermore, external factors such as changing demand in the apparel markets, monetary or interest rate policy measures by central banks, regulatory changes or other external factors, seasonal influences or unique events can impact the sales and the earnings of the Group and lead to fluctuations in the price of the Shares.

1.5.5 Future offerings of debt or equity securities by us could adversely affect the market price of the Shares, and future capitalization measures could substantially dilute the interests of our shareholders.

To refinance our debt obligations of around € 87.0 million when due, and to finance our business operations and growth, we will require additional capital in the future. We may seek to raise capital through offerings of debt securities or additional equity securities. An issuance of additional equity securities or securities containing a right to convert into equity, such as convertible bonds and option bonds, could potentially reduce the market price of the Shares and would dilute the economic and voting rights of our shareholders if made without granting subscription rights to our shareholders. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued Shares, as well as the exercise of stock options by our employees in the context of our planned and communicated future stock option programs or the issuance of the Shares to employees in the context of possible future employee stock participation programs, could lead or will lead to a dilution of the economic and voting rights of our shareholders. Our shareholders thus bear the risk that such future offerings could reduce the market price of the Shares and/or dilute their shareholdings.

1.5.6 Our ability to pay dividends depends, among other things, on our financial condition and results of operations.

Although we do not intend to pay dividends in the foreseeable future, our general ability to pay dividends will depend upon, among other things, our results of operations, financing and investment requirements and the availability of distributable profit. Certain reserves must be established by law and have to be deducted when calculating the distributable profit. In addition, our existing debt financing arrangements contain covenants which impose restrictions on our business and on our ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict our ability to pay dividends.

2. GENERAL INFORMATION

2.1 Responsibility Statement

GERRY WEBER International AG, with its registered office at Neulehenstraße 8, 33790 Halle/Westfalen, Germany (telephone: +49 (0) 5201 185140), and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Gütersloh, Germany, under docket number HRB 4779 ("**GWI AG**", "**GWI**" or the "**Company**" and, together with its direct and indirect subsidiaries, "**GERRY WEBER**" or the "**GERRY WEBER Group**", "**we**", "**us**" and "**our**"), along with Baader Bank Aktiengesellschaft, Frankfurt, Germany ("**Baader Bank**"), assume responsibility for the contents of this prospectus (the "**Prospectus**") pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz* ("**WpPG**")) and Article 11 paragraph 1 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC ("**Prospectus Regulation**") and declare that, to the best of their knowledge, the information contained in this Prospectus is, in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus before the legal proceedings are initiated pursuant to the national legislation of the member states of the European Economic Area (the "**EEA**" and a member state of the EEA, an "**EEA Member State**").

The information contained in this Prospectus will not be updated except for any significant new factor or material mistake or material inaccuracy relating to the information contained in this Prospectus that may affect an assessment of the securities and arises or is noted following the approval of this Prospectus, but before the admission of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Article 23 of the Prospectus Regulation.

2.2 Purpose of this Prospectus

This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange (the "**Listing**") of 1,251,861 bearer shares of the Company with no par value (*Stückaktien*), each such share representing a notional value of € 1.00, consisting of (i) 1,016,623 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash conducted in context of the Restructuring (the "**Restructuring Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company, with full dividend rights from April 1, 2019 (the "**Restructuring Capital Increase Shares**") and (ii) 40,000 bearer shares with no par value stemming from the Company's conditional capital (*bedingtes Kapital*) for the purpose of issuing ordinary no-par value bearer shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or a group company within the meaning of Section 18 German Stock Corporation Act (*Aktiengesetz*, "**AktG**") until December 31, 2020, with full dividend rights from the beginning of the Company's fiscal year for which no resolution on the distribution of profits has been adopted by the general shareholders' meeting of the Company at the time of delivery (the "**Conditional Capital Shares**"), both as implemented by the insolvency plan of the Company (the "**GWI Insolvency Plan**") on October 25, 2019 and registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019 as well as (iii) 195,238 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash (the "**JPM Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company, with full dividend rights from April 1, 2019 (the "**JPM Capital Increase Shares**" and, together with the Restructuring Capital Increase Shares and the Conditional Capital Shares, the "**New Shares**", and the New Shares together with the existing shares of the Company, the "**Shares**") as resolved by the general shareholders' meeting of the Company on February 11, 2020.

2.3 Approval of this Prospectus

This Prospectus has been approved solely by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**")) as competent authority under the Prospectus Regulation, on October 15, 2020. BaFin only approves this Prospectus as meeting the standards for completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

2.4 Validity of the Prospectus

This Prospectus is valid until the time when trading on a regulated market begins, *i.e.*, until October 19, 2020. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the time when trading on a regulated market begins does not apply after the time when trading of the shares of the Company on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange begins on October 19, 2020, and the Prospectus will not be supplemented thereafter (Article 23 of the Prospectus Regulation).

2.5 Forward-looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of publication of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on our future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "predicts", "forecasts", "plans", "intends", "endeavours", "expects" or "targets" may be an indication of forward-looking statements.

The forward-looking statements contained in this Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including our financial condition and profitability, to differ materially from, or fail to meet, the expectations expressed or implied in the forward-looking statements. These expressions can be found in different sections of this Prospectus, particularly in the sections titled "*1. Risk Factors*" and "*7. Markets and Competition"*, and wherever information is contained in this Prospectus regarding the Company's intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this Prospectus, see "*2.6 Sources of Market Data*"). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- our dependence on economic conditions in our target markets, particularly in Germany;
- the further development of the COVID-19 pandemic;
- competition in our retail and wholesale market;
- our ability to complete our Restructuring, and to grow and operate our business successfully and achieve profitability in the future;
- the repositioning of our brands, which could fail or advance at a slower pace or be more costly than expected;
- our inability to increase consumer awareness and perception of our brands;
- our relationships with key wholesale customers;
- our ability to adopt technological advances in a timely manner and to successfully expand our eCommerce capabilities;
- our dependence upon seasonal fluctuations and weather conditions;
- our ability to identify and meet the fashion preferences and expectations of our target customers and on offering our products at the right price intended or at all;

- our ability to manage the high operational fixed costs of our own retail stores when sales decline;

- our dependence on wholesale customers which we could lose if they decide to turn to our competitors or if their economic situation deteriorates;

- our ability to raise additional capital on attractive terms, or at all, if needed; and

- the ability of the Plan Sponsors to exert significant influence over the Company due to their important role in our Restructuring and ownership of 84.0% of our outstanding Shares.

Moreover, it should be noted that all forward-looking statements only speak as of the date of this Prospectus and that neither the Company nor the Listing Agent assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

2.6 Sources of Market Data

Unless otherwise specified, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which GERRY WEBER operates are based on the Company's assessments. These assessments, in turn, are based in part on internal observations of the markets and on various market studies.

The following sources were used in the preparation of this Prospectus:

- Database of the Federal Statistical Office of Germany (*Statistisches Bundesamt*), available at www.destatis.de;

- Press Release No. 18 of the Federal Statistical Office of Germany (*Statistisches Bundesamt*), January 15, 2020, available at www.destatis.de/EN/Press/2020/01/PE20 _018_811.html;

- Press Release No. 323 of the Federal Statistical Office of Germany (*Statistisches Bundesamt*), August 25, 2020, available at www.destatis.de/EN/Press/2020/08/PE20_323_811.html;

- Database published by Eurostat, the statistical office of the European Union, available at ec.europa.eu/eurostat/data/database;

- News Release 121/2020 of Eurostat, the statistical office of the European Union, July 31, 2020, available at ec.europa.eu/eurostat/documents/2995521/11156775/2-31072020-BP-EN.pdf;

- EU Labour Force Survey of Eurostat, the statistical office of the European Union, available at ec.europa.eu/eurostat/web/microdata/labour-force-survey;

- Press Release of GfK SE, February 20, 2020, available at www.gfk.com/press/german-consumer-climate-stagnates;

- Press Release of GfK SE, March 26, 2020, available at www.gfk.com/press/german-consumer-climate-suffering-heavily-as-a-result-of-coronavirus;

- Press Release of GfK SE, April 23, 2020, available at www.gfk.com/press/coronavirus-shock-consumer-climate-hits-all-time-low;

- Press Release of GfK SE, May 26, 2020, available at www.gfk.com/press/Consumer-climate-in-Germany-recovers-slightly-after-COVID-19-shock;

- Press Release of GfK SE, June 25, 2020, available at www.gfk.com/press/Consumer-climate-in-Germany-continues-to-recover;

- Press Release of GfK SE, July 23, 2020, available at www.gfk.com/press/reduction-in-value-added-tax-supports-rapid-recovery-of-consumer-climate-in-germany;

- Press Release of GfK SE, August 28, 2020, available at www.gfk.com/press/Consumer-climate-Germany-recovery-halted-for-the-moment;

- Press Release of GfK SE, September 23, 2020, available at www.gfk.com/press/Positive-income-prospects-stabilize-consumer-climate;

- European Commission, Flash Consumer Confidence Indicator for EU and Euro Area, September 2020, available at ec.europa.eu/info/sites/info/files/flash_consumers_2020_09_en.pdf; and

- Handelsverband Deutschland (HDE), HDE Online Monitor 2020, June 5, 2020, available at einzelhandel.de/online-monitor.

It should be noted, in particular, that reference has been made in this Prospectus to information concerning markets and market trends. Such information was obtained from the aforementioned sources. The Company has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company and the Listing Agent (see "*2.1 Responsibility Statement*"), neither the Company nor the Listing Agent have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company and the Listing Agent make no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus. Prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties.

2.7 Documents Available for Inspection

For the period during which this Prospectus remains valid, the following documents will be available for inspection on the Company's website at https://group.gerryweber.com under the "Investors" section:

- the Company's articles of association (the "**Articles of Association**");

- the Company's unaudited interim consolidated financial statements of the Group as of and for the six-month period ended June 30, 2020 (including comparative figures for the six-month period ended June 30, 2019) prepared in accordance with the International Accounting Standard No. 34: *Interim Financial Reporting* (IAS 34), including the note thereto (the "**Unaudited Interim Consolidated Financial Statements**");

- the Company's audited consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German Commercial law pursuant to Section 315e paragraph 1 German Commercial Code (*Handelsgesetzbuch*, "**HGB**") as of and for the short fiscal year ended December 31, 2019, including the notes thereto;

- the Company's audited consolidated financial statements prepared in accordance with IFRS and the additional requirements of German Commercial law pursuant to Section 315e paragraph 1 HGB as of and for the short fiscal year ended March 31, 2019, including the notes thereto;

- the Company's audited consolidated financial statements prepared in accordance with IFRS and the additional requirements of German Commercial law pursuant to Section 315e paragraph 1 German Commercial Code as of and for the fiscal year ended October 31, 2018, including the notes thereto;

- the Company's audited consolidated financial statements prepared in accordance with IFRS and the additional requirements of German Commercial law pursuant to Section 315 a HGB as of and for the fiscal year ended October 31, 2017, including the notes thereto; and

- the Company's audited unconsolidated financial statements prepared in accordance with the HGB as of and for the short fiscal year ended December 31, 2019 (the "**Audited Unconsolidated Financial Statements**").

In this Prospectus, the abovementioned audited consolidated financial statements as of and for the short fiscal years ended March 31, 2019 and December 31, 2019 and the fiscal years ended October 31, 2018 and 2017 are collectively referred to as the "**Audited Consolidated Financial Statements**".

The Company's future consolidated financial statements, unconsolidated financial statements and interim condensed consolidated financial statements will be available from the Company on its website (https://group.gerryweber.com under the "Investors" section) and at the Company's office at Neulehenstraße 8, 33790 Halle/Westfalen, Germany. The Company's consolidated and unconsolidated financial statements will also be published in the German Federal Gazette (*Bundesanzeiger*).

Information on the Company's website www.gerryweber.com and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus.

2.8 Time Specifications

References to "**CET**" in this Prospectus refer to Central European Summertime or Central European Time, as the case may be. References to time in this Prospectus refer to CET, unless stated otherwise.

2.9 Currency Presentation and Presentation of Figures

In this Prospectus, "**Euro**" and "**€**" refer to the single European currency adopted by certain participating member states of the European Union, including Germany.

All financial data presented in this Prospectus is shown in euro ("**€**"), except as otherwise stated.

Certain financial information (including percentages) in this Prospectus has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub totals or differences or if numbers are put in relation) may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, these rounded figures may not add up exactly to the totals contained in certain tables in this Prospectus.

Financial information presented which is preceded by a minus sign ("-") or in round brackets denotes the negative of such number presented. In respect of financial data set out in this Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

Where financial data in this Prospectus is labelled "audited", this means that it has been taken or derived from the Audited Consolidated Financial Statements or the Audited Unconsolidated Financial Statements mentioned above in "*2.5 Documents Available for Inspection*". The label "unaudited" is used in this Prospectus to indicate financial data which is either derived from our Audited Consolidated Financial Statements, or from our accounting records or internal management reporting systems.

The financial information contained in this Prospectus is taken from our Audited Consolidated Financial Statements, our Audited Unconsolidated Financial Statements and our accounting records or internal management reporting systems. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS.

2.10 Non-GAAP Measures

This Prospectus contains financial measures, ratios and adjustments which are not defined under IFRS, German GAAP or any other generally accepted accounting Principles ("**GAAP**"), including EBIT, EBIT margin, adjusted EBIT, adjusted EBIT margin, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, cost of material ratio, capital expenditures, gross profit, gross margin and net working capital (each as defined below), that are not required by, or presented in accordance with, IFRS, or any other GAAP. These Non-GAAP measures are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**"). We believe that the presentation of alternative performance measures included in this Prospectus complies with the ESMA Guidelines.

We have defined the non-GAAP measures included in this Prospectus as follows:

"**Capital expenditures**" are defined as investments in non-current assets.

"**Cost of material ratio**", which is the inverse of our gross margin, is defined as cost of materials adjusted for changes in inventories divided by revenue.

"**EBIT**" is defined as earnings before interest and taxes which is similar to our operating profit as presented in our consolidated income statement.

"**EBITDA**" is defined as earnings before interest, taxes, depreciation and amortization.

"**Adjusted EBIT**" and "**Adjusted EBITDA**" are defined as EBIT or EBITDA, respectively, adjusted for exceptional items, such as restructuring-related expenses. "**EBIT margin**", "**adjusted EBIT margin**", "**EBITDA margin**" and "**adjusted EBITDA margin**" are defined as EBIT, adjusted EBIT, EBITDA and adjusted EBITDA, respectively, divided by sales with external third parties.

"**Gross profit**", which is the inverse of our cost of materials ratio, is defined as revenue, adjusted for changes in inventories minus cost of materials.

"**Gross margin**" is defined as gross profit divided by revenue.

"**Net working capital**" is defined as net current assets (current assets less cash and cash equivalents) less our net current liabilities (current liabilities less financial liabilities, tax provisions, provisions for personnel and other provisions).

No comparative figures for adjusted EBIT, adjusted EBITDA, adjusted EBIT margin and adjusted EBITDA margin for the six-month period ended June 30, 2019 are available. Due to the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*), which commenced on April 1, 2019 and were concluded on December 31, 2019, we had to prepare financial statements for the short-fiscal years from November 1, 2018 to March 31, 2019 and April 1, 2019 to December 31, 2019, respectively. Therefore, no financial statements for the six-month period from January 1, 2019 to June 30, 2019 have been prepared and no delimitations of the effects underlying the adjustments for the aforementioned alternative performance measures have been made as of such dates. It is impracticable to make such delimitations with hindsight, because it is not possible to retroactively precisely allocate the effects underlying the adjustments to such period.

The following table shows the reconciliation of our operating result (EBIT) to EBITDA, adjusted EBITDA and adjusted EBIT for the periods indicated:

	Six-month period from		Short fiscal year from		Fiscal year from		
(in € thousand)	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[(1)]	November 1, 2018 to March 31, 2019[(1)]	November 1, 2017 to October 31, 2018[(2)]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)		*(audited, unless otherwise indicated)*				
Operating result (EBIT)......................	**(27,336)**	**(122,869)**	**129,962**	**(130,096)**	**(131,008)**	**(192,171)**	**10,302**
Depreciation and amortization:							
Impairment related to the Restructuring:							
Impairment of goodwill	–	–	–	23,665	10,971	42,471	–
Impairment of other intangible assets	–	–	–	8,906	26,594	26,594	–
Impairment of property, plant and equipment	–	–	–	90,860	16,560	20,206	–
Total Restructuring-related impairments..	–	–	–	123,431[(3)]	54,125[(3)]	89,271	–
Impairments related to FIT4GROWTH[(4)]..................................	–	–	–	–	–	–	3,377
Depreciation and amortization[(4)(5)].........	26,283	157,313	46,770	14,312	42,157	55,876	44,474
Total depreciation and amortization	26,283	157,313	46,770	137,743	96,282	145,147	47,851
EBITDA	**(1,053)**	**34,444**	**176,731**	**7,648**	**(34,726)**	**(47,024)**	**58,153**
Adjustments related to the Restructuring:							
Impairment of inventories......................	–	–	843	15,956	12,923	12,923	–
Severance payments / Interim employment companies	8,485	–	1,966	990	24,827	26,040	–
Proceedings-related expenses	–	–	4,813	18,082	–	–	–
Legal and consulting costs.....................	5,974	–	19,621	6,771	5,468	5,468	–
Proceeds from sale of "Halle 29"...........	–	–	–	(17,377)	–	–	–
Restructuring gains	–	–	(167,579)	–	–	–	–
Release of provisions.............................	–	–	(4,691)	(29,828)	–	–	–
Costs of store closures	–	–	–	–	17,755	21,780	–
Other non-operative expenditures..........	–	–	–	–	10,011	10,011	–
Adjustments related to the FIT4GROWTH program:							
Severance costs[(4)]..................................	–	–	–	–	–	–	2,901
Other expenditures[(4)].............................	–	–	–	–	–	–	2,840
Total adjustments[(4)]................................	14,459	–	(145,027)	(5,406)	70,984	76,222	5,740
Adjusted EBITDA[(4)]	**13,406**	–	**31,704**	**2,242**	**36,258**	**29,198**	**63,893**
Depreciation and amortization[(4)(5)].........	(26,283)	–	(46,770)	(14,312)	(42,157)	(55,876)	(44,474)
Adjusted EBIT[(4)]	**(12,877)**	–	**(15,065)**	**(12,071)**	**(5,899)**	**(26,678)**	**19,419**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.

(3) Relating to continuing operations.

(4) Unaudited.

(5) Excluding restructuring-related impairments and impairments related to the FIT4GROWTH program.

The following table shows the calculation of our gross profit, our gross margin and our cost of materials ratio for the periods indicated:

(in € thousand, unless otherwise indicated)	Six-month period from		Short fiscal year from		Fiscal year from		
	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019(1)	November 1, 2018 to March 31, 2019(1)	November 1, 2017 to October 31, 2018(2)	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)		*(audited, unless otherwise indicated)*				
Revenue(3)	140,541	247,743	330,512	215,566	597,204	794,766	880,885
less: Cost of materials	(58,093)	(76,025)	(117,242)	(83,828)	(248,532)	(323,029)	(356,743)
Adjusted for: Change in inventories	(800)	(30,392)	(19,755)	(25,952)	(11,270)	(14,600)	(8,078)
Gross profit(4)	**81,648**	**141,326**	**193,516**	**105,786**	**337,402**	**457,137**	**516,064**
Gross margin (in %)(4)	*58.1*	*57.0*	*58.6*	*49.1*	*56.5*	*57.5*	*58.6*
Cost of materials ratio (in %)(4)	*41.9*	*43.0*	*41.4*	*50.9*	*43.5*	*42.5*	*41.4*

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.
(3) Revenue corresponds to "sales revenue" in the Company's financial statements.
(4) Unaudited.

The following table shows the calculation of our net working capital as of December 31, 2019, March 31, 2019, October 31, 2018 and October 31, 2017:

(in € thousand)	As of				
	June 30, 2020	December 31, 2019	March 31, 2020	October 31, 2018	October 31, 2017
	(unaudited)	*(audited, unless otherwise indicated)*			
Current assets	199,085	241,729	222,306	239,154	276,814
less: Cash and cash equivalents	(90,782)	(126,929)	(70,580)	(35,065)	(36,578)
Net current assets(1)	108,303	114,800	151,726	204,089	240,236
Current liabilities	130,909	181,545	326,446	190,872	115,521
less: Financial liabilities	(30,162)	(74,187)	(221,105)	(57,755)	(10,844)
less: Provisions(1)(2)	(32,311)	(38,706)	(49,782)	(77,520)	(24,486)
Net current liabilities(1)	68,436	68,652	55,559	55,598	80,191
Net working capital(1)	**39,867**	**46,148**	**96,167**	**148,492**	**160,044**

(1) Unaudited.
(2) Provisions consists of tax provisions, provisions for personnel and other provisions, as shown in the Company's financial statements.

Specifically, we use EBITDA, and adjusted EBITDA and adjusted EBITDA margin as indicators for evaluating our operating performance as they do not include interest, taxes, depreciation and amortization as well as, in the case of adjusted EBITDA and adjusted EBITDA margin, costs for special items such as restructuring-related expenses. We present Non-GAAP measures because we use such information in monitoring our business and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry and it may contribute to a more comprehensive understanding of our business. However, such Non-GAAP measures may not be comparable to similarly titled information published by other companies, may not be suitable for an analysis of our business and operations, and should not be considered as a substitute for an analysis of our operating results prepared in accordance with IFRS. Non-GAAP measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

3. THE LISTING

3.1 Subject Matter of the Listing

This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange of 1,251,861 bearer shares of the Company with no par value (*Stückaktien*), each such share representing a notional value of € 1.00 (the "**Listing**"), consisting of (i) 1,016,623 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash conducted in context of the Restructuring (the "**Restructuring Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company with full dividend rights from April 1, 2019 (the "**Restructuring Capital Increase Shares**") and (ii) 40,000 bearer shares with no par value stemming from the Company's conditional capital (*bedingtes Kapital*) for the purpose of issuing ordinary no-par value bearer shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or a group company within the meaning of Section 18 AktG until December 31, 2020, carrying full dividend rights from the beginning of the Company's fiscal year for which no resolution on the distribution of profits has been adopted by the general shareholders' meeting of the Company at the time of delivery (the "**Conditional Capital Shares**"), both as implemented by the insolvency plan of the Company (the "**GWI Insolvency Plan**") on October 25, 2019 and registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019 as well as (iii) 195,238 bearer shares with no par value (*Stückaktien*) stemming from a capital increase against contributions in cash (the "**JPM Capital Increase**") under exclusion of the subscription rights of the existing shareholders of the Company, with full dividend rights from April 1, 2019 (the "**JPM Capital Increase Shares**" and, together with Restructuring Capital Increase Shares and the Conditional Capital Shares, the "**New Shares**", and the New Shares together with the existing shares of the Company, the "**Shares**") as resolved by the general shareholders' meeting of the Company on February 11, 2020.

As of the date of this Prospectus, the Company's entire share capital is held by the Company's principal shareholders as described under "*11. Information on the Existing Shareholders*" (the "**Principal Shareholders**").

Baader Bank is acting as Listing Agent.

3.2 Expected Timetable for the Listing

The following is the expected timetable of the Listing, which may be extended or shortened:

October 2, 2020	Application for admission of the New Shares to trading on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange
October 15, 2020	Approval of this Prospectus by BaFin
	Publication of the approved Prospectus on the Company's website https://group.gerryweber.com under the "Investors" section
October 16, 2020	Admission decision to be issued by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange
October 19, 2020	Commencement of trading in the New Shares on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange

3.3 Information on the Shares

3.3.1 Voting Rights

Each share in the Company carries one vote at the Company's shareholders' meeting. All of the Shares confer the same voting rights and no different voting rights exist for the Company's shareholders. There are no restrictions on voting rights.

3.3.2 Dividend and Liquidation Rights

The Restructuring Capital Increase Shares and the JPM Capital Increase Shares carry full dividend rights from April 1, 2019. The Conditional Capital Shares carry full dividend from the beginning of the Company's fiscal year for which no resolution on the distribution of profits has been adopted by the general shareholders' meeting of the Company at the time of delivery. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital.

3.3.3 Form, Certification of the Shares and Currency of the Securities Issue

As of the date of this Prospectus, the issued share capital of the Company amounts to € 1,220,238.00 and is divided into 1,220,238 ordinary bearer shares with no par value, each such share representing a notional value of € 1.00.

All Shares are fully paid up.

As of the date of this Prospectus, all of the Shares are represented by one or more global share certificates (the "**Global Share Certificates**"), which are held in custody with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**") for safe-keeping for and on behalf of the parties entitled to the Shares represented by the Global Share Certificates. The holders of the Shares hold interests in those securities in accordance with the respective rules and procedures of Clearstream.

The Shares are denominated in Euros.

3.3.4 ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (ISIN)	DE000A255G36
German Securities Code (*Wertpapierkennnummer*, WKN)	A255G3
Ticker Symbol	GWI1

3.4 Transferability of the Shares

The Shares are freely transferable in accordance with the legal requirements for ordinary bearer shares.

3.5 Principal Shareholders

As of the date of this Prospectus, all outstanding and issued Shares are held by the Principal Shareholders named in Section "*11. Information on the Existing Shareholders*".

For a discussion of the ownership structure of the Principal Shareholders, see "*11. Information on the Existing Shareholders*".

3.6 Admission to the Frankfurt Stock Exchange and the Dusseldorf Stock Exchange and Commencement of Trading

As of the date of this Prospectus, 8,377 shares of the Company are admitted to trading on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange.

An application will be made for admission of the New Shares to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange. The persons asking for admission to trading on a regulated market are the Company and Baader Bank.

The listing approval (admission decision) for the New Shares is expected to be granted on October 16, 2020. Trading in the New Shares on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange is expected to commence on October 19, 2020.

3.7 Designated Sponsor, Paying Agent

Baader Bank was mandated as designated sponsor of the Shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Baader Bank was appointed as paying agent at which any and all measures required with respect to the Shares, such as the distribution of dividends to the shareholders, may be effected free of charge to shareholders.

Baader Bank was also appointed as specialist for trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

3.8 Interests of Parties Participating in the Listing

The Company intends to list its New Shares on the regulated market segment (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange to maintain access to the capital markets and to finance the future growth and development of its business.

Due to their important role in our Restructuring and ownership of 42%, 42% and 16% of our outstanding Shares, Robus, Whitebox and JPM have an interest in the Listing of the New Shares.

Baader Bank is acting for the Company in connection with the admission to trading of the New Shares on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange and as specialist pursuant to § 85 of the Exchange Rules (*Börsenordnung*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with regard to the Shares listed on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and is coordinating the listing process. Baader Bank will receive a customary fixed commission for such services. As a result of this contractual relationship, Baader Bank has a financial interest in the success of the admission to trading of the New Shares. Baader Bank, or its affiliates may from time to time in the future have business relations with GWI AG or may perform services for GWI AG in the ordinary course of business.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Listing.

3.9 Costs of the Listing

The Company expects to incur total costs related to the listing of the New Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange of up to approximately € 11,000.

4. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS

4.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. For a German stock corporation (*Aktiengesellschaft*) under German law, the distribution of dividends for a given fiscal year and the amount and payment date thereof are resolved by the general shareholders' meeting (*Hauptversammlung*). Such resolution is the responsibility of the general shareholders' meeting of the following fiscal year, which must take place in the first eight months of the fiscal year and which decides on the proposal adopted by the Management Board and the Supervisory Board for the appropriation of profits.

Dividends may only be distributed from the distributable net retained profit (*Bilanzgewinn*) of the Company. Since the Company conducts its operations through its subsidiaries, its ability to pay future dividends will depend on the transfer of distributable profits from its subsidiaries. The determination of each subsidiary's ability to pay dividends is made in accordance with applicable law and will depend on the respective subsidiary's earnings, its economic and financial position, and other factors. These particularly include its liquidity requirements, its future prospects, market trends, and fiscal, statutory and other general framework conditions. The distributable net retained profit of the Company is calculated based on the Company's unconsolidated annual financial statements prepared in accordance with German GAAP as laid down in the HGB. German GAAP differs from IFRS in material respects.

When determining the net retained profit, the net income or loss for the fiscal year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for retained profit/loss carryforwards (*Gewinn-/Verlustvorträge*) from the prior fiscal year and withdrawals from, or appropriations, to reserves (retained earnings). Certain reserves are required to be set up by law and certain reserves may be set up by the Management Board upon approval by the Supervisory Board, on the basis of the Articles of Association. The setup of those reserves must be deducted when calculating the net retained profit available for distribution. Certain additional limitations apply if self-created intangible assets or deferred tax assets have been capitalized or certain plan assets that exceed corresponding pension liabilities have been capitalized. The Management Board must prepare the annual financial statements (balance sheet, income statement and notes to the financial statements) and the management report for the previous fiscal year by the statutory deadline, and present these to the auditors and then the Supervisory Board after preparation. At the same time, the Management Board must present a proposal for the allocation of the Company's distributable profit pursuant to Section 170 AktG and present the proposal to the Supervisory Board which it intends to make to the general shareholders' meeting with regard to the distribution of profit. According to Section 171 AktG, the Supervisory Board must review the annual financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit, and report to the general shareholders' meeting in writing on the results. The Supervisory Board must submit its report to the Management Board within one month of the documents being received. If the Supervisory Board approves the annual financial statements after its review, these are deemed adopted unless the Management Board and Supervisory Board resolve to assign adoption of the annual financial statements to the general shareholders' meeting. If the Management Board and Supervisory Board choose to allow the general shareholders' meeting to adopt the annual financial statements, or if the Supervisory Board does not approve the annual financial statements, the Management Board must convene a general shareholders' meeting without delay.

The general shareholders' meeting's resolution on the allocation of the distributable net retained profit requires a simple majority of votes to be passed. The general shareholders' meeting may pursuant to the Articles of Association also resolve that the dividends be distributed partially or entirely in kind, *e.g.*, as a distribution of treasury shares if held by the Company at that time. Dividends resolved by the general shareholders' meeting are due and payable on the third business day after the relevant general shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with statutory rules and the rules of the respective clearing system. Any dividends not claimed within three years become time-barred. Once time-barred, the dividend payment claim passes to the Company. Since all Shares of the Company are evidenced by global share certificates and are held in safekeeping at Clearstream, dividends are paid via Clearstream to the custodian banks for the benefit of shareholders. Domestic custodian banks have the same payout duty towards their clients. Shareholders who deposit their shares at foreign custodian banks must contact their custodian banks to inquire about the applicable conditions. Notifications of any distribution of dividends will be published in the German Federal Gazette (*Bundesanzeiger*). To the extent dividends can be distributed by the Company in accordance with German GAAP and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends.

4.2 Dividend Policy and Profit per Share

The Company currently intends to retain all available funds and any future earnings to support operations and to finance the growth and development of its business. Therefore, the Company currently does not intend to pay dividends in the foreseeable future. Any future decision to pay dividends will be made by the general assembly of shareholders in accordance with applicable laws and will depend upon, among other things, the Company's financial position, results of operations, capital requirements, investment options and other factors that the Management Board and the Supervisory Board deem relevant.

The following table below sets forth GERRY WEBER's consolidated net loss for the year in accordance with IFRS, its corresponding earnings per share for the six-month periods ended June 30, 2020 and 2019, for the short fiscal years ended December 31, 2019 and March 31, 2019 and for the fiscal years ended October 31, 2018 and October 31, 2017, respectively, and consolidated total equity in accordance with IFRS at the end of each period (based on the Audited Consolidated Financial Statements). The table also shows GERRY WEBER's profit (*Jahresüberschuss*) for the period in accordance with HGB for the six-month periods ended June 30, 2020 and 2019, for the short fiscal years ended December 31, 2019 and March 31, 2019 and for the fiscal years ended October 31, 2018 and October 31, 2017 as well as any dividends per share distributed for the respective periods. Dividends distributed in the past are not a suitable basis for drawing any conclusions in regard to future dividend payments.

	Six-month period from		Short fiscal years from		Fiscal years from		
(in € thousand, except as otherwise indicated)	**January 1, 2020 to June 30, 2020**	**January 1, 2020 to June 30, 2019**	**April 1, 2019 to December 31, 2019[(1)]**	**November 1, 2018 to March 31, 2019[(1)]**	**November 1, 2017 to October 31, 2018[(2)]**	**November 1, 2017 to October 31, 2018**	**November 1, 2016 to October 31, 2017**
	(unaudited)				*(audited)*		
Consolidated net profit/loss for the year (IFRS)	(34,179)	(245,388)	119,322	(244,501)	(172,277)	(172,277)	(782)
Total equity (IFRS) at period end..........................	87,751	514	121,442	1,065	245,635	245,635	412,749
Earnings per share[(3)], attributable to the owners of the parent company in €........	*(33.17)*	*(238.15)*	*(3.35)*	*(5.37)*	*(3.79)*	*(3.79)*	*(0.02)*
Profit (*Jahresüberschuss*) of the Company for the period (HGB)............	–	–	63,737	(376,912)	–	–	–
Dividend per share distributed, *in €*......................	0.00	0.00	0.00	0.00	0.00	0.00	0.25

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.

(3) Calculation based on an average of 1,030,393 outstanding Shares in the six-month period ended June 30, 2020, 45,507,715 outstanding Shares for the six-month period ended June 30, 2019, and 35,622,667 and 45,507,715 outstanding Shares in the short fiscal years ended December 31, 2019 and March 31, 2019 and 45,507,715 outstanding Shares in each of the fiscal years ended October 31, 2018 and 2017, respectively.

4.3 Profit Ranking of the Shares

As of the date of this Prospectus, all of the Shares, including the New Shares, rank equally and will be eligible for any profit or other payments that may be declared on the Shares.

4.4 Taxation

Dividend payments on the Shares are generally subject to withholding tax in Germany which has an impact on the income received from the Shares.

5. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables show the Company's unaudited consolidated capitalization and indebtedness as of July 31, 2020. Investors should read these tables in conjunction with the section *"6. Management's Discussion and Analysis of Net Assets, Financial Condition and Results of Operations*" and our Audited Consolidated Financial Statements, contained in section "*16. Financial Information*" of the Prospectus.

5.1 Capitalization

(in € million)	**As of July 31, 2020**
	(unaudited)
Total current debt (including current portion of non-current debt)[(1)]	**131.3**
- Guaranteed	0
- Secured[(2)]	25.0
- Unguaranteed / unsecured	106.3
Total non-current debt (excluding current portion of non-current debt)[(3)]	**299.0**
- Guaranteed	0
- Secured[(4)]	50.9
- Unguaranteed / unsecured	248.1
Shareholder equity[(5)]	**83.8**
- Share capital[(6)]	1.2
- Legal reserve(s)[(7)]	0.7
- Other reserves[(8)]	81.9
Total[(9)]	**514.2**

(1) Corresponds to total current liabilities in our Consolidated Financial Statements.

(2) Relates to current liabilities secured by cash deposits, including certain insolvency liabilities and borrowings under our senior secured revolving credit facility. For a detailed description of our senior secured revolving credit facility, please see "*9.1 Material Contracts—Financing Agreements*").

(3) Corresponds to total non-current liabilities in our Consolidated Financial Statements.

(4) Relates to non-current liabilities secured by cash deposits, including certain insolvency liabilities and borrowings under our senior secured term loan facility. For a detailed description of our senior secured term loan facility, please see "*9.1 Material Contracts—Financing Agreements*").

(5) Corresponds to total equity in our Consolidated Financial Statements.

(6) Corresponds to subscribed capital in our Consolidated Financial Statements.

(7) Corresponds to capital reserve in our Consolidated Financial Statements

(8) Corresponds to the sum of retained earnings, exchange differences and accumulated profits in our Consolidated Financial Statements.

(9) Represents the sum of total current debt, total non-current debt and shareholder equity.

5.2 Indebtedness

(in € million)		As of July 31, 2020
		(unaudited)
A	Cash[1]	80.8
B	Cash equivalents	–
C	Other current financial assets[2]	23.9
D	**Liquidity** (A + B + C)	**104.7**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[3]	87.0
F	Current portion of non-current financial debt	–
G	**Current financial indebtedness** (E + F)	**87.0**
H	**Net current financial indebtedness** (G - D)	**(17.7)**
I	Non-current financial debt (excluding current portion and debt instruments)[4]	251.0
J	Debt instruments[5]	40.3
K	Non-current trade and other payables	–
L	**Non-current financial indebtedness** (I + J + K)	**291.3**
M	**Total financial indebtedness** (H + L)	**273.6**

(1) Consists of cash and cash equivalents as shown in our Consolidated Financial Statements.
(2) Consists of financial assets included in current other assets, including credit balances with suppliers and rent receivables, and current trade receivables as shown in our Consolidated Financial Statements.
(3) Consists of current financial debt owed to banks, current financial debt owed to customers, current insolvency liabilities, current trade payables and short-term lease liabilities of €39.6 million as shown in our Consolidated Financial Statements.
(4) Consists of non-current financial debt owed to banks, non-current insolvency liabilities (owed to insolvency creditors that did not exercise the Reinstatement Option) and long-term lease liabilities of €184.1 million as shown in our Consolidated Financial Statements.
(5) Consists of non-current insolvency liabilities (owed to insolvency creditors that exercised the Reinstatement Option) as shown in our Consolidated Financial Statements.

5.3 Indirect and Contingent Indebtedness

GERRY WEBER's indirect and contingent indebtedness amounted to € 49.5 million as of July 31, 2020. As of July 31, 2020, indirect and contingent indebtedness included future payment obligations of €0.3 million, other current liabilities (excluding short term lease liabilities) of € 14.8 million, current provisions of € 30.2 million (including provisions for taxes of € 0.2 million, provisions for personnel expenses of € 11.0 million and other current provisions of € 19.0 million) and non-current provisions of € 4.2 million.

5.4 Statement on Working Capital

In the Company's opinion, its working capital is sufficient to meet its present requirements over at least the next twelve months from the date of this Prospectus.

The "going concern" statement in the independent auditor's report on the consolidated financial statements for the short financial year ended December 31, 2019 does not contradict the statement given above, because it was made at a time when (i) the actual effects of the COVID-19 pandemic could not yet be fully assessed because at that time it was not foreseeable when business operations could be resumed after the officially ordered store closings in the course of the COVID-19 pandemic, (ii) the negotiations with the plan sponsors and the Company's insolvency creditors about further financing measures had not yet been completed and (iii) planned cost-saving measures had not yet been implemented. Business operations have gradually resumed since May 2020. The new financing concept with the plan sponsors and the Company's insolvency creditors has meanwhile been implemented and further countermeasures to avert the effects of the COVID-19 pandemic, including cost reduction measures, have been taken (see section "*8.5.3 Measures to counter the impact of the COVID-19 pandemic*").

5.5 No Significant Change in Financial Position

There have been no significant changes in the GERRY WEBER Group's financial position between June 30, 2020 and the date of this Prospectus.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of net assets, financial position and results of operations should be read in conjunction with our Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements, including the notes thereto, and the Audited Unconsolidated Financial Statements, each as contained in the section "16. Financial Information" of this Prospectus, and in conjunction with the sections "1. Risk Factors" and "8. Business Description". See also "16. Financial Information" for further information on the Audited Consolidated Financial Statements, the Unaudited Interim Consolidated Financial Statements and the Audited Unconsolidated Financial Statements.

All of the financial data presented in the text below are shown in millions of Euro, the financial data presented in tables are shown in thousands of Euro, except as otherwise stated. Certain financial data (including percentages) in the following tables have been rounded according to established commercial standards, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on the underlying unrounded amounts. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding rounded amounts contained in the following tables. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. In respect of financial data set out in this Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

Our historical results are not necessarily indicative of the results that should be expected in the future.

The following historical financial and business information of the Group for the six-month period ended June 30, 2020 as well as for the short fiscal years ended December 31, 2019 and March 31, 2019, and for the fiscal years ended October 31, 2018 and October 31, 2017 (i) is presented as "audited" if it has been taken from the Audited Consolidated Financial Statements or the Audited Unconsolidated Financial Statements and, (ii) is presented as "unaudited", if it has been taken from our Unaudited Interim Consolidated Financial Statements or our accounting records or internal management reporting systems. The Audited Consolidated Financial Statements and the Audited Unconsolidated Financial Statements were audited by PwC, who issued unqualified auditor's reports (uneingeschränkte Bestätigungsvermerke) on the consolidated financial statements as of and for the short fiscal year ended December 31, 2019 as of and for the short fiscal year ended March 31, 2019 and the fiscal years ended October 31, 2018 and October 31, 2019, respectively, as included in this Prospectus. The audits of the Audited Consolidated Financial Statements for each of the short fiscal years ended December 31, 2019 and March 31, 2019, as well as for the fiscal years ended October 31, 2018 and October 31, 2017 and the Audited Unconsolidated Financial Statements, were conducted in accordance with Section 317 German Commercial Code and German generally accepted standards for the audit of financial statements of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer).

This section contains non-GAAP measures (which are not defined under IFRS or any other GAAP), including capital expenditures, cost of material ratio, gross profit, gross margin, EBIT, EBIT margin, adjusted EBIT, adjusted EBIT margin, EBITDA, adjusted EBITDA and adjusted EBITDA margin (each as defined in "2.8 General Information—Non-GAAP Measures"), that are not required by, or presented in accordance with, IFRS or any other GAAP. Specifically, we use EBITDA, adjusted EBITDA and adjusted EBITDA margin as indicators for evaluating our operating performance as they do not include interest, taxes, depreciation and amortization as well as, in the case of adjusted EBIT, adjusted EBITDA and adjusted EBIT margin, adjusted EBITDA margin, costs for special items such as restructuring-related expenses. We present non-GAAP measures because we use such information in monitoring our business and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry and it may contribute to a more comprehensive understanding of our business. However, such non-GAAP measures may not be comparable to similarly titled information published by other companies, may not be suitable for an analysis of our business and operations, and should not be considered as a substitute for an analysis of our operating results prepared in accordance with IFRS. Non-GAAP measures do not necessarily indicate whether our cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations. For a detailed reconciliation of the aforementioned non-GAAP measures (including a detailed description of the relevant exceptional items, as applicable) please see "2.10 General Information—Non-GAAP Measures".

6.1 Overview of the Business Activities of GERRY WEBER

We are a vertically integrated fashion and lifestyle group operating in the modern classic mainstream and the modern woman fashion segments of the women's apparel market in Germany, and in more than 60 countries worldwide. We believe we are a leading fashion retailer in the growing demographic sub-segment of women aged 50+ years ("**best ager**") in the markets in which we operate, with little competition of the same scale and high brand recognition. We currently operate three brands, which collectively serve a broad target group of women aged between 40+ and 50+ years: GERRY WEBER, TAIFUN and SAMOON. Our brands are established brands in the German and other European women's apparel markets as well as in Russia and the Middle East, offering high-quality fashion, accessories and lifestyle products for demanding, stylish and quality-conscious customers. Our products include, among others, trousers, dresses, skirts, jackets, coats, t-shirts, knitwear, blouses, blazers, and accessories. We have a strong international footprint with 2,818 points of sales ("**POS**") worldwide as of June 30, 2020, including (i) 588 POS within our retail GERRY WEBER segment (the "**Retail GERRY WEBER Segment**") and (ii) 2,230 POS within our Wholesale GERRY WEBER Segment ("**Wholesale GERRY WEBER Segment**") in more than 60 countries worldwide. Our core market is Germany, where we had 1,876 retail and wholesale POS as of June 30, 2020 and generated 56.1% of our consolidated revenues for the six-month period ended June 30, 2020. Furthermore, we sell our products through our own online shops, which are available across Europe, as well as third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto.

It is our mission to inspire our customers with clearly distinguishable brands as well as a demand-driven product range across all points of contact.

On February 7, 2019, we granted Robus a purchase option for an 88.0% interest in HALLHUBER (see also "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement*"). As a result of the grant of the purchase option, the assets of HALLHUBER were reclassified as assets held for sale in our balance sheet and the operations of HALLHUBER were reclassified as discontinued operations in our income statement accordance with IFRS 5 "non-current assets held for sale and discontinued operations" from February 7, 2019, as shown in the consolidated financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements for the short fiscal year ended March 31, 2019. Following the exercise of the purchase option by Robus, the 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale, as shown in the consolidated financial statements as of and for the short fiscal year ended December 31, 2019. The segment reporting for the short fiscal year ended December 31, 2019 still includes the financial information of HALLHUBER, differing from the consolidated income statement, as the financial performance of HALLHUBER has been reported to the management board in the short fiscal year ended December 31, 2019.

For the six-month period ended June 30, 2020, we generated revenues of € 140.5 million (€ 330.5 million and € 215.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 794.8 million (including HALLHUBER; excluding HALLHUBER: € 597.2 million) and € 880.9 million (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively), adjusted EBITDA of € 13.4 million (€ 31.7 million and € 2.2 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 29.2 million (including HALLHUBER; excluding HALLHUBER: € 36.3 million) and € 63.9 million (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively), representing an adjusted EBITDA margin of 9.5% (9.6% and 1.0% for the short fiscal years ended December 31, 2019 and March 31, 2019, and 3.7% (including HALLHUBER; excluding HALLHUBER: 6.1%) and 7.3% (including HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively).

We sell our products through a fully integrated omni-channel distribution model via our wholesale and own retail channels, which reflect our operating segment structure, as well as our eCommerce channel, comprising of our own online shops and cooperations with third-party online marketplaces.

Retail GERRY WEBER –In the Retail GERRY WEBER Segment, which constituted 53.1% of our total revenues in the six-month period ended June 30, 2020, we sell apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON, directly to consumers via our (i) own retail stores (including outlet stores), (ii) concession stores and (iii) own online shops. Our Retail GERRY WEBER Segment included a total of 588 POS as of June 30, 2020 across Europe (including 350 POS in Germany), of which 291 were multi-label stores operated under the brand GERRY WEBER (so-called Houses of GERRY WEBER), 15 were mono-label stores of our TAIFUN and SAMOON brands (8 TAIFUN stores and 3 SAMOON stores) as well as our GERRY WEBER Edition sub-label (4 stores), and 254 were concession stores. We count one multi-brand store as either two or three

POS, one for each of our three brands, depending on which of our brands are represented in such store. In addition, we operate an outlet business which, as of June 30, 2020, was comprised of 21 outlet stores in Germany, 3 in the Netherlands, 2 in Belgium, 1 in Austria and 1 in Italy. The outlet stores mainly offer out-of-season products of our brands at a reduced price, and provide us with an efficient way to sell returned or excess stock. Moreover, we sell apparel and accessories of all three brands through our own online shops, which are available across Europe. Furthermore, we plan to make our online shop available in Asia and Russia. For the six-month period ended June 30, 2020, our Retail GERRY WEBER Segment generated sales with external third parties of € 74.6 million (€ 210.4 million and € 121.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 339.5 million and € 392.6 million for the fiscal years ended October 31, 2018 and 2017, respectively) and EBITDA of € -2.2 million (€ 133.5 million and € 3.1 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € -64.6 million and € 12.5 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of -3.0% (63.5% and 2.6% for the short fiscal years ended December 31, 2019 and March 31, 2019, and -19.0% and 3.2% for the fiscal years ended October 31, 2018 and 2017, respectively).

Wholesale GERRY WEBER – The Wholesale GERRY WEBER Segment, which constituted 46.9% of our total revenues in the six-month period ended June 30, 2020, is our historical foundation. Through our wholesale channel we distribute apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON to our wholesale partners that sell our products to their customers at their POS. As of June 30, 2020, our products were offered in 2,230 wholesale POS worldwide (excluding third-party online marketplaces), of which 1,526 were located in Germany. Our wholesale channel comprises of two distinct sales formats: Franchise stores (242 as of June 30, 2020) and shop-in-shop stores (1,988 as of June 30, 2020). Furthermore, we sell our apparel and accessories through third-party online marketplaces such as Otto, Amazon or Zalando. As these purchase the merchandise from us, the revenues generated through such third-party online marketplaces are counted towards our Wholesale GERRY WEBER Segment. For the six-month period ended June 30, 2020, our Wholesale GERRY WEBER Segment generated sales with external third parties of € 66.0 million (€ 120.1 million and € 94.0 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 257.7 million and € 294.0 million for the fiscal years ended October 31, 2018 and 2017, respectively) and EBITDA of € 0.9 million (€ 42.4 million and € 6.8 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € 29.5 million and € 34.6 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of 1.4% (35.3% and 7.3% for the short fiscal years ended December 31, 2019 and March 31, 2019, and 11.4% and 11.8% for the fiscal years ended October 31, 2018 and 2017, respectively).

Retail HALLHUBER – The Retail HALLHUBER segment (the "**HALLHUBER Segment**") bundles all business activities in connection with HALLHUBER. As of October 31, 2018, the HALLHUBER Segment comprised 423 own retail stores (including outlet stores) in Germany and Europe, as well as 21 company-managed online shops, and partnerships with third-party online marketplaces, such as Amazon, Otto, Zalando or House of Fraser in the UK. The assets of HALLHUBER were reclassified as assets held for sale in our consolidated balance sheet and the operations of HALLHUBER were reclassified as discontinued operations in our consolidated income statement in accordance with IFRS 5 "non-current assets held for sale and discontinued operations" as from February 7, 2019, as shown in the consolidated financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019. An 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale, as shown in the consolidated financial statements as of and for the short fiscal year ended December 31, 2019. The segment reporting for the short fiscal year ended December 31, 2019 still includes the financial information of HALLHUBER, differing from the consolidated income statement, as the financial performance of HALLHUBER has been reported to the management board in the short fiscal year ended December 31, 2019.

The following table shows selected key performance indicators for our Retail, Wholesale and HALLHUBER Segments for the periods indicated:

(in € thousand, unless otherwise indicated)	Six-month period from		Short fiscal year from		Fiscal year from	
	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019[(1)]	November 1, 2018 to March 31, 2019[(1)]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited, unless otherwise indicated)*		
Revenue[(2)]						
Retail	74,580	150,618	210,404	121,552	339,476	392,579
Wholesale	65,961	97,125	120,108	94,014	257,728	293,994
HALLHUBER	–	–	48,713	88,972	197,562	194,312
EBIT						
Retail	(23,674)	(95,862)	91,778	(91,084)	(148,135)	(11,146)
Wholesale	(3,980)	(27,034)	37,352	(36,710)	16,779	23,973
HALLHUBER	–	–	79	(105,351)	(61,163)	(2,474)
EBIT margin (% of revenue)						
Retail[(3)]	(31.7)	(63.6)	43.6	(74.9)	(43.6)	(2.8)
Wholesale[(3)]	(6.0)	(27.8)	31.1	(39.0)	6.5	8.2
HALLHUBER[(3)]	–	–	0.2	(118.4)	(31.0)	(1.3)
EBITDA						
Retail	(2,237)	14,402	133,546	3,120	(64,567)	12,484
Wholesale	866	20,016	42,353	6,830	29,493	34,618
HALLHUBER	–	–	1,779	(15,403)	(12,298)	11,101
EBITDA margin (% of revenue)						
Retail[(3)]	(3.0)	9.6	63.5	2.6	(19.0)	3.2
Wholesale[(3)]	1.3	20.6	35.3	7.3	11.4	11.8
HALLHUBER[(3)]	–	–	3.7	(17.3)	(6.2)	5.7

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.
(2) Revenue corresponds to "sales with external third parties" in the segment reporting of the financial statements included elsewhere herein.
(3) Unaudited.

6.2 Selected Key Factors Affecting Results of Operations and Financial Position

We believe that the factors discussed below have significantly affected the development of our results of operations and financial position in the period for which financial information is presented in this Prospectus, and that such factors will continue to have a material influence on our results of operations and financial position in the future.

For a discussion of certain factors that may adversely affect our results of operations and financial position, see the risk factors set out in the section headed "*1. Risk Factors*" in this Prospectus.

6.2.1 COVID-19 Pandemic

In early March 2020, COVID-19, a disease caused by a novel coronavirus, was characterized as a pandemic by the World Health Organization (the "**COVID-19 pandemic**"). Since December 2019, the COVID-19 pandemic has spread rapidly, with most countries and territories worldwide having confirmed cases of COVID-19, and a high concentration of cases in the United States and many other countries, including countries in which we conduct business. The rapid spread has resulted in international, federal, state and local public health and governmental authorities implementing numerous measures to contain the COVID-19 pandemic, such as travel restrictions and bans, quarantines, shelter-in-place orders, and mandated business closures. The COVID-19 pandemic and these containment measures have had, and are expected to continue to have, a substantial negative impact on businesses around the world and on global, regional, and national economies. Due to the spreading of the COVID-19 pandemic, many regional and national governments in Europe ordered store closures of non-essential retailers as from mid-March 2020 onwards. At the end of March 2020, almost all of our stores were closed. This heavily impacted our retail and wholesale business and lead to a significant decline in our revenue, which decreased by 43.3% in the six-month period ended June 30, 2020 compared to the six-month period ended June 30, 2019. Our gross profit for the six-month period ended June 30, 2020 declined to € 81.6 million as compared to € 141.3 million for the six-month period ended June 30, 2019. However, our gross margin for the six-month period ended June 30, 2020 increased to 58.1% as compared to 57.0% for the six-month period ended June 30, 2019, due to less changes in inventories. We estimate that the negative impact of the COVID-19 pandemic on our revenues amounted to around € 57.0 million and on our gross profit to around € 33.0 million in the six-month period ended June 30,2019. In response to the COVID-19 pandemic, we took various countermeasures to protect our employees, customers and operations (see also "*8.5.3 Business Description—Our History—Measures to counter the impact of the COVID-19 pandemic*".

6.2.2 General Economic Conditions and Development of the European and German Fashion Market

Our results of operations have historically been and will continue to be affected by general economic conditions in the markets in which we operate, particularly Germany. Economic conditions are reflected in the development of the gross domestic product ("**GDP**") and are influenced by a number of factors, including interest rates, foreign currency exchange rates, inflation/deflation, levels of employment, disposable income, consumers' willingness to spend, the availability of consumer credit and consumer confidence. Consumer discretionary spending on retail items, including our products, and consumer confidence, in general, usually declines during recessionary periods and increases in periods of economic growth.

German GDP on a price, seasonally and calendar adjusted basis grew by 0.6% in 2019, following growth of 1.3% in 2018 and 2.9% in 2017. German GDP on a price, seasonally and calendar adjusted basis decreased by 9.7% in the second quarter of 2020, following a decrease of 2.0% in the first quarter of 2020 (*source*: Federal Statistical Office of Germany, National Accounts: Gross Domestic Product since 1970, Quarterly and Annual Results, 2nd Quarter 2020). The decline in the second quarter of 2020 was the largest decline since the beginning of quarterly GDP calculations for Germany in 1970 (*source*: Federal Statistical Office of Germany, Press Release No. 323, August 25, 2020). In the EU excluding the UK, GDP in real terms grew by 1.5% in 2019, 2.1% in 2018 and 2.8% in 2017 (*source*: Eurostat, Real GDP growth rate - volume). In the second quarter 2020, which was marked by COVID-19 containment measures in most EU member states, seasonally adjusted GDP decreased by 11.9% in the EU, compared with the previous quarter. This was by far the sharpest decline observed since the time series started in 1995. In the first quarter of 2020, GDP had decreased by 3.2% in the EU (*source*: Eurostat, News Release 121/2020, July 31, 2020).

The adjusted gross disposable income of households per capita increased in Germany from € 28,456 in 2017 to € 29,258 in 2018 (*source*: Eurostat Database, Adjusted gross disposable income of households per capita). In the EU excluding the UK, adjusted gross disposable income of households per capita grew from € 21,951 in 2017 to € 22,631 in 2018 and € 23,383 in 2019 (*source*: Eurostat Database, Adjusted gross disposable income of households per capita).

Consumer sentiment in Germany reached an all-time low in April 2020. The coronavirus pandemic and the measures introduced to contain the coronavirus affected consumer sentiment in Germany significantly. Income expectations and propensity to buy were in freefall. Consumers assumed that Germany would sink into a deep recession as a result of the coronavirus crisis. Uncertainty among consumers was enormous. In addition to actual income losses already suffered, anxieties over job losses increased massively among many workers. This inhibited consumption significantly (*source*: GfK Press Release April 23, 2020). In May and June 2020, consumer sentiment in Germany was in the process of recovering from the shock of the coronavirus in light of the reopening of the German economy and society. Economic and income expectations, as well as propensity to buy, were rising. Nevertheless, the consumer climate values recorded by GfK for May and June 2020 were the second-lowest and third-lowest values ever recorded in Germany (*source*: GfK Press Release May 27, 2020; GfK Press Release June 25, 2020).

Consumer confidence in the EU was on an upward trend from 2013 to 2017, declined in 2018, and remained relatively stable above its long-term average in 2019. Consumer confidence in the EU plummeted in March and April 2020. The indicator fell far below its long-term average and came close to the record lows recorded during the Great Recession in 2009. Consumer confidence in the EU recovered somewhat in May and June 2020, but remained well below its long-term average due to the coronavirus crisis (*source:* European Commission, Flash Consumer Confidence Indicator September 2020).

For further information, see "*7.1.2 Markets and Competition—Macroeconomic Environment*".

6.2.3 Insolvency and Restructuring

6.2.3.1 Overview

In the course of the fiscal year 2018, we faced a growing number of internal and external crisis factors. Our previous management had pursued an aggressive growth strategy, but had not focused sufficiently on profitability. Our strategy was not clearly defined and we lost focus on our key target customer groups. As a result, we had a large and diverse product offering, which often did not meet the expectations of our customers and wholesale partners. Consequently, our products could no longer be sold at the full price but rather at a high discount. We also experienced a substantial loss of shop floor space at some of our key wholesale partners, due to the decline in demand for our products also resulting from an over-distribution of our own stores and our brands, particularly in the German market. These problems were compounded by a logistics strategy that was not fully aligned with the needs of our business and by a challenging market environment in the fashion retail market. When sales declined as a result of the above and other factors, we were able to compensate only partially by adjusting our costs. Due to the complexity of our product portfolio and the fragmented structure of our supply chain we were able to reduce costs only to a limited extent. All of this led to a significant reduction in our operating liquidity. At the same time, it became more difficult for us to obtain financing for our business. As our share price declined and the maturity of certain of our borrower's note loans (*Schuldscheindarlehen*) due in November 2018 approached, banks reduced the working capital lines made available to us. These challenges ultimately resulted in a comprehensive strategic, operational and financial restructuring program (the "**Restructuring Program**") initiated in the fourth quarter of the fiscal year 2018 on the basis of a detailed restructuring report (*Sanierungsgutachten*) prepared by an independent accounting firm in accordance with standard IDW S6 as promulgated by the Institute of Public Auditors in Germany (IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.). The restructuring report was prepared on the basis, and expands and further specifies optimization measures of our Performance Program already implemented in the summer of 2018, which was aimed at reducing the cost base and provided for substantial optimization measures in the areas of product development, procurement, retail, wholesale, digital, logistics, IT and administration. During the insolvency proceedings (for a more detailed description of the insolvency proceedings, please see "*8.6 Business Description—Restructuring and Strategic Repositioning*"), the Restructuring Program was further specified and updated, and a financial restructuring concept has been established to provide for a sustainable financing of the GERRY WEBER Group. The restructuring report (*Sanierungsgutachten*) confirmed that the core business model of the GERRY WEBER Group in general is sound and viable. However, due to the COVID-19 Pandemic, which had a severe adverse effect on us and the fashion retail sector in general, in June 2020, a second restructuring report (*Sanierungsgutachten*) had been prepared, which again updates and further specifies the Restructuring Program (see also "*8.6 Business Description—Restructuring and Strategic Repositioning*") aimed at securing the GERRY WEBER Group's future viability and restore GERRY WEBER Group's economic success. The restructuring report (*Sanierungsgutachten*) confirmed that on the basis of the financing concept specified in the GWI Insolvency Plan the going concern of the business operations of the GERRY WEBER Group can be assessed as more likely than not according to the current circumstances.

The restructuring report (*Sanierungsgutachten*) as of June 2020 (the "**Restructuring Report**") provides for ten restructuring-related strategic actions to address the described challenges, to reposition the GERRY WEBER Group and optimize its cost structure (the "**Restructuring**"). The restructuring measures associated with the Restructuring Report are largely implemented and in connection with our financial planning and budgets form the basis for our on-going restructuring which we expect to be fully completed by 2023.

In context of our financial restructuring, with effect as of July 8, 2019, we sold an 88.0% interest in HALLHUBER to Robus (see also "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement*"), which formed a separate segment within the GERRY WEBER Group, and since then only hold a minority interest of 12.0%. Therefore, the Restructuring Program only applies to our Retail GERRY WEBER Segment and Wholesale GERRY WEBER Segment.

Our financial restructuring resulted in impairment losses on non-current non-financial assets, provisions for restructuring costs and other expenses, increased inventory write-downs and legal and consulting fees. In addition, the useful lives of tenant fittings in retail stores were revaluated. Other significant non-operating expenses related to litigation risks and a subsequent purchase price payment agreed on in the short fiscal year ended March 31, 2019 for a fully consolidated retail company. For an overview of these effects please refer to Note C. to the Company's audited consolidated financial statements as of and for the fiscal year ended October 31, 2018 as well as of and for the short fiscal year ended March 31, 2019 included elsewhere in this Prospectus.

6.2.3.2 Brand Repositioning and Overhaul of Product Development Process

The repositioning of our GERRY WEBER brands is the basis of our turnaround concept. We have recognized a shift of demand of our female target groups to slightly more fashionable and higher-quality fashion. Our customers are today much more trend-driven and actively interested in buying modern and high-quality fashion styles that enable them to keep up with the latest fashion trends. Our strategic aim is to align our brand's collections accordingly by gradually increasing the trend grade of our brands, especially in regard to contemporary fashion trends, thereby attracting both, our current customers as well as younger customers of our target customer groups. Therefore, in respect of our GERRY WEBER, TAIFUN and SAMOON brands, we have taken various measures to reposition these brands, with the aim to offer more modern and attractive fashion products to our customers and wholesale partners. See also "*8.6.1 Business Description—Restructuring and Strategic Repositioning—Brand Strategy and Communication*".

In order to revitalize our brand appearance in the German market and to communicate our brand repositioning, in September 2019, we launched modernized and re-designed websites of our GERRY WEBER core brands and rolled out a redesigned and clearly customer focused marketing campaign, in particular for our GERRY WEBER brand, which covered the full spectrum of online and offline marketing channels, including advertisements in print media and television as well as online platforms and social media channels. These measures were accompanied by visual merchandising and PR activities. To additionally support our brand presence and product performance in the market, going forward we will apply a performance driven marketing approach, *i.e.*, we will focus on targeted and sales-relevant marketing activities, which will furthermore be tailored to our target customers and implement a clear distinction between our three brands. For this purpose, we have developed a media-mix concept with a roadmap for our marketing activities until 2023. The use of analytical tools thereby allows us to continuously monitor the success of our marketing activities and optimize them in accordance with our target customers' requirements.

We have also significantly revised and streamlined our product range, which helped to cut our costs. On the other hand, we have experienced a significant decline of our revenues in the short-fiscal year ended December 31, 2019. Furthermore, we have undertaken an extensive overhaul of our product development and merchandise management processes since summer 2018 to better meet the demands of our customers and reduce costs. We introduced a new go-to-market approach providing for ten collections for each brand, which enables us to respond more quickly and adequately to fashion trends and customer preferences during the season. Each collection is designed based on current customer trends, which are incorporated into our collections on the basis of a newly defined and streamlined collection framework plan. By offering ten collections in accordance with our collection framework plan and a structured merchandise management on the basis of such framework plan, we considerably reduced pre-order limits, while at the same time gaining more flexibility for re-adjustments during the season to prevent excess stock. The increased use of analytical tools to record customer preferences has resulted in shorter response times to customer preferences during the season on the basis of a "read-and-react"-principle. The web-based "360 Degrees Product Performance Panel" introduced in summer 2018 allows us to continuously and promptly align our product and category strategy on the basis of direct feedback gained from our customers, wholesale partners, sales staff and employees. We also introduced a newly defined NOS strategy, which is an integral part of our collection framework plan. See also "*8.6.2 Business Description—Restructuring and Strategic Repositioning—Product Development*" and "*8.6.4 Business Description—Restructuring and Strategic Repositioning—Planning and Product Management*".

In order to offer even more up-to-date collections and optimize our merchandise management process, we changed the "traditional" pre-order process with our wholesale partners by introducing a new order rhythm for our wholesale partners and delivery rhythm for our own retail stores, comprising ten collections for each of our three brands, which will be offered to our wholesale partners in four physical order rounds with shorter order times in one of our showrooms and two digital order rounds per year by placing orders using the internet-based order platform (see also "*8.6.3 Business Description—Restructuring and Strategic Repositioning—Go-to-Market*"). The quick changeover of our collections allows us to respond more quickly to fashion trends and customer preferences during the season, which we believe improves our sales efficiency, reduces the fashion and sales risk for our products, increases the planning accuracy and reduces excess stock.

We believe that through these comprehensive measures, we have revitalized our business by relentlessly focusing on the customer and quickly adapting fashion trends into high quality, modern fashion for our target groups.

6.2.3.3 Consolidation of Retail Store Portfolio

As of June 30, 2020, our own retail store network included a total of 588 own retail stores across Europe (including 350 stores in Germany), of which 291 were multi-label stores operated under the brand GERRY WEBER (so-called Houses of GERRY WEBER), 15 were monolabel stores of our TAIFUN and SAMOON brands (8 TAIFUN stores and 3 SAMOON stores) as well as our GERRY WEBER Edition sub-label (4 stores), and 254 were concession stores. In addition, we operate an outlet business which, as of June 30, 2020, was comprised of 21 outlet stores in Germany, 3 in the Netherlands, 2 in Belgium, 1 in Austria and 1 in Italy.

As part of the "Optimize the Retail Operations" module of our realignment program FIT4GROWTH launched in 2016, we have consolidated our retail portfolio by closing own retail stores (including outlet stores) and concession stores, which either failed to meet the Group's profitability targets, mostly due to high rental and personnel costs, or whose future prospects appeared negative, and reduced overheads correspondingly. As a result, the number of POS in our Retail GERRY WEBER Segment decreased by 137 POS between October 31, 2015 and October 31, 2017. Furthermore, as part of our Restructuring, in the fiscal year ended October 31, 2018, we closed 42 retail stores. In the short fiscal years ended March 31, 2019 and December 31, 2019, we closed another 10 and 174 POS. In the six-month period ended June 30, 2020, we closed 36 POS. Following consolidation of our retail portfolio, as of June 30, 2020, we had a total of 588 retail POS (thereof 350 POS in Germany). Furthermore, in connection with the POS consolidation, we decided to completely exit our retail operations in the United Kingdom, Denmark and Sweden, which proved to be not profitable.

The consolidation of our own retail store portfolio has resulted in a corresponding decrease in the proportional contribution of this business to our revenue and our operating costs.

At the same time, the consolidation of our own retail store portfolio has contributed to a decrease in our personnel and rental costs. The average headcount attributable to our Retail GERRY WEBER Segment (including our own retail stores, concession stores as well as outlet stores) decreased from 4,099 for the fiscal year ended October 31, 2017 to 3,733 for the fiscal year ended October 31, 2018, 3,310 and 2,877 for the short fiscal years ended March 31, 2019 and December 31, 2019, and 2,217 for the six-month period ended June 30, 2020, respectively. As a result, personnel expenses (excluding provisions for restructuring expenses of € 49.4 million in the fiscal year ended October 31, 2018) of our Retail GERRY WEBER Segment declined from € 114.7 million for the fiscal year ended October 31, 2017 to € 130.5 million for the fiscal year ended October 31, 2018. In the short fiscal years ended March 31, 2019 and December 31, 2019 personnel expenses amounted to € 42.5 million and € 65.8 million, respectively. For the six-month period ended June 30, 2020, personnel expenses amounted to € 36.6 million. Furthermore, rental costs of the GERRY WEBER Core Businesses declined due to the consolidation of our own retail store portfolio and the renegotiation of still existing lease contracts, from € 92.6 million for the fiscal year ended October 31, 2017 to € 84.2 million for the fiscal year ended October 31, 2018. For the short fiscal years ended March 31, 2019 and December 31, 2019, rental costs of the GERRY WEBER Core Businesses amounted to € 32.9 million and € 22.3 million, respectively. For the six-month period ended June 30, 2020, rental costs amounted to € 3.0 million.

6.2.3.4 Cost Base and Operational Efficiency Improvements

In order to take account of the different management needs of our businesses, bring further improvement in the structural basis for future profitable growth and reduce costs, as part of our Restructuring, we have substantially reorganized our Group's management structure with effect from November 1, 2018. This structural reorganization included the reorganization of our management board, with each management board member now being responsible for specific functional areas within our Group and a corresponding reorganization of our second line management, leading to clearer definition of responsibilities and short-decision making processes in the Group (for further information, please see *"8.6.9 Business Description—Our Strengths—Organizational Excellence"*). Furthermore, we have aligned our overhead structure with a new corporate structure by reducing headcount, implementing new roles, responsibilities and processes and opening a multi-project-management office, which is responsible for the implementation of our Restructuring, providing a basis for a stronger focus on profitable growth of our businesses and to further improve our competitive position.

Furthermore, we have invested in our IT-infrastructure and began to reorganize our product development and product procurement structures in terms of concept, organisation and processes to further improve operational efficiency in this area and reduce costs. We down-sized large dimensioned administrative structures in our procurement offices in Turkey and Asia, we closed our own production site in Romania in January 2018, introduced a standardized process for the use of raw materials by using so-called fabric libraries (*i.e.*, libraries listing generally used materials) across all product lines, and reduced lead-times.

We have also streamlined our supplier base and reduced the number of suppliers to a number that we consider being lean but sufficiently diversified for our requirements from approximately 186 suppliers as of October 31, 2017 to approximately 90 suppliers as of June 30, 2020.

6.2.4 Trend towards eCommerce

Internet retailing's share of total retail sales volume in Germany has steadily grown over the last 20 years, from 0.3% in 2000 to 4.7% in 2010 and 10.9% in 2019. The aggregate sales volume from internet retailing in

Germany grew from € 1.6 billion in 2001 to € 20.2 billion in 2010 and € 59.2 billion in 2019. The annual rate of growth in eCommerce revenue in Germany, after having been on a downward trajectory for eight years, during which it fell from 29.5% in 2010 to 9.1% in 2018, increased to 11.0% in 2019 (*source:* HDE Online Monitor 2020).

Fashion and accessories is the largest category of products purchased online, accounting for € 14.6 billion, or 24.7%, of the total eCommerce revenue in Germany in 2019. The growth in online fashion and accessories sales has been at the expense of stationary sales. While online sales of fashion and accessories in Germany grew by € 1.3 billion, or 10.1%, in 2019 compared to 2018, offline sales of fashion and accessories fell by € 0.5 billion, or 1.4%, during the same period. As a percentage of total fashion and accessories sales in Germany, eCommerce's share increased from 27.7% in 2018 to 30.0% in 2019 (*source*: HDE Online Monitor 2020).

Because most people in younger age groups have been online shoppers for many years, the number of online shoppers is now mostly growing in the age group 60 and older. The number of online shoppers aged 60+ increased by 6.0% in 2019 compared to 2018 (*source*: HDE Online Monitor 2020).

The share of our online revenue has increased steadily over the past years and our eCommerce activities will play an increasingly important role in the future as it is one of our key objectives to significantly grow our online revenues, thus, to better leverage the potential of this distribution channel. Our online revenues for the six-month period ended June 30, 2020 amounted to € 13.1 million (€ 21.9 million for the short-fiscal year ended December 31, 2019, € 11.2 million for the short fiscal year ended March 31, 2019, and € 59.6 million (€ 32.2 million excluding HALLHUBER) and € 51.2 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing 9.3% of our consolidated revenues for the six-month period ended June 30, 2020 (6.6% for the short fiscal year ended December 31, 2019, 5.2% for the short fiscal year ended March 31, 2019, and 5.4% (excluding HALLHUBER) and 4.5% (excluding HALLHUBER) for the fiscal years ended October 31, 2018 and 2017, respectively). Online revenues for the short fiscal years ended December 31, 2019 and March 31, 2019 comprised of online revenues of our own online shops, and revenue attributable to third-party online market places.

The below table shows the share of revenues generated by our online shops attributable to our Retail GERRY WEBER Segment and third-party marketplaces attributable to our Wholesale GERRY WEBER Segment for the periods indicated:

	Six-month period from		**Short fiscal year from**		**Fiscal year from**	
(in € million)	**January 1, 2020 to June 30, 2020**	**January 1, 2019 to June 30, 2019**	**April 1, 2019 to December 31, 2019[(1)]**	**November 1, 2018 to March 31, 2019[(1)]**	**November 1, 2017 to October 31, 2018**	**November 1, 2016 to October 31, 2017**
	(unaudited)			*(unaudited)*		
Online Shops	10.6	10.6	20.0	10.1	29.5	28.1
Third-party online marketplaces	2.5	1.9	1.8	1.1	2.7	3.0
Total	**13.1**	**12.5**	**21.9**	**11.2**	**32.2**	**31.1**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

6.2.5 Seasonality

Our revenue and profits are subject to seasonal fluctuations. As a result, the revenue and profits for individual quarters are not directly comparable with each other and cannot be aggregated to project the results for the year. Our revenues in the second half of the year, particularly in the fourth quarter, tend to be higher than in the other quarters because winter apparel is sold which has a generally higher average price per item. In contrast, the product range in the spring and summer includes a comparatively higher proportion of apparel at lower prices such as T-shirts. As a result of such seasonal demands for clothing, our peak periods for purchases of goods, and therefore higher financing requirements, are in the months before the peaks of demand, in particular in March and April as well as in August and September.

The revenue and profit of the Group is also affected by weather conditions. Long hot summers and very mild winters, for instance, have in recent years led to reduced or delayed sales of winter apparel. As a result, merchandise may no longer be sold at the full price but only at a discount. The influence of atypical seasonal weather conditions on consumers' purchasing behaviour affects both the physical stores and online sales.

6.3 Factors Affecting Comparability

6.3.1 Insolvency and Restructuring

Our results of operations for the fiscal year ended October 31, 2018, the short fiscal years ended March 31, 2019 and December 31, 2019, and the six-month period ended June 30, 2020, were significantly influenced by the effects of our insolvency and Restructuring (see "*6.2.3 Selected Key Factors Affecting Results of Operations and Financial Position—Insolvency and Restructuring*"). As a consequence, the comparability of our Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Statements across the periods presented in this Prospectus may be limited (see also "*1.3.4 Risk Factors—Risks Relating to our Financing and Financial Information—Our financial condition and results of operations in our most recent financial statements may neither be comparable to the financial condition and results of operations in our historical financial statements, nor a suitable indicator of our future condition and results of operations.*").

6.3.2 Changes in Reporting Periods

By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO. Pursuant to § 155(2) InsO a new financial year begins with the opening of insolvency proceedings, which required us to prepare consolidated financial statements for the short fiscal year ended March 31, 2019. Furthermore, by resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as from December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements for the short fiscal year ended December 31, 2019. The short fiscal year ended December 31, 2019 comprised 9 months, and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2017 and October 31, 2018 each comprised 12 months. Due to the different lengths of our fiscal years, our financial statements as of and for the short fiscal year ended March 31, 2019 and the fiscal year ended December 31, 2018 as well as our financial statements as of and for the short fiscal years ended March 31, 2019 and December 31, 2019 are only comparable to a limited extent.

6.3.3 Divestment of HALLHUBER

On February 7, 2019, we granted Robus a purchase option for an 88.0% interest in HALLHUBER (see also "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement*"). As a result of the grant of the purchase option, the assets of HALLHUBER were reclassified as assets held for sale in our balance sheet and the operations of HALLHUBER were reclassified as discontinued operations in our income statement accordance with IFRS 5 "non-current assets held for sale and discontinued operations" from February 7, 2019, as shown in the consolidated financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements for the short fiscal year ended March 31, 2019. Following the exercise of the purchase option by Robus, the 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale, as shown in the consolidated financial statements as of and for the short fiscal year ended December 31, 2019. The segment reporting for the short fiscal year ended December 31, 2019 still includes the financial information of HALLHUBER, differing from the consolidated income statement, as the financial performance of HALLHUBER has been reported to the management board in the short fiscal year ended December 31, 2019. Pursuant to the GWI Insolvency Plan, GWI is obligated to sell the remaining stake in HALLHUBER until December 31, 2024. The proceeds from such sale will be distributed to GWI's insolvency creditors. Changes in Accounting Policies First-time adoption of IFRS 16. IFRS 16 ("Leases"), which was initially adopted in our financial statements for the period ended 31 December 2019, replaces the existing standards IAS 17 ("Leases"), IFRIC 4 ("Determining Whether an Arrangement Contains a Lease"), SIC-15 ("Operating Leases–Incentives") and SIC-27 ("Evaluating the Substance of Transactions in the Legal Form of a Lease"). We adopted the new lease accounting standard by applying the modified retrospective transitional approach. According to the new standard, comparative information is not restated but continues to be stated in accordance with IAS 17.

IFRS 16 requires that, in principle, all assets and liabilities from leases, with the exception of short-term leases or leases in which the underlying asset has a low value, be recognized in the balance sheet. The distinction made in IAS 17 between finance and operating leases, with only the former to be recognized in the lessee's balance sheet, no longer applies under IFRS 16. The lessor's accounting treatment has not changed materially compared with IAS 17. For the GERRY WEBER Group, the first-time adoption primarily relates to off-balance sheet lease agreements for retail stores previously recognized as operating leases. The first-time adoption of IFRS 16 in the short fiscal year ended December 31, 2019, thus, had a strong increasing effect in total assets. Moreover, the application of IFRS 16 leads to a reduction in lease expenses reported under operating expenses, and an increase in depreciation and interest expenses. In total, the first-time adoption of IFRS 16 had a negative effect of € 1.8 million on our net income for the short fiscal year ended December 31, 2019 and resulted in a positive impact of € 34.3 million on our reported EBITDA (compared to what reported EBITDA would have been if IAS 17 had been applied for the short fiscal year ended December 31, 2019).

6.4 Explanation of Key Consolidated Income Statement Items

The following section provides an explanation of the key items of our consolidated income statement.

6.4.1 Revenue

Our revenue includes revenue from activities in relation to our fashion business, including the fees charged to customers for goods and services.

Our revenue is generated from our wholesale business, own retail business (both relating to our own retail stores as well as outlet stores) and eCommerce business, in each case through the sales of products as well as forwarding charges recharged to our wholesale partners. Revenues are deemed to be realized once the service has been provided in full and the opportunities and risks have passed to the buyer.

With regard to our Wholesale GERRY WEBER Segment, revenues from the sale of goods are recognized when a Group entity has delivered products to a wholesale partner, when the sales channel and the sales price of the product are at the discretion of the wholesale partner and when there are no unmet obligations, which could affect the wholesale partner's acceptance of the goods. Delivery will be deemed to have occurred only after all goods have been sent to the stipulated place, the risk of obsolescence and loss has passed to the wholesale partner and either the wholesale partner has accepted the goods in accordance with the provisions of the purchase contract or there are objective indications that all conditions of acceptance have been met.

With regard to our Retail GERRY WEBER Segment, revenues from the sale of goods are recognized when a Group entity has sold a product to an end consumer.

Online revenues from the web-based sale of goods are recognized at the time when the risks and benefits from the goods are passed to the customer, i. e., upon delivery. Provisions for internet credit items are calculated on the basis of the expected returns; this calculation is based on historical return rates. Retail sales are usually settled in cash or by using debit cards or credit cards. Historical information is used as the basis to estimate the rate of returns and the creation of an appropriate provision at the time of sale.

For purposes of reporting by geographical region, external sales are defined by customers' head offices. A regional distinction is made between "Germany" and "Abroad".

6.4.2 Other Operating Income

Other operating income includes income from exchange gains, rental income, asset disposal, income from the reversal of provisions and allowances, income from the provision of motor vehicles, release of liabilities for purchase price options, and other income.

Rental income primarily results from leased investment property as well as income from the sub-letting of rented properties not used by us.

6.4.3 Cost of Materials

Cost of materials mainly consists of cost of materials in the fashion business and, to a lesser extent, of other cost of materials, purchased services in the fashion business and other purchased services. It comprises expenses for raw materials, supplies and purchased goods as well as expenses for purchased services. Expenses for purchased services include expenses for Cut, Make, Trim (*Lohnveredelung*) by intermediate contractors as well as expenses for full-package services, *i.e.*, the procurement of goods manufactured by third parties according to our specifications.

6.4.4 Personnel Expenses

Our personnel expenses are primarily comprised of wages and salaries, as well as social security costs, remuneration in kind and post-employment costs. Our personnel expenses largely relate to the staff employed in our wholesale and retail business (both including our own retail, as well as outlet stores), as well as employees in the areas of product marketing, product design, procurement and supply chain management. Furthermore, personnel expenses attributable to central functions, such as central services, human resources, finance and IT are included in our personnel expenses.

6.4.5 Other Operating Expenses

Our other operating expenses consist mainly of distribution costs, as well as, to a lesser extent, general and administrative expenses and sundry other operating expenses.

Distribution costs include cost for commissioning, advertising, freight, packaging and logistics, sales agents, travel, as well as expenses from write-offs of receivables, contract terminations and other distribution costs.

General and administrative expenses include cost for legal advice and consulting, external IT consultation, IT maintenance, accounting fees and tax consultancy, external staff, bank charges, office and communications, maintenance, rent and space costs, other administrative expenses as well as other general and administration costs.

Sundry other operating expenses consist of cost of floor space, vehicle expenses, other staff costs (including costs for training and recruitment advertising costs), insurance, contributions and levies, collection development, marketing, exchange rate fluctuations, Supervisory Board compensations, *del credere* and credit card commissions, loss from asset disposal, restructuring expenses, compensations and other expenses.

6.5 Results of Operations

6.5.1 Comparison of the six-month periods ended June 30, 2019 and June 30, 2020

The following table shows the consolidated income statement of the Group for the six-month period ended June 30, 2020 compared to the six-month period ended June 30, 2019:

	Six-month period from	
(in € thousand)	**January 1, 2020 to June 30, 2020**	**January 1, 2019 to June 30, 2019**
	(unaudited)	
Revenue[(1)]	140,541	247,743
Other operating income	5,658	34,001
Changes in inventories	(800)	(30,392)
Cost of materials	(58,093)	(76,025)
Personnel expenses	(50,500)	(63,802)
Depreciation / amortization	(26,283)	157,313
Other operating expenses	(37,672)	(77,065)
Other taxes	(187)	(16)
Operating result	(27,336)	(122,869)
Financial result	(6,999)	(6,172)
Results from ordinary activities	(34,335)	(129,041)
Income tax (expense)/income	156	(15,015)
Result from continuing operations	(34,179)	(144,056)
Result from discontinued operations attributable to shareholders of the parent company	0	(101,332)
Consolidated net profit/loss for the period	**(34,179)**	**(245,388)**

(1) Revenue corresponds to "sales revenues" in the financial statements included elsewhere herein.

6.5.1.1 <u>Revenue</u>

Revenue amounted to € 140.5 million for the six-month period ended June 30, 2020, compared to € 247.7 million for the six-month period ended June 30, 2019. For the six-month period ended June 30, 2020, 53.1% of our sales with external third parties was attributable to our Retail GERRY WEBER Segment and 46.9% to our Wholesale GERRY WEBER Segment, compared to 60.8% of our sales with external third parties attributable to our Retail GERRY WEBER Segment and 39.2% of our sales with external third parties attributable to our Wholesale GERRY WEBER Segment in the six-month period ended June 30, 2019.

Sales with external third parties attributable to our Retail GERRY WEBER Segment amounted to € 74.6 million for the six-month period ended June 30, 2020, compared to € 150.6 million for the six-month period ended June 30, 2019. The decrease was attributable primarily to the impact of the COVID-19 pandemic and store closures as well as the weak market environment for textile retailers in general at the beginning of 2020. Revenue attributable to the online shops of our brands GERRY WEBER, TAIFUN and SAMOON, which are part of our Retail GERRY WEBER Segment, was € 10.6 million for the six-month period ended June 30, 2020, compared to € 10.6 million for the six-month period ended June 30, 2019.

Sales with external third parties attributable to our Wholesale GERRY WEBER Segment amounted to € 66.0 million for the six-month period ended June 30, 2020, compared to € 97.1 million for the six-month period ended June 30, 2019. The decrease was primarily due to the COVID-19 pandemic.

Revenue attributable to eCommerce activities (including sales of the online shops, which are attributable to pur Retail GERRY WEBER Segment and sales through external online platforms, which are attributable to our Wholesale GERRY WEBER Segment) amounted to € 13.1 million for the six-month period ended June 30, 2020, compared to € 12.5 million for the six-month period ended June 30, 2019. Revenue attributable to eCommerce activities represented 9.3% of our total revenue for the six-month period ended June 30, 2020 and 5.0% of our total revenue for the six-month period ended June 30, 2019.

On a brand level, revenue attributable to our GERRY WEBER brand family accounted for 70.6% of our total revenue for the six-month period ended June 30, 2020, compared to 71.6% of our total revenue for the six-month period ended June 30, 2019. Revenue attributable to our TAIFUN brand accounted for 22.1% of our total revenue for the six-month period ended June 30, 2020, compared to 21.9% of our total revenue for the six-month period ended June 30, 2019. Revenue attributable to our SAMOON brand accounted for 7.3% of our total revenue for the six-month period ended June 30, 2020, compared to 6.5% of our total revenue for the six-month period ended June 30, 2019.

On a geographic basis, sales in Germany, which is our largest market, contributed 56.1% of our total revenue for the six-month period ended June 30, 2020, compared to 57.8% of our total revenue for the six-month period ended June 30, 2019. Other important sales markets outside of Germany collectively contributed 43.9% of our total revenue for the six-month period ended June 30, 2020, compared to 42.2% of our total revenue for the six-month period ended June 30, 2019.

6.5.1.2 <u>Other Operating Income</u>

Other operating income decreased to € 5.7 million for the six-month period ended June 30, 2020 from € 34.0 million for the six-month period ended June 30, 2019. This decrease was mainly attributable to higher restructuring income from the pro rata derecognition of insolvency liabilities and income from asset disposals for the six-month period ended June 30, 2019, both of which did not recur in the six-month period ended June 30, 2020.

6.5.1.3 <u>Changes in Inventories</u>

Our changes in inventories decreased to € 0.8 million for the six-month period ended June 30, 2020, compared to € 30.4 million for the six-month period ended June 30, 2019. This decrease was mainly attributable to the lock-down during the COVID-19 pandemic.

6.5.1.4 <u>Cost of Materials</u>

Our cost of materials decreased to € 58.1 million for the six-month period ended June 30, 2020, compared to € 76.0 million for the six-month period ended June 30, 2019. Our cost of materials ratio (which we define as our costs of materials adjusted for changes in inventories divided by revenue) decreased to 41.9% for the six-month period ended June 30, 2020 from 43.0% for the six-month period ended June 30, 2019. The main reason for this decrease of our cost of materials ratio was attributable to a decrease in changes of inventories due to the lock-down during the COVID-19 pandemic. As a result, our gross margin, which is the inverse of our cost of materials ratio, increased to 58.1% for the six-month period ended June 30, 2020 from 57.0% for the six-month period ended June 30, 2019.

6.5.1.5 *Personnel Expenses*

Personnel expenses decreased to € 50.5 million for the six-month period ended June 30, 2020, compared to € 63.8 million for the six-month period ended June 30, 2019. This decrease was mainly attributable to a reduction in average headcount as a result of store closures in our Retail GERRY WEBER Segment and Restructuring-related headcount reductions in our Wholesale GERRY WEBER Segment, as well as lower severance expenses.

In our Retail GERRY WEBER Segment personnel expenses amounted to € 36.6 million for the six-month period ended June 30, 2020, compared to € 47.6 million for the six-month period ended June 30, 2019. Primarily as a result of store closures, average headcount in the Retail GERRY WEBER Segment declined to 2,217 employees for the six-month period ended June 30, 2020 from 2,877 employees for the six-month period ended June 30, 2019.

In our Wholesale GERRY WEBER Segment personnel expenses amounted to € 13.9 million for the six-month period ended June 30, 2020, compared to € 16.2 million for the six-month period ended June 30, 2019. As a result of the Restructuring, average headcount in the Wholesale GERRY WEBER Segment declined to 410 employees for the six-month period ended June 30, 2020 from 484 employees for the six-month period ended June 30, 2020.

Expressed as a percentage of revenue, our personnel expenses increased to 35.9% for the six-month period ended June 30, 2020 from 25.8% for the six-month period ended June 30, 2019. This increase was primarily due to lower revenue and higher extraordinary expenses, particularly severance payments, in the context of the Restructuring for the six-month period ended June 30, 2020 compared to the six-month period ended June 30, 2019.

6.5.1.6 *Depreciation / Amortization*

Depreciation and amortisation decreased to € 26.3 million for the six-month period ended June 30, 2020, compared to € 157.3 million for the six-month period ended June 30, 2019. This decrease was mainly attributable to the absence of write-downs for impairment for the six-month period ended June 30, 2020, while a total of € 157.3 million of depreciation and amortization were recorded for the six-month period ended June 30, 2019, which were influenced by impairment losses on property, plant and equipment, particularly Ravenna Park, and amortisation of goodwill and intangible assets.

6.5.1.7 *Other Operating Expenses*

Other operating expenses decreased to € 37.7 million for the six-month period ended June 30, 2020, compared to € 77.1 million for the six-month period ended June 30, 2019. This decrease was mainly attributable to a decrease in restructuring expenses.

6.5.1.8 *Other Taxes*

Other taxes were € 0.2 million for the six-month period ended June 30, 2020, compared to € 0.0 million for the six-month period ended June 30, 2019.

6.5.1.9 *Earnings before interest, taxes, depreciation and amortization (EBITDA)*

Our earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € -1.1 million for the six-month period ended June 30, 2020, compared to € 34.4 million for the six-month period ended June 30, 2019. As a result, we recorded an EBITDA margin of -0.7% for the six-month period ended June 30, 2020, compared to an EBITDA margin of 13.9% for the six-month period ended June 30, 2019. The decrease was mainly due to the effects of the COVID-19 pandemic and the reduction in our number of POS as a result of store closures. Our adjusted EBITDA, which does not include expenses in connection with the Restructuring, which in total amounted to € 14.5 million for the six-month period ended June 30, 2020, amounted to € 13.4 million for the six-month period ended June 30, 2020. Our adjusted EBITDA margin was 9.5% for the six-month period ended June 30, 2020.

On a segment level, EBITDA in the Retail GERRY WEBER Segment amounted to € -2.2 million for the six-month period ended June 30, 2020, compared to € 14.4 million for the six-month period ended June 30, 2019. EBITDA in the Wholesale GERRY WEBER Segment amounted to € 0.9 million for the six-month period ended June 30, 2020, compared to € 20.0 million for the six-month period ended June 30, 2019.

6.5.1.10 Operating Result (EBIT)

Our operating result (EBIT) amounted to € -27.3 million for the six-month period ended June 30, 2020, compared to € -122.9 million for the six-month period ended June 30, 2020. As a result, we recorded an EBIT margin of -19.5% for the six-month period ended June 30, 2020, compared to an EBIT margin of -49.6% for the six-month period ended June 30, 2020. Our adjusted EBIT, which does not include expenses in connection with the Restructuring, which in total amounted to € 14.5 million for the six-month period ended June 30, 2020, amounted to € -12.9 million for the six-month period ended June 30, 2020. Our adjusted EBIT margin was -9.2% for the six-month period ended June 30, 2020.

On a segment level, EBIT in the Retail GERRY WEBER Segment amounted to € -23.7 million for the six-month period ended June 30, 2020, compared to € -95.9 million for the six-month period ended June 30, 2019. EBIT in the Wholesale GERRY WEBER Segment amounted to € -4.0 million for the six-month period ended June 30, 2020, compared to € -27.0 million for the six-month period ended June 30, 2019.

6.5.1.11 Result from Continuing Operations

As a result of the above, our result from continuing operations amounted to € -34.2 million for the six-month period ended June 30, 2020, compared to € -144.1 million for the six-month period ended June 30, 2019.

6.5.1.12 Result from Discontinued Operations Attributable to Shareholders of the Parent Company

The result from discontinued operations attributable to shareholders of the parent company amounted to € 0.0 million for the six-month period ended June 30, 2020, compared to € -101.3 million for the six-month period ended June 30, 2019. Discontinued operations for the six-month period ended June 30, 2019 reflected our HALLHUBER Segment. An 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale.

6.5.1.13 Consolidated Net Loss for the Period

Net loss for the period amounted to € 34.2 million for the six-month period ended June 30, 2020, compared to a net loss of € 245.4 million for the six-month period ended June 30, 2020.

6.5.2 Comparison of the short fiscal years ended December 31, 2019 and March 31, 2019

The short fiscal year ended March 31, 2019 comprised five months, due to the opening of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO, which required us to prepare consolidated financial statements. The short fiscal year ended December 31, 2019 comprised nine months, due to the conclusion of the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as from December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements for the short fiscal year ended December 31, 2019. Due to the different lengths of the fiscal years, our financial statements for the short fiscal years ended March 31, 2019 and December 31, 2019 are only comparable to a limited extent. The following table shows the consolidated income statement of the Group for the short fiscal year ended December 31, 2019 compared to the short fiscal year ended March 31, 2019:

	Short fiscal year from	
(in € thousand)	**April 1, 2019 to December 31, 2019**(1)	**November 1, 2018 to March 31, 2019**(1)
	(audited)	
Revenue(2)	330,512	215,566
Other operating income	176,549	50,692

(in € thousand)	Short fiscal year from April 1, 2019 to December 31, 2019[(1)]	November 1, 2018 to March 31, 2019[(1)]
	(audited)	
Revenue[(2)]	330,512	215,566
Changes in inventories	(19,755)	(25,952)
Cost of materials	(117,242)	(83,828)
Personnel expenses	(83,044)	(55,049)
Depreciation / amortization	(46,770)	(137,743)
Other operating expenses	(110,079)	(93,487)
Other taxes	(210)	(294)
Operating result	129,962	(130,096)
Financial result	(8,461)	(2,039)
Results from ordinary activities	121,501	(132,134)
Income tax (expense)/income	(2,179)	(16,092)
Result from continuing operations	119,322	(148,226)
Result from discontinued operations attributable to shareholders of the parent company	0	(96,274)
Consolidated net profit/loss for the year	**119,322**	**(244,501)**

(1) The short fiscal ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months.
(2) Revenue corresponds to "sales revenues" in the financial statements included elsewhere herein.

6.5.2.1 Revenue

Revenue amounted to € 330.5 million for the short fiscal year ended December 31, 2019, compared to € 215.6 million for the short fiscal year ended March 31, 2019. For the short fiscal year ended December 31, 2019, 63.7% of our sales with external third parties was attributable to our Retail GERRY WEBER Segment and 36.3% to our Wholesale GERRY WEBER Segment, compared to 56.4% of our sales with external third parties attributable to our Retail GERRY WEBER Segment and 43.6% of our sales with external third parties attributable to our Wholesale GERRY WEBER Segment in the short fiscal year ended March 31, 2019.

Sales with external third parties attributable to our Retail GERRY WEBER Segment amounted to € 210.4 million for the short fiscal year ended December 31, 2019, compared to € 121.6 million for the short fiscal year ended March 31, 2019. During the short fiscal year ended December 31, 2019, we closed an additional 174 retail stores, following the closure of 52 retail stores during the short fiscal year ended March 31, 2019. The closures affected primarily GERRY WEBER brand stores in Germany. This reduced the number of stores in our Retail GERRY WEBER Segment to 624 as of December 31, 2019 from 798 as of March 31, 2019 and the total sales area to 96,664 square meters as of December 31, 2019 from 125,567 square meters as of March 31, 2019. Revenue attributable to the online shops of our brands GERRY WEBER, TAIFUN and SAMOON, which are part of our Retail GERRY WEBER Segment, was € 20.0 million for the short fiscal year ended December 31, 2019, compared to € 10.1 million for short fiscal year ended March 31, 2019.

Sales with external third parties attributable to our Wholesale GERRY WEBER Segment amounted to € 120.1 million for the short fiscal year ended December 31, 2019, compared to € 94.0 million for the short fiscal year ended March 31, 2019. The number of GERRY WEBER stores operated by franchise partners decreased to 243 as of December 31, 2019 from 263 as of March 31, 2019. The number of shop-in-shop stores decreased to 2,036 as of December 31, 2019 from 2,174 as of March 31, 2019.

Revenue attributable to eCommerce activities (including sales of the online shops, which are attributable to our Retail GERRY WEBER Segment and sales through external online platforms, which are attributable to our Wholesale GERRY WEBER Segment) amounted to € 21.9 million for the short fiscal year ended December 31, 2019, compared to € 11.2 million for the short fiscal year ended March 31, 2019. Revenue attributable to eCommerce activities represented 6.6% of our total revenue for the short fiscal year ended December 31, 2019 and 5.2% of our total revenue for the short fiscal year ended March 31, 2019.

On a brand level, revenue attributable to our GERRY WEBER brand family accounted for 72.5% of our total revenue for the short fiscal year ended December 31, 2019, compared to 72.9% of our total revenue for the short fiscal year ended March 31, 2019. Revenue attributable to our TAIFUN brand accounted for 21.2% of our total revenue for the short fiscal year ended December 31, 2019, compared to 21.1% of our total revenue for the short fiscal year ended March 31, 2019. Revenue attributable to our SAMOON brand accounted for 6.3% of our total revenue for the short fiscal year ended December 31, 2019, compared to 6.0% of our total revenue for the short fiscal year ended March 31, 2019.

On a geographic basis, sales in Germany, which is our largest market, contributed 59.0% of our total revenue for the short fiscal year ended December 31, 2019, compared to 63.7% (including HALLHUBER) of our total revenue for the short fiscal year ended March 31, 2019, as a result of a stagnant fashion retail market in Germany. Other important sales markets outside of Germany collectively contributed 41.0% of our total revenue for the short fiscal year ended December 31, 2019, compared to 36.3% (including HALLHUBER) of our total revenue for the short fiscal year ended March 31, 2019.

6.5.2.2 Other Operating Income

Other operating income increased to € 176.5 million for the short fiscal year ended December 31, 2019 from € 50.7 million for the short fiscal year ended March 31, 2019. This increase was mainly attributable to the restructuring income from the pro rata derecognition of insolvency liabilities. Moreover, provisions were released in the amount of € 4.7 million, which had been made in previous periods as part of our Restructuring. Other operating income for the short fiscal year ended March 31, 2019 included profit of € 17.4 million from the sale of Halle 29 as well as released provisions of € 29.8 million, which had been made as part of our Restructuring particularly in the short fiscal year ended March 31, 2019.

6.5.2.3 Changes in Inventories

Our changes in inventories decreased to € 19.8 million for the short fiscal year ended December 31, 2019, compared to € 26.0 million for the short fiscal year ended March 31, 2019. The decrease for the short fiscal year ended December 31, 2019 was due to a multitude of factors. These factors include additional store closings and a massive sell-off of goods from inventory in the short fiscal year ended December 31, 2019. The inventory changes for the short fiscal year ended March 31, 2019 were attributable to the same factors and, additionally, a more effective merchandise management and a more conservative valuation approach than in previous years.

6.5.2.4 Cost of Materials

Our cost of materials amounted to € 117.2 million for the short fiscal year ended December 31, 2019, compared to € 83.8 million for the short fiscal year ended March 31, 2019. Our cost of materials ratio (which we define as our costs of materials adjusted for changes in inventories divided by revenue) decreased to 41.4% for the short fiscal year ended December 31, 2019 from 50.9% for the short fiscal year ended March 31, 2019. The main reason for this decrease of our cost of materials ratio was attributable to lower unscheduled impairment losses compared with the previous year, but also to first positive effects of our new merchandise management process. Write-downs of inventories for sales measures planned as part of our Restructuring amounted to € 0.8 million for the short fiscal year ended December 31, 2019 (€ 16.0 million for the short fiscal year ended March 31, 2019). As a result, our gross margin, which is the inverse of our cost of materials ratio, increased to 58.6% for the short fiscal year ended December 31, 2019 from 49.1% for the short fiscal year ended March 31, 2019.

6.5.2.5 Personnel Expenses

Personnel expenses amounted to € 83.0 million for the short fiscal year ended December 31, 2019, compared to € 55.0 million for the short fiscal year ended March 31, 2019. Personnel expenses for the short fiscal year ended December 31, 2019 included extraordinary expenses of € 2.0 million in the context of the Restructuring, compared to extraordinary expenses of € 0.6 million in the context of the Restructuring for the short fiscal year ended March 31, 2019.

In our Retail GERRY WEBER Segment personnel expenses amounted to € 65.8 million for the short fiscal year ended December 31, 2019, compared to € 42.5 million for the short fiscal year ended March 31, 2019. Primarily as a result of store closures, average headcount in the Retail GERRY WEBER Segment declined to 2,877 employees for the short fiscal year ended December 31, 2019 from 3,310 employees for the short fiscal year ended March 31, 2019.

In our Wholesale GERRY WEBER Segment personnel expenses amounted to € 17.2 million for the short fiscal year ended December 31, 2019, compared to € 12.6 million for the short fiscal year ended March 31, 2019. As a result of the Restructuring, average headcount in the Wholesale GERRY WEBER Segment declined to 484 employees for the short fiscal year ended December 31, 2019 from 552 employees for the short fiscal year ended March 31, 2019.

Expressed as a percentage of revenue, our personnel expenses decreased to 25.1% for the short fiscal year ended December 31, 2019 from 25.5% for the short fiscal year ended March 31, 2019. This decrease was primarily due to a lower average headcount for the short fiscal year ended December 31, 2019 compared to the short fiscal year ended March 31, 2019.

6.5.2.6 *Depreciation / Amortization*

Depreciation and amortization decreased to € 46.8 million for the short fiscal year ended December 31, 2019 from € 137.7 million for the short fiscal year ended March 31, 2019. Depreciation and amortization for the short fiscal year ended December 31, 2019 was mainly affected by the first-time adoption of the accounting standard IFRS 16, which resulted in depreciation and amortisation in an amount of € 30.8 million. Furthermore, for the short fiscal year ended December 31, 2019, no write-downs for impairment in the context of our Restructuring were required, while a total of € 123.4 million of extraordinary write-downs were recorded for the short fiscal year ended March 31, 2019, which were influenced by impairment losses on property, plant and equipment, particularly Ravenna Park, and amortisation of goodwill and intangible assets.

6.5.2.7 *Other Operating Expenses*

Other operating expenses amounted to € 110.1 million for the short fiscal year ended December 31, 2019, compared to € 93.5 million for the short fiscal year ended March 31, 2019. Other operating expenses for the fiscal year ended December 31, 2019 included cost of premises of € 22.3 million (short fiscal year ended March 31, 2019: € 32.9 million). Lease expenses, after the first-time application of the accounting standard IFRS 16, amounted to € 34.3 million for the short fiscal year ended December 31, 2019.

6.5.2.8 *Other Taxes*

Other taxes were € 0.2 million for the short fiscal year ended December 31, 2019, compared to € 0.3 million for the short fiscal year ended March 31, 2019.

6.5.2.9 *Earnings before interest, taxes, depreciation and amortization (EBITDA)*

Our earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 176.7 million for the short fiscal year ended December 31, 2019, compared to € 7.6 million for the short fiscal year ended March 31, 2019. As a result, we recorded an EBITDA margin of 53.5% for the short fiscal year ended December 31, 2019, compared to an EBITDA margin of 3.5% for the short fiscal year ended March 31, 2019. The increase was mainly due to the restructuring income from the pro rata derecognition of insolvency liabilities. Our adjusted EBITDA, which does not take into account extraordinary income and expenses, which in total amounted to a positive € 145.0 million for the short fiscal year ended December 31, 2019, amounted to € 31.7 million for the short fiscal year ended December 31, 2019, compared to adjusted EBITDA of € 2.2 million for the short fiscal year ended March 31, 2019. Our adjusted EBITDA margin was 9.6% for the short fiscal year ended December 31, 2019, compared to an adjusted EBITDA margin of 1.0% for the short fiscal year ended March 31, 2019.

On a segment level, EBITDA in the Retail GERRY WEBER Segment amounted to € 133.5 million for the short fiscal year ended December 31, 2019, compared to € 3.1 million for the short fiscal year ended March 31, 2019. EBITDA in the Wholesale GERRY WEBER Segment amounted to € 42.4 million for the short fiscal year ended December 31, 2019, compared to € 6.8 million for the short fiscal year ended March 31, 2019.

6.5.2.10 *Operating Result (EBIT)*

Our operating result (EBIT) amounted to € 130.0 million for the short fiscal year ended December 31, 2019, compared to € -130.1 million for the short fiscal year ended March 31, 2019. As a result, we recorded an EBIT margin of 39.3% for the short fiscal year ended December 31, 2019, compared to an EBIT margin of -60.4% for the short fiscal year ended March 31, 2019. Our adjusted EBIT, which does not take into account non-operating income and expenses, which in total amounted to a positive € 145.0 million for the short fiscal year ended December 31, 2019, amounted to € -15.1 million for the short fiscal year ended December 31, 2019, compared to € -12.1 million for the short fiscal year ended March 31, 2019. Our adjusted EBIT margin was -4.6% for the short fiscal year ended December 31, 2019, compared to an adjusted EBIT margin of -5.6% for the short fiscal year ended March 31, 2019.

On a segment level, EBIT in the Retail GERRY WEBER Segment amounted to € 91.8 million for the short fiscal year ended December 31, 2019, compared to € -91.1 million for the short fiscal year ended March 31, 2019. EBIT in the Wholesale GERRY WEBER Segment amounted to € 37.4 million for the short fiscal year ended December 31, 2019, compared to € -36.7 million for the short fiscal year ended March 31, 2019.

6.5.2.11 *Result from Continuing Operations*

As a result of the above, our result from continuing operations amounted to € 119.3 million for the short fiscal year ended December 31, 2019, compared to a loss of € 148.2 million for the short fiscal year ended March 31, 2019.

6.5.2.12 *Result from Discontinued Operations Attributable to Shareholders of the Parent Company*

The result from discontinued operations attributable to shareholders of the parent company amounted to € 0.0 million for the short fiscal year ended December 31, 2019, compared to a loss of € 96.3 million for the short fiscal year ended March 31, 2019. Discontinued operations for the short fiscal year ended March 31, 2019 reflected our HALLHUBER Segment. An 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale.

6.5.2.13 *Consolidated Net Profit/Loss for the Year*

Net profit for the year amounted to € 119.3 million for the short fiscal year ended December 31, 2019, compared to a net loss of € 244.5 million for the short fiscal year ended March 31, 2019.

6.5.3 Comparison of the short fiscal year ended March 31, 2019 and the fiscal year ended October 31, 2018

The short fiscal year ended March 31, 2019 comprised only five months, due to the opening of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO, which required us to prepare consolidated financial statements, whereas the fiscal year ended October 31, 2018 comprised twelve months. Due to the different lengths of the fiscal years, the figures for the short fiscal year ended March 31, 2019 and the fiscal year ended October 31, 2018 are only comparable to a limited extent. Our HALLHUBER Segment was classified as a discontinued operation in our income statement in accordance with IFRS 5 "non-current assets held for sale and discontinued operations" as from February 7, 2019, as shown in the consolidated financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements for the short fiscal year ended March 31, 2019. The following comparison of the short fiscal year ended March 31, 2019 and the fiscal year ended October 31, 2018 show the adjusted figures for the fiscal year ended October 31, 2018 as they are included in our financial statements for the short fiscal year ended March 31, 2019.

The following table shows the consolidated income statement of the Group for the short fiscal year ended March 31, 2019 compared to the fiscal year ended October 31, 2018:

(in € thousand)	Short fiscal year from November 1, 2018 to March 31, 2019[(1)]	Fiscal year from November 1, 2017 to October 31, 2018[(1)(2)]
	(audited)	
Continuing operations:		
Revenue[(3)]	215,566	597,204
Other operating income	50,692	9,745
Changes in inventories	(25,952)	(11,270)
Cost of materials	(83,828)	(248,532)
Personnel expenses	(55,049)	(171,780)
Depreciation / amortization	(137,743)	(96,282)
Other operating expenses	(93,487)	(209,103)
Other taxes	(294)	(989)
Operating result	(130,096)	(131,008)
Financial result	(2,039)	(4,547)
Results from ordinary activities	(132,134)	(135,555)
Income tax expense	(16,092)	(18,724)
Result from continuing operations	(148,226)	(116,831)
Result from discontinued operations attributable to shareholders of the parent company	(96,274)	(55,446)
Consolidated net profit/loss for the year	**(244,501)**	**(172,277)**

(1) The short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 comprised 12 months.

(2) The operations of HALLHUBER are shown as discontinued operations in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019.

(3) Revenue corresponds to "sales revenues" in the financial statements included elsewhere herein.

6.5.3.1 Revenue

Revenue amounted to € 215.6 million for the short fiscal year ended March 31, 2019, compared to € 597.2 million for the fiscal year ended October 31, 2018. For the short fiscal year ended March 31, 2019, 56.4% of our sales with external third parties was attributable to our Retail GERRY WEBER Segment and 43.6% to our Wholesale GERRY WEBER Segment.

Sales with external third parties attributable to our Retail GERRY WEBER Segment amounted to € 121.6 million for the short fiscal year ended March 31, 2019, compared to € 339.5 million for the fiscal year ended October 31, 2018. During the short fiscal year ended March 31, 2019, we closed 10 additional retail stores, after having closed 42 retail stores during the fiscal year ended October 31, 2018. The closures affected primarily GERRY WEBER brand stores in Germany. This reduced the number of stores in our Retail GERRY WEBER Segment to 798 as of March 31, 2019 from 808 as of October 31, 2018 and the total sales area to 125,567 square meters as of March 31, 2019 from 128,420 square meters as of October 31, 2018. Revenue attributable to the online shops of our brands GERRY WEBER, TAIFUN and SAMOON, which are part of our Retail GERRY WEBER Segment, was € 10.1 million for the short fiscal year ended March 31, 2019, compared to € 29.5 million for the fiscal year ended October 31, 2018.

Sales with external third parties attributable to our Wholesale GERRY WEBER Segment amounted to € 94.0 million for the short fiscal year ended March 31, 2019, compared to € 257.7 million for the fiscal year ended October 31, 2018. The number of GERRY WEBER stores operated by franchise partners decreased to 263 as of March 31, 2019 from 275 as of October 31, 2018. The number of shop-in-shop stores decreased to 2,174 as of March 31, 2019 from 2,354 as of October 31, 2018.

Revenue attributable to eCommerce activities (including sales of the online shops, which are attributable to our Retail GERRY WEBER Segment and sales through external online platforms, which are attributable to our Wholesale GERRY WEBER Segment) amounted to € 11.2 million for the short fiscal year ended March 31, 2019, compared to € 32.2 million for the fiscal year ended October 31, 2018. Revenue attributable to eCommerce activities represented 5.2% of our total revenue for the short fiscal year ended March 31, 2019 and 5.4% (excluding HALLHUBER) of our total revenue for the fiscal year ended October 31, 2018.

On a brand level, revenue attributable to our GERRY WEBER brand family accounted for 72.9% of our total revenue for the short fiscal year ended March 31, 2019, compared to 73.0% of our total revenue for the fiscal year ended October 31, 2018. Revenue attributable to our TAIFUN brand accounted for 21.1% of our total revenue for the short fiscal year ended March 31, 2019, compared to 21.0% of our total revenue for the fiscal year ended October 31, 2018. Revenue attributable to our SAMOON brand accounted for 6.0% of our total revenue for the short fiscal year ended March 31, 2019, compared to 6.1% of our total revenue for the fiscal year ended October 31, 2018.

On a geographic basis, sales in Germany, which is our largest market, contributed 63.7% (including HALLHUBER) of our total revenue for the short fiscal year ended March 31, 2019, compared to 62.6% of our total revenue for the fiscal year ended October 31, 2018, as a result of a stagnant fashion retail market in Germany. Other important sales markets outside of Germany collectively contributed 36.3% of our total revenue for the short fiscal year ended March 31, 2019, compared to 37.4% of our total revenue for the fiscal year ended October 31, 2018.

6.5.3.2 Other Operating Income

Other operating income increased to € 50.7 million for the short fiscal year ended March 31, 2019 from € 9.7 million for the fiscal year ended October 31, 2018. This increase was mainly due to higher income from the reversal of provisions and impairments and proceeds from the disposal of property, in particular the disposal of the property "Halle 29".

6.5.3.3 Changes in Inventories

Our changes in inventories decreased to € 26.0 million for the short fiscal year ended March 31, 2019, compared to a decrease of € 11.3 million for the fiscal year ended October 31, 2018. The decrease for the short fiscal year ended March 31, 2019 was due to a multitude of factors. These factors include additional store closings, a significantly optimized and therefore tighter merchandise management, a massive sell-off of goods from inventory in the short fiscal year ended March 31, 2019 and a more conservative valuation approach than in previous years. There were also seasonal influences.

6.5.3.4 Cost of Materials

Our cost of materials amounted to € 83.8 million for the short fiscal year ended March 31, 2019, compared to € 248.5 million for the fiscal year ended October 31, 2018. Our cost of materials ratio (which we define as our costs of materials adjusted for changes in inventories divided by revenue) increased to 50.9% for the short fiscal year ended March 31, 2019 from 43.5% for the fiscal year ended October 31, 2018. The main reason for this increase of our cost of materials ratio was a significant reduction of inventories during the short fiscal year ended March 31, 2019. The very high cost material ratio for the short fiscal year ended March 31, 2019 was additionally affected by impairment losses of € 2.6 million resulting from the sales-oriented measurement of inventories applied in previous years. As a result, our gross margin, which is the inverse of our cost of materials ratio, decreased to 49.1% for the short fiscal year ended March 31, 2019 from 56.5% for the fiscal year ended October 31, 2018.

6.5.3.5 Personnel Expenses

Personnel expenses amounted to € 55.0 million for the short fiscal year ended March 31, 2019, compared to € 171.8 million for the fiscal year ended October 31, 2018. Personnel expenses for the short fiscal year ended March 31, 2019 included extraordinary expenses of € 0.6 million in the context of the Restructuring, compared to extraordinary expenses of € 27.0 million in the context of the Restructuring for the fiscal year ended October 31, 2018.

In our Retail GERRY WEBER Segment personnel expenses amounted to € 42.5 million for the short fiscal year ended March 31, 2019, compared to € 130.5 million for the fiscal year ended October 31, 2018. Personnel expenses for the fiscal year ended October 31, 2018 included provisions for restructuring expenses of € 49.4 million. Primarily as a result of store closures, average headcount in the Retail GERRY WEBER Segment declined to 3,310 employees for the short fiscal year ended March 31, 2019 from 3,733 employees for the fiscal year ended October 31, 2018.

In our Wholesale GERRY WEBER Segment personnel expenses amounted to € 12.6 million for the short fiscal year ended March 31, 2019, compared to € 41.3 million for the fiscal year ended October 31, 2018. As a result of the Restructuring, average headcount in the Wholesale GERRY WEBER Segment declined to 552 employees for the short fiscal year ended March 31, 2019 from 664 employees for the fiscal year ended October 31, 2018.

Expressed as a percentage of revenue, our personnel expenses decreased to 25.5% for the short fiscal year ended March 31, 2019 from 28.8% for the fiscal year ended October 31, 2018. This decrease was primarily due to lower extraordinary expenses in the context of the Restructuring for the short fiscal year ended March 31, 2019 compared to the fiscal year ended October 31, 2018.

6.5.3.6 Depreciation / Amortization

Depreciation and amortization increased to € 137.7 million for the short fiscal year ended March 31, 2019 from € 96.3 million for the fiscal year ended October 31, 2018. Substantial value adjustments on property, plant and equipment, especially Ravenna Park, as well as goodwill and intangible assets contributed significantly to depreciation and amortization for the short fiscal year ended March 31, 2019. A total of € 123.4 million of extraordinary write-downs were recorded for the short fiscal year ended March 31, 2019.

6.5.3.7 Other Operating Expenses

Other operating expenses amounted to € 93.5 million for the short fiscal year ended March 31, 2019, compared to € 209.1 million for the fiscal year ended October 31, 2018. Advisory fees and other costs incurred in the context of our insolvency proceedings amounted to € 25.2 million for the short fiscal year ended March 31, 2019. Other operating expenses for the fiscal year ended October 31, 2018 included significant restructuring-related expenses, in particular in connection with store closures. Overall, the restructuring-related expenses included in other operating expenses for the fiscal year ended October 31, 2018 amounted to € 28.7 million.

6.5.3.8 Other Taxes

Other taxes were € 0.3 million for the short fiscal year ended March 31, 2019, compared to € 1.0 million for the fiscal year ended October 31, 2018.

6.5.3.9 Earnings before interest, taxes, depreciation and amortization (EBITDA)

Our earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 7.6 million for the short fiscal year ended March 31, 2019, compared to € -34.7 million for the fiscal year ended October 31, 2018. As a result, we recorded an EBITDA margin of 3.5% for the short fiscal year ended March 31, 2019, compared to an EBITDA margin of -5.8% for the fiscal year ended October 31, 2018. Our EBITDA reflected reversals of extraordinary expenses of € 5.4 million for the short fiscal year ended March 31, 2019. Our adjusted EBITDA, which does not take into account these extraordinary expenses, amounted to € 2.2 million for the short fiscal year ended March 31, 2019, compared to adjusted EBITDA of € 36.3 million for the fiscal year ended October 31, 2018. Our adjusted EBITDA margin was 1.0% for the short fiscal year ended March 31, 2019, compared to an adjusted EBITDA margin of 6.1% for the fiscal year ended October 31, 2018.

On a segment level, EBITDA in the Retail GERRY WEBER Segment amounted to € 3.1 million for the short fiscal year ended March 31, 2019, compared to € -64.6 million for the fiscal year ended October 31, 2018. EBITDA in the Wholesale GERRY WEBER Segment amounted to € 6.8 million for the short fiscal year ended March 31, 2019, compared to € 29.5 million for the fiscal year ended October 31, 2018.

6.5.3.10 Operating Result (EBIT)

Our operating result (EBIT) amounted to € -130.1 million for the short fiscal year ended March 31, 2019, compared to € -131.0 million for the fiscal year ended October 31, 2018. As a result, we recorded an EBIT margin of -60.4% for the short fiscal year ended March 31, 2019, compared to an EBIT margin of -21.9% for the fiscal year ended October 31, 2018. In total, extraordinary expenses amounted to € 118.0 million for the short fiscal year ended March 31, 2019. Our adjusted EBIT, which does not take into account these extraordinary expenses, amounted to € -12.1 million for the short fiscal year ended March 31, 2019, compared to € -5.9 million for the fiscal year ended October 31, 2018. Our adjusted EBIT margin was -5.6% for the short fiscal year ended March 31, 2019, compared to an adjusted EBIT margin of -1.0% for the fiscal year ended October 31, 2018.

On a segment level, EBIT in the Retail GERRY WEBER Segment amounted to € -91.1 million for the short fiscal year ended March 31, 2019, compared to € -148.1 million for the fiscal year ended October 31, 2018.

EBIT in the Wholesale GERRY WEBER Segment amounted to € -36.7 million for the short fiscal year ended March 31, 2019, compared to € 16.8 million for the fiscal year ended October 31, 2018.

6.5.3.11 Result from Continuing Operations

As a result of the above, our result from continuing operations amounted to a loss of € 148.2 million for the short fiscal year ended March 31, 2019, compared to a loss of € 116.8 million for the fiscal year ended October 31, 2018.

6.5.3.12 Result from Discontinued Operations Attributable to Shareholders of the Parent Company

The result from discontinued operations attributable to shareholders of the parent company amounted to a loss of € 96.3 million for the short fiscal year ended March 31, 2019, compared to a loss of € 55.4 million for the fiscal year ended October 31, 2018.

6.5.3.13 Consolidated Net Profit/Loss for the Year

As a result of the above, our net loss for the year amounted to € 244.5 million for the short fiscal year ended March 31, 2019, compared to a net loss of € 172.3 million for the fiscal year ended October 31, 2018.

6.5.4 Comparison of the fiscal years ended October 31, 2018 and 2017

The following table shows the consolidated income statement of the Group for the fiscal year ended October 31, 2018 compared to the fiscal year ended October 31, 2017:

	Fiscal year from	
(in € thousand)	**November 1, 2017 to October 31, 2018**	**November 1, 2016 to October 31, 2017**
	(audited)	
Revenue[(1)]	794,766	880,885
Other operating income	11,822	14,640
Changes in inventories	(14,600)	(8,078)
Cost of materials	(323,029)	(356,743)
Personnel expenses	(211,215)	(192,026)
Depreciation / amortization	(145,147)	(47,851)
Other operating expenses	(303,767)	(279,333)
Other taxes	(1,002)	(1,191)
Operating result	(192,171)	10,302
Financial result	(6,213)	(7,736)
Results from ordinary activities	(198,384)	2,566
Income tax income/(expense)	26,107	(3,348)
Consolidated net profit/loss for the year	**(172,277)**	**(782)**

(1) Revenue corresponds to "sales revenues" in the financial statements included elsewhere herein.

6.5.4.1 Revenue

Revenue decreased by € 86.1 million, or 9.8%, to € 794.8 million for the fiscal year ended October 31, 2018 from € 880.9 million for the fiscal year ended October 31, 2017, mainly due to the persistent decline in demand in the German and European stationary fashion retail market. For the fiscal year ended October 31, 2018, 42.7% of our revenue was attributable to our Retail GERRY WEBER Segment, 32.4% to our Wholesale GERRY WEBER Segment and 24.9% to our HALLHUBER Segment.

Sales with external third parties attributable to our Retail GERRY WEBER Segment decreased by € 53.1 million, or 13.5%, to € 339.5 million for the fiscal year ended October 31, 2018 from € 392.6 million for the fiscal year ended October 31, 2017. The main reasons for this decrease were – besides the abovementioned persistent decline in demand in the German and European stationary fashion retail market – the hot summer of 2018 and the effect of store closures in connection with our realignment program FIT4GROWTH completed during the fiscal year ended October 31, 2017. During the fiscal year ended October 31, 2018, we closed an additional 42 retail stores, after having closed 74 retail stores during the fiscal year ended October 31, 2017. The closures affected primarily GERRY WEBER brand stores, which were primarily located in Germany. This reduced the number of stores in our Retail GERRY WEBER Segment to 808 as of October 31, 2018 from 850 as of October 31, 2017 and the total sales area to 128,420 square meters as of October 31, 2018 from 136,140 square meters as of October 31, 2017. The decrease in revenue attributable to our stationary retail stores was partially offset by an increase in revenue attributable to the online shops of our brands GERRY WEBER, TAIFUN and SAMOON, which are part of our Retail GERRY WEBER Segment, by € 1.4 million, or 4.9%, to € 29.5 million for the fiscal year ended October 31, 2018 from € 28.1 million for the fiscal year ended October 31, 2017.

Sales with external third parties attributable to our Wholesale GERRY WEBER Segment decreased by € 36.3 million, or 12.3%, to € 257.7 million for the fiscal year ended October 31, 2018 from € 294.0 million for the fiscal year ended October 31, 2017. This decrease was primarily due to the persistent decline in demand in the German and European stationary fashion retail market, but also due to the challenges faced by the GERRY WEBER core brands. The number of GERRY WEBER stores operated by franchise partners increased to 275 as of October 31, 2018 from 266 as of October 31, 2017. The number of shop-in-shop stores decreased to 2,354 as of October 31, 2018 from 2,482 as of October 31, 2017. Additionally, the introduction of our new go-to-market-concept in the third quarter contributed to the decline in revenue attributable to our Wholesale GERRY WEBER Segment for the fiscal year ended October 31, 2018 due to changed and shorter delivery rhythms.

Sales with external third parties attributable to our HALLHUBER Segment increased by € 3.3 million, or 1.7%, to € 197.6 million for the fiscal year ended October 31, 2018 from € 194.3 million for the fiscal year ended October 31, 2017, mainly due to the addition of 26 new HALLHUBER stores.

Revenue attributable to group-wide eCommerce activities (including sales of the online shops, which are attributable to our Retail GERRY WEBER Segment and sales through external online platforms, which are attributable to our Wholesale GERRY WEBER Segment and HALLHUBER online sales) increased by € 8.4 million, or 16.4%, to € 59.6 million for the fiscal year ended October 31, 2018 from € 51.2 million for the fiscal year ended October 31, 2017. Revenue attributable to eCommerce activities represented 7.6% of our total revenue for the fiscal year ended October 31, 2018 and 5.9% of our total revenue for the fiscal year ended October 31, 2017.

On a brand level, revenue attributable to our GERRY WEBER brand family accounted for 54.8% of our total revenue for the fiscal year ended October 31, 2018, compared to 57.8% of our total revenue for the fiscal year ended October 31, 2017. Revenue attributable to our TAIFUN brand accounted for 15.8% of our total revenue for the fiscal year ended October 31, 2018, compared to 15.6% of our total revenue for the fiscal year ended October 31, 2017. Revenue attributable to our SAMOON brand accounted for 4.6% of our total revenue for the fiscal year ended October 31, 2018, compared to 4.5% of our total revenue for the fiscal year ended October 31, 2017. Revenue attributable to the HALLHUBER brand accounted for 24.9% of our total revenue for the fiscal year ended October 31, 2018, compared to 22.1% of our total revenue for the fiscal year ended October 31, 2017. The changes in the relative contribution to our total revenue by our GERRY WEBER brand family and by HALLHUBER were primarily due to closings of GERRY WEBER stores and new openings of HALLHUBER stores.

On a geographic basis, sales in Germany, which is by far our largest market, contributed 62.6% of our total revenue for the fiscal year ended October 31, 2018, compared to 61.4% of our total revenue for the fiscal year ended October 31, 2017. The main reason for this decrease was the above-mentioned decline in demand in the German fashion retail market. Other important sales markets outside of Germany collectively contributed 37.4% of our total revenue for the fiscal year ended October 31, 2018, compared to 38.6% of our total revenue for the fiscal year ended October 31, 2017.

6.5.4.2 Other Operating Income

Other operating income decreased by € 2.8 million, or 19.2%, to € 11.8 million for the fiscal year ended October 31, 2018 from € 14.6 million for the fiscal year ended October 31, 2017. This decrease was mainly due to lower income from the reversal of provisions and impairments, lower exchange rate gains and lower miscellaneous income.

6.5.4.3 Changes in Inventories

Our changes in inventories decreased to € 14.6 million for the fiscal year ended December 31, 2018, which is € 6.5 million, or 80.7%, more than the € 8.1 million decrease recorded for the fiscal year ended October 31, 2017. The decrease for the fiscal year ended December 31, 2018 was mainly due to the closing of 42 own retail stores in Germany and abroad as well as changes in our merchandise management.

6.5.4.4 *Cost of Materials*

Our cost of materials decreased by € 33.7 million, or 9.5%, to € 323.0 million for the fiscal year ended October 31, 2018 from € 356.7 million for the fiscal year ended October 31, 2017. Our cost of materials ratio (which we define as our costs of materials adjusted for changes in inventories divided by revenue) increased to 42.5% for the fiscal year ended October 31, 2018 from 41.4% for the fiscal year ended October 31, 2017. The main reason for this increase of our cost of materials ratio was increased valuation adjustments. As a result, our gross margin, which is the inverse of our cost of materials ratio, decreased to 57.5% for the fiscal year ended October 31, 2018 from 58.6% for the fiscal year ended October 31, 2017.

6.5.4.5 *Personnel Expenses*

Personnel expenses increased by € 19.2 million, or 10.0%, to € 211.2 million for the fiscal year ended October 31, 2018 from € 192.0 million for the fiscal year ended October 31, 2017. This increase was mainly due to the severance payments and termination benefits in the context of the Restructuring that were expected as of the end of the fiscal year ended October 31, 2018. This particularly affected the GERRY WEBER Core Businesses, in which personnel expenses rose to € 171.8 million for the fiscal year ended October 31, 2018 from € 153.7 million for the fiscal year ended October 31, 2017 primarily as a result of extraordinary expenses of € 26.0 million to further reduce the number of employees. Without these extraordinary expenses, the personnel expenses of the GERRY WEBER Core Businesses would have decreased slightly for the fiscal year ended October 31, 2018 compared to the fiscal year ended October 31, 2017.

In our Retail GERRY WEBER Segment personnel expenses increased despite the closure of POS and the related reduction in average headcount to 3,733 employees for the fiscal year ended October 31, 2018 from 4,099 employees for the fiscal year ended October 31, 2017, by € 15.8 million, or 13.8%, to € 130.5 million for the fiscal year ended October 31, 2018 from € 114.7 million for the fiscal year ended October 31, 2017, mainly due to provisions for restructuring expenses of € 49.4 million included in personnel expenses for the fiscal year ended October 31, 2018.

In our Wholesale GERRY WEBER Segment personnel expenses increased by € 2.2 million, or 5.7%, to € 41.3 million for the fiscal year ended October 31, 2018 from € 39.1 million for the fiscal year ended October 31, 2017, despite a decrease in average headcount to 664 employees for the fiscal year ended October 31, 2018 from 757 employees for the fiscal year ended October 31, 2017.

In the HALLHUBER Segment personnel expenses increased by € 1.1 million, or 3.0%, to € 39.4 million for the fiscal year ended October 31, 2018 from € 38.3 million for the fiscal year ended October 31, 2017, mainly due to the further expansion of POS. Furthermore, provisions for headcount reduction measures in context of our Restructuring were recorded. Average headcount in the HALLHUBER Segment decreased to 2,009 employees for the fiscal year ended October 31, 2018 from 2,065 employees for the fiscal year ended October 31, 2017.

Expressed as a percentage of revenue, our personnel expenses increased to 26.6% for the fiscal year ended October 31, 2018 from 21.8% for the fiscal year ended October 31, 2017 as a result of the decrease of our revenue and increase in personnel expenses for the fiscal year ended October 31, 2018.

6.5.4.6 *Depreciation / Amortization*

Depreciation and amortization increased by € 97.3 million, or 203.3%, to € 145.1 million for the fiscal year ended October 31, 2018 from € 47.9 million from the fiscal year ended October 31, 2017. This increase was mainly due to extraordinary write-downs recognized in context of our Restructuring in an amount of € 89.3 million for the fiscal year ended October 31, 2018, which mainly consisted of losses from the impairment of goodwill, other intangible assets and property, plant and equipment, related primarily to our interests in HALLHUBER and our GERRY WEBER subsidiaries in Finland and Norway as well as shop fittings and software. Extraordinary write-downs recognized as part of depreciation and amortization amounted to € 3.4 million for the fiscal year ended October 31, 2017.

6.5.4.7 *Other Operating Expenses*

Other operating expenses increased by € 24.4 million, or 8.7%, to € 303.8 million for the fiscal year ended October 31, 2018 from € 279.3 million for the fiscal year ended October 31, 2017. Other operating expenses for the fiscal year ended October 31, 2018 included restructuring expenses of € 36.3 million, which were primarily attributable to store closures in our Retail GERRY WEBER Segment, including expenses for the dismantling and disposal of shop fittings and equipment. Rental expenses decreased by € 7.2 million, or 4.9%, to € 141.4 million for the fiscal year ended October 31, 2018 from € 148.6 million for the fiscal year ended October 31, 2017, primarily reflecting store closures in the previous year. Advertising and trade fairs expenses remained relatively stable at € 29.9 million the fiscal year ended October 31, 2018, compared to € 29.7 million for the fiscal year ended October 31, 2017. As a percentage of revenue, advertising and trade fair expenses amounted to 3.8% for the fiscal year ended October 31, 2018, compared to 3.4% for the fiscal year ended October 31, 2017. Collection development expenses declined slightly to € 4.4 million for the fiscal year ended October 31, 2018 from € 4.9 million for the fiscal year ended October 31, 2017. IT costs increased to € 19.0 million for the fiscal year ended October 31, 2018 from € 14.6 million for the fiscal year ended October 31, 2017.

6.5.4.8 Other Taxes

Other taxes decreased by € 0.2 million, or 15.9%, to € 1.0 million for the fiscal year ended October 31, 2018 from € 1.2 million for the fiscal year ended October 31, 2017.

6.5.4.9 Earnings before interest, taxes, depreciation and amortization (EBITDA)

Our earnings before interest, taxes, depreciation and amortization (EBITDA reported) decreased by € 105.2 million, or 180.9%, to € -47.0 million for the fiscal year ended October 31, 2018 from € 58.2 million for the fiscal year ended October 31, 2017. As a result, we recorded an EBITDA margin of -5.9% for the fiscal year ended October 31, 2018, compared to an EBITDA margin of 6.6% for the fiscal year ended October 31, 2017. This decrease was mainly due to extraordinary expenses of € 76.2 million for the fiscal year ended October 31, 2018. Our adjusted EBITDA, which does not take into account these extraordinary expenses, amounted to € 29.2 million for the fiscal year ended October 31, 2018, compared to adjusted EBITDA of € 63.9 million for the fiscal year ended October 31, 2017. Our adjusted EBITDA margin was 3.7% for the fiscal year ended October 31, 2018, compared to an adjusted EBITDA margin of 7.3% for the fiscal year ended October 31, 2017.

On a segment level, EBITDA in the Retail GERRY WEBER Segment decreased by € 77.1 million, to € -64.6 million for the fiscal year ended October 31, 2018 from € 12.5 million for the fiscal year ended October 31, 2017. EBITDA in the Wholesale GERRY WEBER Segment decreased by € 5.1 million, or 14.8%, to € 29.5 million for the fiscal year ended October 31, 2018 from € 34.6 million for the fiscal year ended October 31, 2017. EBITDA in the HALLHUBER Segment decreased by € 23.4 million, or 210.8%, to € -12.3 million for the fiscal year ended October 31, 2018 from € 11.1 million for the fiscal year ended October 31, 2017.

6.5.4.10 Operating result (EBIT)

Our operating result (EBIT) decreased by € 202.5 million to € -192.2 million for the fiscal year ended October 31, 2018 from an operating gain of € 10.3 million for the fiscal year ended October 31, 2017. As a result, we recorded an EBIT margin of -24.2% for the fiscal year ended October 31, 2018, compared to an EBIT margin of 1.2% for the fiscal year ended October 31, 2017. In total, extraordinary expenses, including extraordinary depreciation and amortization expenses, amounted to € 165.5 million for the fiscal year ended October 31, 2018. Our adjusted EBIT, which does not take into account these extraordinary expenses, amounted to € -26.7 million for the fiscal year ended October 31, 2018, compared to € 19.4 million for the fiscal year ended October 31, 2017. Our adjusted EBIT margin was -3.4% for the fiscal year ended October 31, 2018, compared to an adjusted EBIT margin of 2.2% for the fiscal year ended October 31, 2017.

Despite the successful implementation of our FIT4GROWTH program and resulting cost savings of around € 30.0 million since fiscal year 2016, our operating result (EBIT) declined significantly for the fiscal year ended October 31, 2018, mainly due to a further significant decline in demand in the fashion retail market, which affected the GERRY WEBER Core Businesses and which was not offset by our cost saving measures.

On a segment level, EBIT in the Retail GERRY WEBER Segment decreased by € 137.0 million to € -148.1 million for the fiscal year ended October 31, 2018 from € 11.1 million for the fiscal year ended October 31, 2017, as the majority of the extraordinary expenses (which for the entire Group amounted to € 138.6 million of provisions for restructuring measures, extraordinary write-downs and value adjustments for the fiscal year ended October 31, 2018) were attributable to the Retail GERRY WEBER Segment. EBIT in the Wholesale GERRY WEBER Segment decreased by € 7.2 million to € 16.8 million for the fiscal year ended October 31, 2018 from € 24.0 million for the fiscal year ended October 31, 2017. EBIT in the HALLHUBER Segment decreased by € 58.7 million to negative € 61.2 million for the fiscal year ended October 31, 2018 from € 2.5 million for the fiscal year ended October 31, 2017. This included depreciation and amortization of € 48.9 million for the fiscal year ended October 31, 2018 (fiscal year ended October 31, 2017: € 13.6 million), comprising primarily expansion-related ordinary write-downs of assets of € 17.4 million for the fiscal year ended October 31, 2018 (fiscal year ended October 31, 2017: € 13.6 million) as well as valuation adjustments of € 31.5 million for the fiscal year ended October 31, 2018.

6.5.4.11 Consolidated Net Profit/Loss for the Year

As a result of the above, our net loss increased by € 171.5 million to € 172.3 million for the fiscal year ended October 31, 2018 from € 0.8 million for the fiscal year ended October 31, 2017.

6.6 Consolidated Balance Sheet

The following table shows the consolidated balance sheets of the Group as of June 30, 2020, December 31, 2019, March 31, 2019, October 31, 2018 and October 31, 2017:

	As of				
(in € thousand)	**June 30, 2020**	**December 31, 2019**	**March 31, 2019**	**October 31, 2018**	**October 31, 2017**
	(unaudited)		*(audited)*		
Non-current assets:					
Intangible assets	18,313	20,136	23,369	148,620	229,890
Property, plant and equipment	75,824	80,474	90,152	205,172	272,924
Financial assets	228	221	340	415	2,082
Rights of use	222,619	236,024	0	–	–
Other non-current assets	–	–	–	96	151
Deferred tax assets	1,855	2,083	2,512	29,558	8,046
Total non-current assets	318,839	338,938	116,373	383,862	513,093
Current assets:					
Inventories	63,317	65,065	87,978	147,165	163,389
Trade receivables	20,342	14,715	37,785	37,123	49,239
Other assets	23,789	33,696	24,169	16,394	21,033
Income tax claims	855	1,324	1,795	3,407	6,575
Cash and cash equivalents	90,782	126,929	70,580	35,065	36,578
Total current assets	199,085	241,729	222,306	239,154	276,814
Assets classified as held for sale	–	0	36,211	18,473	0
Total assets	**517,924**	**580,667**	**374,890**	**641,490**	**789,907**
Equity:					
Subscribed capital	1,220	1,025	45,508	45,508	45,508
Capital reserve	685	10	102,387	102,387	102,387
Retained earnings	122	103	225,779	225,779	225,779
Accumulated other comprehensive income / loss according to IAS 39	–	–	–	445	(4,671)
Exchange differences	(2,435)	(2,054)	(2,082)	(2,458)	(2,506)
Accumulated profits / losses	88,159	122,358	(370,526)	(126,025)	46,252
Total equity	**87,751**	**121,442**	**1,065**	**245,635**	**412,749**
Non-current liabilities:					
Provisions for personnel	127	163	152	250	291
Other provisions	4,189	4,069	5,930	6,133	8,598
Financial liabilities	107,221	73,623	0	169,250	218,250
Liabilities from the rights of use	184,105	194,901	0	–	–
Other liabilities	–	0	3,259	3,454	3,617
Deferred tax liabilities	3,622	4,925	3,827	25,895	30,881
Total non-current liabilities	**299,264**	**277,680**	**13,168**	**204,983**	**261,637**
Current liabilities:					
Tax provisions	251	64	531	1,755	2,213
Provisions for personnel	11,511	7,090	12,335	13,782	12,217
Other provisions	20,549	31,552	36,915	61,983	10,056
Financial liabilities	30,162	74,187	221,105	57,755	10,844
Trade liabilities	17,867	14,090	33,722	39,911	51,858
Liabilities from rights of use	39,610	42,953	0	–	–
Other liabilities	10,959	11,609	21,837	15,686	28,334
Total current liabilities	**130,909**	**181,545**	**326,446**	**190,872**	**115,521**

(in € thousand)	June 30, 2020	December 31, 2019	March 31, 2019	October 31, 2018	October 31, 2017
	As of				
	(unaudited)		(audited)		
Liabilities directly associated with assets classified as held for sale.........	–	0	34,211	0	0
Total equity and liabilities	**517,924**	**580,667**	**374,890**	**641,490**	**789,907**

6.6.1 Comparison of June 30, 2020 and December 31, 2020

Our total assets decreased by € 62.7 million, or 10.8%, to € 517.9 million as of June 30, 2020 from € 580.7 million as of December 31, 2019.

Non-current assets decreased by € 20.1 million, or 5.9%, to € 318.8 million as of June 30, 2020 from € 338.9 million as of December 31, 2019. This decrease was mainly due to a decrease in rights of use from lease agreements, which decreased by € 13.4 million, or 5.7%, to € 222.6 million as of June 30, 2020, compared to € 236.0 million as of December 31, 2019, due to depreciation of the rights of use assets.

Current assets increased decreased by € 42.6 million, or 17.6%, to € 199.1 million as of June 30, 2020 from € 241.7 million as of December 31, 2019, mainly due to a decrease in cash and cash equivalents, which decreased by € 36.1 million, or 28.5%, to € 90.8 million as of June 30, 2020, from € 126.9 million as of December 31, 2019, primarily due to repayment of borrowings, investments and our operating loss for the six-month period ended June 30, 2020.

Due to accumulated profits of € 88.2 million as of June 30, 2020 (as of December 31, 2019: accumulated profits of € 122.4 million), our equity decreased by € 33.7 million, or 27.7%, to € 87.8 million as of June 30, 2020 from € 121.4 million as of December 31, 2019, corresponding to an equity ratio of 16.9% as of June 30, 2020 (as of December 31, 2019: 20.9%).

On the liability side, non-current liabilities increased by € 21.6 million, or 7.8%, to € 299.3 million as of June 30, 2020, from € 277.7 million as of December 31, 2019. This increase was mainly due to an increase in long-term financial liabilities, which increased by € 33.6 million, or 45.6%, to € 107.2 million as of June 30, 2020, compared to € 73.6 million as of December 31, 2019, as a result of individual agreements reached with a large number of insolvency creditors to defer their claims until December 31, 2023.

Current liabilities decreased by € 50.6 million, or 27.9%, to € 130.9 million as of June 30, 2020 from € 181.5 million as of December 31, 2019. This decrease was primarily caused by a decrease in short-term financial liabilities, which decreased by € 44.0 million, or 59.3%, to € 30.2 million as of June 30, 2020 from € 74.2 million as of December 31, 2019, due to individual agreements reached with a large number of insolvency creditors to defer their claims until December 31, 2023.

6.6.2 Comparison of December 31, 2019 and March 31, 3019

Our total assets increased by € 205.8 million, or 54.9%, to € 580.7 million as of December 31, 2019 from € 374.9 million as of March 31, 2019.

Non-current assets increased by € 222.6 million, or 191.3%, to € 338.9 million as of December 31, 2019, compared to € 116.4 million as of March 31, 2019. This increase was mainly due to rights of use from lease agreements, which were € 236.0 million as of December 31, 2019, compared to € 0.0 million as of March 31, 2019, due to the first-time adoption of the accounting standard IFRS 16.

Current assets increased by € 19.4 million, or 8.7%, to € 241.7 million as of December 31, 2019, compared to € 222.3 million as of March 31, 2019, mainly due to an increase of cash and cash equivalents, which increased by € 56.4 million, or 79.8%, to € 126.9 million as of December 31, 2019, from € 70.6 million as of March 31, 2019, and comprised of net cash provided by loans granted in the amount of € 34.2 million and proceeds from the capital increase in the amount of € 1.0 million, which were offset by net cash used for the repayment of liabilities for rights of use in the amount of € 29.0 million. The increase in cash and cash equivalents was partially offset by a decrease in inventories, which decreased by € 22.9 million, or 26%, to € 65.1 million as of December 31, 2019 from € 88.0 million as of March 31, 2019.

Due to accumulated profits of € 122.4 million as of December 31, 2019 (as of March 31, 2019: accumulated losses of € 370.5 million), our equity increased by € 120.4 million to € 121.4 million as of December 31, 2019, compared to € 1.1 million as of March 31, 2019, corresponding to an equity ratio of 20.9% as of December 31, 2019 (as of March 31, 2019: 0.3%).

On the liability side, non-current liabilities increased by € 264.5 million, to € 277.7 million as of December 31, 2019, from € 13.2 million as of March 31, 2019. This increase was mainly due to liabilities from rights of use from lease agreements of € 194.9 million resulting from the first-time adoption of the accounting standard IFRS 16, and non-current financial liabilities of € 73.6 million, which have not been recognized as of March 31, 2019, and were comprised of liabilities to insolvency creditors of € 39.4 million and loans from plan sponsors of € 34.2 million.

Current liabilities decreased by € 144.9 million, or 44.4%, to € 181.5 million as of December 31, 2019, compared to € 326.4 million as of March 31, 2019. This decrease was primarily caused by current financial liabilities, which decreased by € 146.9 million, from € 221.1 million as of March 31, 2019, to € 74.2 million as of December 31, 2019, due to the conclusion of the insolvency proceedings, which led to a de-recognition of insolvency liabilities, comprising of liabilities to note loan holders and bank loans. A major counter effect, resulted from rights of use in the amount of € 43.0 million as of December 31, 2019 resulting from the first-time adoption of the accounting standard IFRS 16 and relate to the portion of the obligation for which payments are expected in the following fiscal year.

6.6.3 Comparison of March 31, 3019 and October 31, 2018

Our total assets decreased by € 226.6 million, or 41.6%, to € 374.9 million as of March 31, 2019 from € 641.5 million as of October 31, 2018.

Non-current assets decreased by € 267.5 million, or 69.7%, to € 116.4 million as of March 31, 2019, compared to € 383.9 million as of October 31, 2018. This decrease was mainly due to a decrease in intangible assets, which decreased by € 125.3 million, or 84.3%, to € 23.4 million as of March 31, 2019, compared to € 148.6 million as of October 31, 2018, primarily due to extraordinary write-downs in context of impairment test, and a decrease in property, plant and equipment, which decreased by € 115.0 million, or 56.1%, to € 90.2 million as of March 31, 2019, compared to € 205.2 million as of October 31, 2018, primarily due to a revaluation of the logistic center "Ravenna Park".

Current assets decreased by € 16.8 million, or 7.0%, to € 222.3 million as of March 31, 2019, compared to € 239.2 million as of October 31, 2018. This decrease was mainly due to a decrease in inventories, which decreased by € 59.2 million, or 40.2%, to € 88.0 million as of March 31, 2019, compared to € 147.2 million as of October 31, 2018, primarily due to seasonal effects and lower revenue.

Due to accumulated losses of € 370.5 million as of March 31, 2019 (as of October 31, 2018: accumulated losses of € 126.0 million), our equity decreased by € 244.6 million, or 99.6%, to € 1.1 million as of March 31, 2019, compared to € 245.6 million as of October 31, 2018, corresponding to an equity ratio of 0.3% as of March 31, 2019 (as of October 31, 2018: 38.3%).

On the liability side, non-current liabilities decreased by € 191.8 million, or 93.6%, to € 13.2 million as of March 31, 2019 from € 205.0 million as of October 31, 2018. This decrease was mainly due to a reclassification of loans to the current liabilities because of exceptional rights of termination in the insolvency proceedings.

6.6.4 Comparison of October 31, 2018 and October 31, 2017

Our total assets decreased by € 148.4 million, or 18.8%, to € 641.5 million as of October 31, 2018 from € 789.9 million as of October 31, 2017, mainly attributable to a decrease of assets attributable to our Retail GERRY WEBER Segment, which decreased by € 73.0 million, or 20.4%, to € 285.7 million as of October 31, 2018, compared to € 358.7 million as of October 31, 2017.

Non-current assets decreased by € 129.2 million, or 25.2%, to € 383.9 million as of October 31, 2018 from € 513.1 million as of October 31, 2017. This decrease was due to a decrease of property, plant and equipment, which decreased by € 67.8 million, or 24.8%, to € 205.2 million as of October 31, 2018, compared to € 272.9 million as of October 31, 2017, attributable to store closures and related write-downs of shop fittings as well as the reclassification of the "Halle 29" property as an asset held for sale. Furthermore, a decrease of intangible assets was recorded, which decreased by € 81.3 million, or 35.4%, to € 148.6 million as of October 31, 2018, compared to € 229.9 million as of October 31, 2017. This decrease in intangible assets was mainly due to value adjustments on advance payments for IT projects and a reduction of the depreciation period for own shop fittings in leased areas for the remaining lease period and going forward to a period of ten years. Furthermore, a value adjustment for HALLHUBER and our subsidiaries in Finland and Norway of € 42.5 million, due to lower than expected results of these subsidiaries, impacted the decrease in intangible assets.

Current assets decreased by € 37.7 million, or 13.6%, to € 239.2 million as of October 31, 2018, compared to € 276.8 million as of October 31, 2017. This decrease was mainly due to a decrease in inventories, which decreased by € 16.2 million, or 9.9%, to € 147.2 million as of October 31, 2018, compared to € 163.4 million as of October 31, 2017, primarily due to store closures and impairment of old inventories.

Due to accumulated losses of € 126.0 million as of October 31, 2018 (as of October 31, 2017: accumulated profits of € 46.3 million), our equity decreased by € 167.1 million, or 40.5%, to € 245.6 million as of October 31, 2018, compared to € 412.7 million as of October 31, 2017, corresponding to an equity ratio of 38.3% as of October 31, 2018 (as of October 31, 2017: 52.3%).

On the liability side, non-current liabilities decreased by € 56.7 million, or 21.7%, to € 205.0 million as of October 31, 2018, from € 261.6 million as of October 31, 2017, mainly due to the reclassification of the deferred receivables of the promissory note lenders for the promissory note tranches due in November 2018 in the amount of € 31.0 million.

Current liabilities increased by € 75.4 million, or 65.2%, to € 190.9 million as of October 31, 2018, compared to € 115.5 million as of October 31, 2017. This increase was mainly due to an increase in provisions recognized in connection with our Restructuring. The current provisions increased to € 77.5 million as of October 31, 2018 from € 24.5 million as of October 31, 2017.

6.7 Liquidity and Capital Resources

We are financing our on-going activities predominantly from operating cash flows and by drawing down loans from financial institutions.

6.8 Consolidated Cash Flows

The following table shows our consolidated cash flows from operating activities, cash flows from current operating activities (which in addition to cash flows from operating activities reflects income from loans, interest received, incidental bank charges and interest paid), cash flows from investing activities, cash flows from financing activities and changes in cash and cash equivalents for the six-month period ended June 30, 2020 and 2019, the short fiscal years ended December 31, 2019 and March 31, 2019 and the fiscal years ended October 31, 2018 and 2017 as well as our cash and cash equivalents at the beginning and at the end of each fiscal year:

	Six-month period from		Short fiscal year from		Fiscal year from	
Consolidated Cash Flow Statement (in € thousand)	**January 1, 2020 to June 30, 2020**	**January 1, 2019 to June 30, 2019**	**April 1, 2019 to December 31, 2019[(1)]**	**November 1, 2018 to March 31, 2019[(1)]**	**November 1, 2017 to October 31, 2018**	**November 1, 2016 to October 31, 2017**
	(unaudited)		*(audited)*			
Cash flows from operating activities	2,994	65,511	63,499	15,025	25,045	47,170
Cash flows from current operating activities	2,023	62,951	55,520	13,438	18,941	40,501
Cash flows from investing activities	(1,979)	(3,251)	(7,730)	31,969	(18,365)	(12,524)
Cash flows from financing activities	(44,310)	(21,134)	6,247	0	(3,000)	(47,139)
Changes in cash and cash equivalents...................................	(44,266)	38,566	54,037	45,407	(2,424)	(19,162)
Cash and cash equivalents at the beginning of the fiscal year	126,929	55,996	74,568	29,162	31,586	50,747
Cash and cash equivalents at the end of the fiscal year	82,282	94,866	126,929	74,568	29,162	31,586

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

6.8.1 Cash Flows from Operating Activities

Cash inflows from operating activities decreased by € 62.5 million, or 95.4%, to € 3.0 million for the six-month period ended June 30, 2020 from € 65.5 million for the six-month period ended June 30, 2019, mainly due to our operating loss from continuing activities of € 27.3 million for the six-month period ended June 30, 2020 (six-month period ended June 30, 2019: € 122.9 million). This was offset by depreciation and amortization of € 26.3 million for the six-month period ended June 30, 2020 (six-month period ended June 30, 2019: € 247.2 million). Cash inflows from current operating activities (which in addition to cash inflows from operating activities reflects interest received, incidental bank charges and interest paid) decreased by € 60.9 million, or 96.8%, to € 2.0 million for the six-month period ended June 30, 2020 from € 63.0 million for the six-month period ended June 30, 2019.

Cash inflows from operating activities increased by € 48.5 million, or 322.6%, to € 63.5 million for the short fiscal year ended December 31, 2019 from € 15.0 million for the short fiscal year ended March 31, 2019, mainly due to our operating profit from continuing activities of € 130.0 million for the short fiscal year ended December 31, 2019 (short fiscal year ended March 31, 2019: operating loss from continuing activities of € 130.1 million). This was offset by non-cash restructuring losses of € 167.6 million for the short fiscal year ended December 31, 2019, while there was no such loss recorded in the short fiscal year ended March 31, 2019. Depreciation and amortization for the short fiscal year ended December 31, 2019 amounted to € 48.5 million (short fiscal year ended March 31, 2019: € 227.7 million). Cash inflows from current operating activities (which in addition to cash inflows from operating activities reflects income from loans, interest received, incidental bank charges and interest paid) increased by € 42.1 million, or 313.1%, to € 55.5 million for the short fiscal year ended December 31, 2019 from € 13.4 million for the fiscal year ended March 31, 2019.

Cash inflows from operating activities decreased by € 10.0 million, or 40.0%, to € 15.0 million for the short fiscal year ended March 31, 2019 from € 25.0 million for the fiscal year ended October 31, 2018, mainly due to our operating loss from continuing activities of € 130.1 million for the short fiscal year ended March 31, 2019 (fiscal year ended October 31, 2018: € 131.0 million) and our operating loss from discontinued operations of € 105.4 million for the short fiscal year ended March 31, 2019 (fiscal year ended October 31, 2018: € 61.2 million). This was offset by depreciation and amortization of € 227.7 million for the short fiscal year ended March 31, 2019 (fiscal year ended October 31, 2018: € 145.1 million) and a decrease in inventories of € 46.8 million for the short fiscal year ended March 31, 2019 (fiscal year ended October 31, 2018: € 16.2 million). Cash inflows from current operating activities (which in addition to cash inflows from operating activities reflects income from loans, interest received, incidental bank charges and interest paid) decreased by € 5.5 million, or 29.1%, to € 13.4 million for the short fiscal year ended March 31, 2019 from € 18.9 million for the fiscal year ended October 31, 2018.

Cash inflows from operating activities decreased by € 22.1 million, or 46.9%, to € 25.0 million for the fiscal year ended October 31, 2018 from € 47.2 million for the fiscal year ended October 31, 2017, mainly due to our operating result, which changed to an operating loss of € 192.2 million for the fiscal year ended October 31, 2018 from an operating profit of € 10.3 million for the fiscal year ended October 31, 2017. This was offset by depreciation and amortization of € 145.1 million for the fiscal year ended October 31, 2018 (fiscal year ended October 31, 2017: € 47.9 million) and an increase in provisions of € 51.0 million for the fiscal year ended October 31, 2018 (fiscal year ended October 31, 2017: a decrease in provisions of € 11.5 million). Cash inflows from current operating activities (which in addition to cash inflows from operating activities reflects income from loans, interest received, incidental bank charges and interest paid) decreased by € 21.6 million, or 53.2%, to € 18.9 million for the fiscal year ended October 31, 2018 from € 40.5 million for the fiscal year ended October 31, 2017.

6.8.2 Cash Flows from Investing Activities

Cash outflows from investing activities for the six-month period ended June 30, 2020 were € 2.0 million compared to € 3.3 million for the six-month period ended June 30, 2019, and consisted in both periods of cash outflows for investments in property, plant, equipment and intangible assets.

Cash outflows from investing activities for the short fiscal year ended December 31, 2019 were € 7.7 million compared to a cash inflow of € 32.0 million for the short fiscal year ended March 31, 2019, mainly due to lower proceeds from the disposal of property, plant and equipment, which amounted to € 0.5 million for the short fiscal year ended December 31, 2019 as compared to € 36.0 million for the short fiscal year ended March 31, 2019. Cash outflows for investments in property, plant and equipment and intangible assets amounted to

€ 8.3 million for the short fiscal year ended December 31, 2019, compared to € 4.1 million for the fiscal year ended March 31, 2019.

Cash inflows from investing activities for the short fiscal year ended March 31, 2019 were € 32.0 million, compared to cash outflows of € 18.4 million for the fiscal year ended October 31, 2018. Cash flows from investing activities for the short fiscal year ended March 31, 2019 included a cash inflow of € 36.0 million from the disposal of the property "Halle 29", while there was no such cash inflow for the fiscal year ended October 31, 2018. Cash outflows for investments in property, plant and equipment and intangible assets amounted to € 4.1 million for the short fiscal year ended March 31, 2019, compared to € 18.9 million for the fiscal year ended October 31, 2018.

Cash outflows for investing activities increased by € 5.8 million, or 46.6%, to € 18.4 million for the fiscal year ended October 31, 2018 from € 12.5 million for the fiscal year ended October 31, 2017. Cash flows from investing activities for the fiscal year ended October 31, 2017 included a cash inflow of € 49.1 million from the disposal of the investment property "Halle 30", while there was no such cash inflow for the fiscal year ended October 31, 2018. Also cash outflows for the acquisition of fully consolidated companies less cash and cash equivalents acquired decreased to € 3.2 million for the fiscal year ended October 31, 2018, compared to € 23.9 million for the fiscal year ended October 31, 2017. A further effect resulted from reduced cash outflows for investments in property, plant and equipment and intangible assets, which amounted to € 18.9 million for the fiscal year ended October 31, 2018, compared to € 38.2 million for the fiscal year ended October 31, 2017.

6.8.3 Cash Flows from Financing Activities

Cash outflows from financing activities increased by € 23.2 million, or 109.7%, to € 44.3 million for the six-month period ended June 30, 2020 from € 21.1 million for the six-month period ended June 30, 2019, primarily caused by decreased cash outflows for the repayment of bank loans. Cash outflows from financing activities for the six-month period ended June 30, 2020 included cash outflows of € 10.9 million for repayment of insolvency liabilities and of € 11.8 million for repayment of loans from the plan sponsors, while there were no such cash outflows for the six-month period ended June 30, 2019.

Cash inflows from financing activities were € 6.2 million for the short fiscal year ended December 31, 2019, while there was no such cash inflow recorded in the short fiscal year ended March 31, 2019. The cash inflow from financing activities mainly resulted from our senior secured term loan facility of € 34.2 million, which was offset by a cash outflow resulting from the repayment of liabilities from rental and lease agreements of € 29.0 million.

We had no cash flows from financing activities for the short fiscal year ended March 31, 2019, compared to cash outflows of € 3.0 million for the fiscal year ended October 31, 2018 for the repayment of bank loans.

Cash outflows for financing activities decreased by € 44.1 million, or 93.6%, to € 3.0 million for the fiscal year ended October 31, 2018 from € 47.1 million for the fiscal year ended October 31, 2017, primarily caused by decreased cash outflows for the repayment of bank loans. While for the fiscal year ended October 31, 2017 repayment of bank loans led to cash outflows of € 30.7 million, such cash outflows for the fiscal year ended October 31, 2018 were € 3.0 million. Furthermore, cash outflows for financing activities for the fiscal year ended October 31, 2017 included cash outflows of € 16.4 million relating to dividend payments and the acquisition of treasury shares, while there were no such cash outflows for the fiscal year ended October 31, 2018.

6.9 Financial Liabilities

Following the conclusion of the insolvency proceedings over the Company as of December 31, 2019, our financial liabilities consist primarily of (i) term facilities in an aggregate amount of up to € 22,350,586.21 (the "**Term Facilities**"), (ii) a revolving credit facility in an aggregate amount of up to € 17,500,000 (the "**Revolving Credit Facility**" and, together with the Term Facilities, the "**Financing Facilities**"), (iii) bonds in an aggregate nominal amount of € 5,148,000, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 1,000 each (the **"€ 1,000 Straight Bonds"**), bonds in an aggregate nominal amount of € 24,979,500, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650 each (the "€ **650 Straight Bonds**"), (iv) convertible bonds in an aggregate nominal amount of € 1,192,750, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650.00 each (the "**Convertible Bonds**") and (v) claims of insolvency creditors of up to € 29,197,500,59 deferred by agreement between the Company and the insolvency creditors. The Financing Facilities are required to be repaid in full at the latest on December 31, 2023, and the Straight Bonds and the Convertible Bonds will mature on the same date. For a description of the terms of the Financing Facilities, the € 1,000 Straight Bonds, the € 650 Straight Bonds and the Convertible Bonds, please see

"*9.1 Material Contracts—Financing Agreements*", "*9.2 Material Contracts—€ 1000 Straight Bonds*", "*9.3 Material Contracts—€ 650 Straight Bonds*" and "*9.4 Material Contracts—Convertible Bonds*".

6.10 Investments

Our investments reflect our level of capital expenditures, which we define as investments in non-current assets. The main source of funding for our historic and on-going investments has been, and is, cash generated from the cash flows from operating activities and, as required, external borrowings.

6.10.1 Recent and On-going Investments

For the period from July 1, 2020 up to the date of this Prospectus, our investments amounted to € 0.1 million. On a segment level, € 89 thousand related to investments attributable to our Retail GERRY WEBER Segment and € 36 thousand to investments attributable to our Wholesale GERRY WEBER Segment. The main part of our investments for the period from July 1, 2020 to the date of this Prospectus related to investments in Germany (€ 83 thousand), while € 42 thousand related to investments abroad.

As of the date of this Prospectus, our material investments that are in progress are expected to amount to an aggregate of approximately € 5.5 million for 2020 to 2023. On a segment level, approximately € 2.7 million relate to investments attributable to our Retail GERRY WEBER Segment and approximately € 2.8 million to investments attributable to our Wholesale GERRY WEBER Segment. The main part of these investments relates to investments in Germany (€ 5.3 million), while € 0.1 million related to investments abroad. Our planned investments for which firm commitments have already been made are expected to amount in the aggregate to approximately € 2.8 million for the years 2020 to 2023. The main part of these investments relates to investments in Germany (€ 2.6 million), while € 0.2 million relates to investments abroad. We are financing our investments from cash flows provided by our operating activities.

6.10.2 Investments for the six-month period ended June 30, 2020, the short fiscal years ended December 31, 2019 and March 31, 2019 and the fiscal years ended October 31, 2018 and 2017

For the six-month period ended June 30, 2020, capital expenditures amounted to € 2.0 million. On a segment level, € 1.1 million related to capital expenditures attributable to our Retail GERRY WEBER Segment and € 0.9 million to capital expenditures attributable to our Wholesale GERRY WEBER Segment.

For the short fiscal year ended December 31, 2019, capital expenditures amounted to € 4.6 million. On a segment level, € 2.6 million related to capital expenditures attributable to our Retail GERRY WEBER Segment and € 2.0 million to capital expenditures attributable to our Wholesale GERRY WEBER Segment. In geographic terms, the substantial majority of our capital expenditures in our Retail GERRY WEBER Segment and our Wholesale GERRY WEBER Segment for the short fiscal year ended December 31, 2019 related to investments in Germany.

For the short fiscal year ended March 31, 2019, capital expenditures amounted to € 3.3 million. On a segment level, € 1.7 million related to capital expenditures attributable to our Retail GERRY WEBER Segment and € 1.5 million to capital expenditures attributable to our Wholesale GERRY WEBER Segment. In geographic terms, the substantial majority of our capital expenditures for the short fiscal year ended March 31, 2019 related to investments in Germany.

For the fiscal year ended October 31, 2018, capital expenditures amounted to € 18.9 million. On a segment level, € 6.8 million related to capital expenditures attributable to our Retail GERRY WEBER Segment, € 8.7 million to capital expenditures attributable to our Wholesale GERRY WEBER Segment and € 3.4 million to capital expenditures attributable to our HALLHUBER Segment. The main part of our capital expenditures for the fiscal year ended October 31, 2018 related to investments in Germany (€ 17.5 million), while € 1.4 million related to investments abroad.

For the fiscal year ended October 31, 2017, capital expenditures amounted to € 38.2 million. On a segment level, € 13.5 million related to capital expenditures attributable to our Retail GERRY WEBER Segment, € 16.5 million to capital expenditures attributable to our Wholesale GERRY WEBER Segment and € 8.2 million to capital expenditures attributable to our HALLHUBER Segment. The main part of our capital expenditures for the fiscal year ended October 31, 2017 related to investments in Germany (€ 35.8 million), while € 2.4 million related to investments abroad.

6.11 Off-Balance Sheet Arrangements

We are not party to any off-balance sheet arrangements.

6.12 Quantitative and Qualitative Disclosure of Market Risks

As a result of our international activities, we are exposed to a number of market risks. These include, in particular, the effects of changes in exchange rates and interest rates. Our risk management system is geared to reducing risks.

Our Managing Board defines the general risk management guidelines and thus determines the general approach to hedging exchange rate and interest rate risks and the use of derivative financial instruments.

6.12.1 Exchange rate risk

We are exposed to exchange rate risks relating to different foreign currencies, especially the U.S. dollar and the British pound.

Sensitivity analyses were performed to quantify the exchange rate risk. This is done on the basis of a hypothetical 5% change in the exchange rate.

The tables below show the pre-tax effect including the exchange rate hedges as of December 31, 2019:

December 31, 2019 (in € thousand)	**Cash inflows**	**Cash outflows**	**Net amount**	**Absolute effect of a +5% change in the exchange rate**
USD	937	-6,673	-5,737	-273
GBP	360	0	360	-17

6.12.2 Counterparty risk

We are exposed to default risks on financial assets (loans, receivables and other assets), invested cash and cash equivalents and positive fair values of derivatives. The creditworthiness of counterparties to financial assets is monitored by the accounting system. In addition, *del credere* cover is provided by insurers and other parties such as central regulators. As a general rule, money transactions and financial instruments are signed only with a defined group of banks of excellent credit standing. The creditworthiness of these banks is monitored continuously and classified using quantitative and qualitative factors.

6.12.3 Liquidity risk

Liquidity risks may arise from the lack of available follow-up financing (liquidity risk in the narrower sense) as well as from delays in planned cash inflows and unplanned payments (plan risk). The liquidity risk is monitored continuously on the basis of the budget prepared for the budget year and the following years. New and unplanned business transactions (*e.g.* acquisitions) are incorporated continuously. In addition, the maturity profiles of financial assets and liabilities are matched regularly. Plan risks are managed through constant monitoring of projected and actual cash flows.

In the course of our insolvency proceedings with debtor-in-possession status, our liquidity situation was closely monitored. This is continued after the conclusion of our insolvency proceedings. The conclusion of our insolvency proceedings moreover led to a reduction in debt. Our debt, restructured as a result of the insolvency plan, will mainly have to be refinanced by December 31, 2023. As of the balance sheet date of December 31, 2019, there were uncertainties regarding the exercise of the settlement options granted to the insolvency creditors (cash quota or bonds). These options were exercised during the preparation of the consolidated financial statements.

6.12.4 Interest rate risk

Interest rate risks primarily relate to interest-bearing financial liabilities. There were no such liabilities as of the balance sheet date of December 31, 2019.

Sensitivity analyses are performed to quantify the interest rate risk. As of the previous year's reporting date of March 31, 2019, a +100 / −30 bps shift in the yield curve was assumed to ensure that realistic scenarios are used for the analysis of the interest rate sensitivities.

Variable interest rate liabilities of € 23,750 as of March 31, 2019 were included in the analysis. The pre-tax effect on consolidated net income for the year is shown:

(in € thousand)	As of December 31, 2019		As of March 31, 2019	
	+100 bps	-30 bps	+100 bps	-30 bps
Cash flow risks	0	0	405	-149

6.13 Significant Accounting Policies and Critical Judgments, Estimates and Assumptions

The preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities for future periods. On an on-going basis, management evaluates our estimates, assumptions and judgments.

Management bases its assumptions and estimates on parameters available when our consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond our control. Such changes are reflected in the assumptions when they occur. As a result, such changes in these circumstances or assumptions may affect the results presented in our consolidated financial statements.

6.13.1 Impairment of non-financial assets

When testing intangible assets, especially of goodwill and property, plant and equipment of the company-managed retail stores, certain basic assumptions were made with regard to the recoverable amount. Within this framework, the expected cash flows for the impairment tests are derived from planned budgets for the cash-generating units or groups of cash-generating units and discounted. Management assumes that the assumptions and estimates on which the discounted cash flows are based are adequate. Changes in the economic conditions and the sector-specific growth assumptions may, however, have an impact on the impairment tests that may lead to impairment in future.

6.13.2 Provisions

We operate in numerous countries, where we are exposed to the most diverse conditions. Due to the complexity of the international rules and regulations, it is possible that deviations between the actual events and the assumptions made and / or changes in such assumptions require future adjustments of the provisions recognized in the balance sheet. Provisions are established for the potential effects of individual facts based on reasonable estimates. Potential differences between the original estimate and the actual outcome may have an impact on our net worth, financial and earnings position in the respective period.

6.13.3 Inventories

To account for inventory risks, inventories are written down to the expected lower sales proceeds less selling expenses.

6.13.4 Write-downs of receivables

The recoverability of trade receivables is assessed on the basis of the estimated probability of default. Overdue receivables are written down using individually determined percentage rates. If the financial situation of a customer deteriorates, the amount of the actually required derecognition may exceed the write-downs, which may have an adverse impact on the earnings position.

6.14 Additional Information Relating to the German GAAP (German Generally Accepted Accounting Principles; HGB) Audited Unconsolidated Financial Statements of the Company for the Short fiscal year ended December 31, 2019

Some information from the Audited Unconsolidated Financial Statements of the Company prepared in accordance with the HGB as of and for the short fiscal year ended December 31, 2019 is presented below. Such financial statements are included on pages F-285 et seqq. in the section "*16. Financial Information*". The accounting principles set forth in the HGB may differ from IFRS in material respects.

The short fiscal year ended March 31, 2019 comprised five months, due to the opening of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO as of April 1, 2019, which required us to prepare consolidated financial statements. The short fiscal year ended December 31, 2019 comprised nine months, due to the conclusion of the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as of December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements.

For the short fiscal year ended December 31, 2019, the Company generated revenue of € 148.1 million, as compared to revenue of € 116.1 million for the short-fiscal year ended March 31, 2019.

Net income for the short fiscal year ended December 31, 2019 was € 67.2 million, compared to a net loss of € 312.0 million for the short fiscal year ended March 31, 2019.

Accumulated profits for the short fiscal year ended December 31, 2019 amounted to € 63.7 million, compared to accumulated losses of € 367.9 million for the short fiscal year ended March 31, 2019.

Equity amounted to € 64.9 million as of December 31, 2019, compared to € 0.0 million as of March 31, 2019. Total assets as of December 31, 2019 amounted to € 301.1 million, as compared to € 292.0 million as of March 31, 2019.

7. MARKETS AND COMPETITION

7.1 Markets

7.1.1 Introduction

We are a vertically integrated fashion and lifestyle group operating in the modern classic mainstream and the modern woman fashion segments of the women's apparel market in Germany and in more than 60 countries worldwide. Our main focus is on the women aged 50+ years ("**best ager**") market. We currently operate three brands, which collectively serve a broad target group of women aged between 40+ and 50+ years: GERRY WEBER, TAIFUN and SAMOON. Our brands are established brands in the German and other European women's apparel markets as well as in Russia and the Middle East, offering high-quality fashion, accessories and lifestyle products for demanding, stylish and quality-conscious customers. Our products include, among others, trousers, dresses, skirts, jackets, coats, t-shirts, knitwear, blouses, blazers, and accessories. Our GERRY WEBER brand family and SAMOON brand are positioned at the upper end and our TAIFUN brand is positioned at the mid-point of the mid-price segment.

The most important geographic market for us is Germany. The per capita spending on clothing in Germany exceeds the average per capita spending in Europe.

In our Retail GERRY WEBER Segment, we sell apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON directly to consumers via our own retail stores (including outlet stores), concession stores and our own online shops. In our Wholesale GERRY WEBER Segment, we distribute apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON to our wholesale partners that sell our products to their customers at their POS, and we sell our apparel and accessories through third-party online marketplaces such as Otto, Amazon or Zalando.

The demand for apparel in our target markets is materially dependent on the overall economic conditions globally and in these markets as well as the associated consumer behaviour. Apparel is generally a consumer discretionary item and thus its sales are more dependent on the availability of disposable income and the willingness of our target customer group to spend money on apparel. Factors influencing consumer spending include the level of employment, inflation, disposable income, interest rates, availability of consumer financing, as well as consumer perception of the overall economic condition and their own economic prospects.

7.1.2 Macroeconomic Environment

In this section we discuss selected macroeconomic factors that have an impact on the apparel market.

7.1.2.1 GDP development

German GDP on a price, seasonally and calendar adjusted basis grew by 0.6% in 2019, following growth of 1.3% in 2018 and 2.9% in 2017 (*source*: Federal Statistical Office of Germany, National Accounts: Gross Domestic Product since 1970, Quarterly and Annual Results, 2nd Quarter 2020). GDP growth in 2019 was mainly supported by consumption expenditure. Gross fixed capital formation increased substantially. German exports continued to increase in 2019, though at a slower pace than in the previous years. On the production side of the GDP, there were two different economic trends in 2019. On the one hand, the service sector and the construction industry recorded mainly high growth rates. On the other hand, industry (not including construction) saw an economic slump (*source*: Federal Statistical Office of Germany, Press Release No. 18, January 15, 2020). German GDP on a price, seasonally and calendar adjusted basis decreased by 9.7% in the second quarter of 2020, following a decrease of 2.0% in the first quarter of 2020 (*source*: Federal Statistical Office of Germany, National Accounts: Gross Domestic Product since 1970, Quarterly and Annual Results, 2nd Quarter 2020). The decline in the second quarter of 2020 was the largest decline since the beginning of quarterly GDP calculations for Germany in 1970. It was much larger than during the financial market and economic crisis (-4.7% in first quarter of 2009). In the second quarter of 2020 a massive slump was recorded for exports and imports of goods and services as well as for household final consumption expenditure and capital formation in machinery and equipment. General government, however, raised its final consumption expenditure during the crisis (*source*: Federal Statistical Office of Germany, Press Release No. 323, August 25, 2020).

In the EU excluding the UK, GDP in real terms grew by 1.5% in 2019, 2.1% in 2018 and 2.8% in 2017 (*source*: Eurostat, Real GDP growth rate - volume). In the second quarter 2020, which was marked by COVID-19 containment measures in most EU member states, seasonally adjusted GDP decreased by 11.9% in the EU, compared with the previous quarter. This was by far the sharpest decline observed since the time series started in 1995. In the first quarter of 2020, GDP had decreased by 3.2% in the EU (*source*: Eurostat, News Release 121/2020, July 31, 2020).

7.1.2.2 *Unemployment rates*

The unemployment rate in Germany was 3.2% in 2019, 3.4% in 2018 and 3.8% in 2017 (*source*: Eurostat, EU Labour Force Survey, Total Unemployment Rate). The unemployment rate in Germany was estimated to have risen to 4.4% in July 2020 (*source*: Eurostat, Unemployment Statistics, Monthly Data).

In the EU excluding the UK, the unemployment rate was 6.7% in 2019, 7.2% in 2018 and 8.1% in 2017 (*source*: Eurostat, EU Labour Force Survey, Total Unemployment Rate). The unemployment rate in the EU excluding the UK rose to 7.2% in July 2020 (*source*: Eurostat, Unemployment Statistics, Monthly Data).

7.1.2.3 *Consumer confidence*

After having been on an upward trend for several years, consumer sentiment in Germany stagnated in February 2020 (*source*: GfK Press Release, February 20, 2020). In March 2020, the significant increase in the number of coronavirus infections in Germany and the accompanying measures and restrictions imposed on consumers caused the consumer climate to collapse. As a result, GfK forecasted a drop in its consumer climate index for April 2020 to the lowest level since May 2009. Economic expectations fell to the lowest level since August 2012. As a result of the wide spread of the coronavirus and the associated restrictions, economic activity came to an almost complete standstill in many sectors. Worries over job losses increased significantly in a short period of time. Income expectations also saw heavy losses, falling to their lowest level since March 2013. Propensity to buy also saw drastic losses, falling to its lowest level since June 2013 (*source*: GfK Press Release, March 26, 2020). Consumer sentiment in Germany reached an all-time low in April 2020. The COVID-19 pandemic and the measures introduced to contain the coronavirus affected consumer sentiment in Germany significantly. Income expectations and propensity to buy were in freefall. Consumers assumed that Germany would sink into a deep recession as a result of the COVID-19 pandemic. Uncertainty among consumers was enormous. In addition to actual income losses already suffered, anxieties over job losses increased massively among many workers. This inhibited consumption significantly (*source*: GfK Press Release, April 23, 2020). In May and June 2020, consumer sentiment in Germany was in the process of recovering from the shock of the COVID-19 pandemic in light of the reopening of the German economy and society. Economic and income expectations, as well as propensity to buy, were rising. Nevertheless, the consumer climate values recorded by GfK for May and June 2020 were the second-lowest and third-lowest values ever recorded in Germany (*source*: GfK Press Release, May 27, 2020; GfK Press Release, June 25, 2020). As of late July 2020, German consumers were gradually putting the COVID-19 pandemic shock behind them. While economic expectations once again gained slightly, income expectations and the propensity to buy saw significant increases for the third consecutive time (*source*: GfK Press Release, July 23, 2020). Expectations for a rapid recovery in the consumer climate in Germany were dealt a significant blow in August 2020. While economic expectations and propensity to buy showed marginal gains, income expectations fell sharply (*source*: GfK Press Release, August 28, 2020). Following the clear downturn in August 2020, the overall consumer climate in Germany was almost unchanged in September 2020, with income and economic expectations rising, while propensity to buy dropped (*source*: GfK Press Release, September 23, 2020).

Consumer confidence in the EU was on an upward trend from 2013 to 2017, declined in 2018, and remained relatively stable above its long-term average in 2019. Consumer confidence in the EU plummeted in March and April 2020. The indicator fell far below its long-term average and came close to the record lows recorded during the Great Recession in 2009. Consumer confidence in the EU recovered somewhat in May and June 2020, but as of September 2020 remained well below its long-term average (*source*: European Commission, Flash Consumer Confidence Indicator for EU and Euro Area, September 2020).

7.1.2.4 *Disposable income*

The adjusted gross disposable income of households per capita increased in Germany from € 28,456 in 2017 to € 29,258 in 2018 (*source*: Eurostat Database, Adjusted gross disposable income of households per capita). In the EU excluding the UK, adjusted gross disposable income of households per capita grew from € 21,951 in 2017 to € 22,631 in 2018 and € 23,383 in 2019 (*source*: Eurostat Database, Adjusted gross disposable income of households per capita).

7.1.3 Relevant Trends in the Apparel Market in Europe and Germany

The overall apparel market in Europe comprises the sale of women's, men's and children's clothing and accessories. The women's clothing market segments usually comprise active wear, casual wear, essentials, formal wear, formal wear-occasion and outer wear. Accessories comprise fashion items such as belts, hats, ties and other items, which complement the outfit. Footwear is typically excluded and is treated as a separate market.

We identified the following trends in the apparel market as particularly relevant to the best ager segment.

7.1.3.1 Demographic Shift and Increase of Purchasing Power in the Best Ager Market

The ongoing demographic shift in Germany is in our opinion characterized by three major trends: a low birth rate, increasing life expectancy and an aging society. We expect that these trends will lead to dominance of the best ager segment among the female population by 2030 (*source*: management analysis based on data from the Federal Statistical Office of Germany).

The percentage of the female best ager segment in relation to the overall female population is expected to increase from 46.8% in 2019 to 47.8% in 2030. The number of female best agers is expected to increase from approximately 19.7 million in 2019 to approximately 20.1 million in 2030 (*source*: management analysis based on data from the Federal Statistical Office of Germany).

The purchasing power in the German best ager market is expected to increase (*source*: GfK Press Release, February 20, 2020). Accordingly, we expect growth in the German women's apparel market to be driven by the best ager segment.

7.1.3.2 Increased Online Purchases by Best Agers

Internet retailing's share of total retail sales volume in Germany has steadily grown over the last 20 years, from 0.3% in 2000 to 4.7% in 2010 and 10.9% in 2019. The aggregate sales volume from internet retailing in Germany grew from € 1.6 billion in 2001 to € 20.2 billion in 2010 and € 59.2 billion in 2019. The annual rate of growth in eCommerce revenue in Germany, after having been on a downward trajectory for eight years, during which it fell from 29.5% in 2010 to 9.1% in 2018, increased to 11.0% in 2019 (*source*: HDE Online Monitor 2020).

Fashion and accessories is the largest category of products purchased online, accounting for € 14.6 billion, or 24.7%, of the total eCommerce revenue in Germany in 2019. The growth in online fashion and accessories sales has been at the expense of stationary sales. While online sales of fashion and accessories in Germany grew by € 1.3 billion, or 10.1%, in 2019 compared to 2018, offline sales of fashion and accessories fell by € 0.5 billion, or 1.4%, during the same period. As a percentage of total fashion and accessories sales in Germany, eCommerce's share increased from 27.7% in 2018 to 30.0% in 2019 (*source*: HDE Online Monitor 2020).

Because most people in younger age groups have been online shoppers for many years, the number of online shoppers is now mostly growing in the age group 60 and older. The number of online shoppers aged 60+ increased by 6.0% in 2019 compared to 2018 (*source*: HDE Online Monitor 2020).

7.2 Competition

There is a large number of competitors in the German apparel market. In the women's apparel market, German apparel retailers can also be divided by price segments (discount segment, value segment, mid-price segment and upper/premium segment). Our GERRY WEBER brand family and SAMOON brand are positioned at the upper end and our TAIFUN brand is positioned at the midpoint of the mid-price segment.

By target customers, German women's apparel retailers can be divided into retailers targeting young agers (15-25 years), mid agers (25-50 years) and best agers (50+ years). While we are also target women aged between 40 and 50 years in the mid agers segment, we believe we are a leading fashion retailer in the best ager segment, with little competition of the same scale and same high brand recognition. Our main larger competitors in the best ager segment are brands such as Betty Barclay, Comma, s.Oliver black, Frank Walder and Bonita. Our remaining direct competitors in the best ager sub-segment of the modern classic mainstream segment are rather smaller companies, whereas most larger, international competitors either primarily target younger customer groups or compete in different price segments. We believe that our global reach, multi-channel distribution, high brand recognition and brand positioning in the women's best ager sub-segment of the modern classic mainstream segment of the women's apparel market provide us with a competitive advantage over our competitors.

8. BUSINESS DESCRIPTION

By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (Insolvenzverfahren in Eigenverwaltung) pursuant to § 270 seq. InsO. Pursuant to § 155(2) InsO a new financial year begins with the opening of insolvency proceedings, which required us to prepare consolidated financial statements for the short fiscal year ended March 31, 2019. Furthermore, by resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration (Insolvenzverfahren in Eigenverwaltung) with effect as from December 31, 2019 pursuant to § 258 InsO, which required us to prepare consolidated financial statements for the short fiscal year ended December 31, 2019. The short fiscal year ended March 31, 2019 comprised 5 months, and the short fiscal year ended December 31, 2019 comprised 9 months, while the fiscal years ended October 31, 2017 and October 31, 2018 each comprised 12 months. Due to the different lengths of our fiscal years, our financial statements as of and for the short fiscal year ended March 31, 2019 and the fiscal year ended October 31, 2018 as well as our financial statements as of and for the short fiscal years ended March 31, 2019 and December 31, 2019 are only comparable to a limited extent.

8.1 Overview

We are a vertically integrated fashion and lifestyle group operating in the modern classic mainstream and the modern woman fashion segments of the women's apparel market in Germany, and in more than 60 countries worldwide. We believe we are a leading fashion retailer in the growing demographic sub-segment of women aged 50+ years ("**best ager**") in the markets in which we operate, with little competition of the same scale and high brand recognition. We currently operate three brands, which collectively serve a broad target group of women aged between 40+ and 50+ years: GERRY WEBER, TAIFUN and SAMOON. Our brands are established brands in the German and other European women's apparel markets as well as in Russia and the Middle East, offering high-quality fashion, accessories and lifestyle products for demanding, stylish and quality-conscious customers. Our products include, among others, trousers, dresses, skirts, jackets, coats, t-shirts, knitwear, blouses, blazers, and accessories. We have a strong international footprint with 2,818 points of sales ("**POS**") worldwide as of June 30, 2020, including (i) 588 POS within our retail segment (the "**Retail GERRY WEBER Segment**") and (ii) 2,230 POS within our wholesale segment (the "**Wholesale GERRY WEBER Segment**") in more than 60 countries worldwide. Our core market is Germany, where we had 1,876 retail and wholesale POS as of June 30, 2020 and generated 56.1% of our consolidated revenues for the six-month period ended June 30, 2020. Furthermore, we sell our products through our own online shops, which are available across Europe, as well as third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto.

It is our mission to inspire our customers with clearly distinguishable brands as well as a demand-driven product range across all points of contact.

For the six-month period ended June 30, 2020, we generated revenues of € 140.5 million (€ 330.5 million and € 215.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € 794.8 million (including HALLHUBER; excluding HALLHUBER: € 597.2 million) and € 880.9 million for the fiscal years ended October 31, 2018 and 2017, respectively), adjusted EBITDA of € 13.4 million (€ 31.7 million and € 2.2 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € 29.2 million (including HALLHUBER; excluding HALLHUBER: € 36.3 million) and € 63.9 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an adjusted EBITDA margin of 9.5% (-1.9% and 1.0% for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and 3.7% (including HALLHUBER; excluding HALLHUBER: 6.1%) and 7.3% for the fiscal years ended October 31, 2018 and 2017, respectively).

We sell our products through a fully integrated omni-channel distribution model via our wholesale and own retail channels, which reflect our operating segment structure, as well as our eCommerce channel, comprising of our own online shops and cooperations with third-party online marketplaces.

Retail GERRY WEBER–In the Retail GERRY WEBER Segment, which constituted 53.1% of our total revenues in the six-month period ended June 30, 2020, we sell apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON, directly to consumers via our (i) own retail stores (including outlet stores), (ii) concession stores and (iii) own online shops. Our Retail GERRY WEBER Segment included a total of 588 POS as of June 30, 2020 across Europe (including 350 POS in Germany), of which 291 were multi-label stores operated under the brand GERRY WEBER (so-called Houses of GERRY WEBER), 15 were mono-label stores of our TAIFUN and SAMOON brands (8 TAIFUN stores and 3 SAMOON stores) as well as our GERRY WEBER Edition sub-label (4 stores), and 254 were concession stores. We count one multi-brand store as either two or three POS, one for each of our three brands, depending on which of our brands are represented in such store. In addition, we operate a growing outlet business which, as of June 30, 2020, was comprised of 21 outlet stores in Germany, 3 in the Netherlands, 2 in Belgium, 1 in Austria and 1 in Italy (all of which are accounted towards our retail store network). The outlet stores mainly offer out-of-season products of our brands at a reduced price, and provide us with an efficient way to sell returned or excess stock. Moreover, we sell apparel and accessories of all three brands through our own online shops, which are available across Europe. Furthermore, we plan to make our online shops available in Asia and Russia. For the six-month period ended June 30, 2020, our Retail Gerry Weber Segment generated sales with external third parties of € 74.6 million (€ 210.4 million and € 121.6 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € 339.5 million and € 392.6 million for the fiscal years ended October 31, 2018 and 2017, respectively) and EBITDA of € -2.2 million (€ 133.5 million and € 3.1 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € -64.6 million and € 12.5 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of -3.0% (63.5% and 2.6% for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and -19.0% and 3.2% for the fiscal years ended October 31, 2018 and 2017, respectively).

Wholesale GERRY WEBER–The Wholesale GERRY WEBER Segment, which constituted 46.9% of our total revenues in the six-month period ended June 30, 2020, is our historical foundation. Through our wholesale channel we distribute apparel and accessories of our brands GERRY WEBER, TAIFUN and SAMOON to our wholesale partners that sell our products to their customers at their POS. As of June 30, 2020, our products were offered in 2,230 wholesale POS worldwide (excluding third-party online marketplaces), of which 1,526 were located in Germany. Our wholesale channel comprises of two distinct sales formats: Franchise stores (242 as of June 30, 2020) and shop-in-shop stores (1,988 as of June 30, 2020). Furthermore, we sell our apparel and accessories through third-party online marketplaces such Amazon, Zalando, Boozt, about you and Otto. As these purchase the merchandise from us, the revenues generated through such third-party online marketplaces are counted towards our Wholesale GERRY WEBER Segment. For the six-month period ended June 30, 2020, our Wholesale GERRY WEBER Segment generated sales with external third parties of € 66.0 million (€ 120.1 million and € 94.0 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € 257.7 million and € 294.0 million for the fiscal years ended October 31, 2018 and 2017, respectively) and EBITDA of € 0.9 million (€ 42.4 million and € 6.8 million for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and € 29.5 million and € 34.6 million for the fiscal years ended October 31, 2018 and 2017, respectively), representing an EBITDA margin of 1.4% (35.3% and 7.3% for the short fiscal years ended December 31, 2019 and March 31, 2019, respectively, and 11.4% and 11.8% for the fiscal years ended October 31, 2018 and 2017, respectively).

Furthermore, we hold a non-strategic interest of 12.0% in HALLHUBER following the divestiture of a 88.0% interest to Robus as part of our Restructuring (as defined below) with effect as of July 8, 2019. The transaction resulted from the exercise by Robus of a purchase option for the 88.0% stake granted on February 7, 2019. As a result of the grant of the purchase option, the assets of HALLHUBER were reclassified as assets held for sale in our balance sheet and the operations of HALLHUBER were reclassified as discontinued operations in our income statement in accordance with IFRS 5 "non-current assets held for sale and discontinued operations" as of such date, as shown in the financial statements as of and for the short fiscal year ended March 31, 2019. The comparative figures for the prior fiscal year ended October 31, 2018 have been adjusted accordingly in the financial statements as of and for the short fiscal year ended March 31, 2019. Following the exercise of the purchase option by Robus, the 88.0% stake in HALLHUBER was sold with effect as of July 8, 2019, and our remaining 12.0% interest in HALLHUBER was reclassified as an at-equity participation from the date of the sale, as shown in the consolidated financial statements as of and for the short fiscal year ended December 31, 2019. The segment reporting for the short fiscal year ended December 31, 2019 still includes the financial information of HALLHUBER, differing from the consolidated income statement, as the financial performance of HALLHUBER has been reported to the management board in the short fiscal year ended December 31, 2019. The HALLHUBER Segment bundles all business activities in connection with HALLHUBER. As of October 31, 2018, the HALLHUBER Segment comprised 423 own retail stores (including outlet stores) in Germany and Europe, as well as 21 company-managed online shops, and partnerships with third-party online marketplaces, such as Amazon, Otto, Zalando or House of Fraser in the UK. For the short fiscal years ended December 31, 2019 and March 31, 2019, our former HALLHUBER Segment generated sales with third parties of € 48.7 million and € 89.0 million, and € 197.6 million and € 194.3 million for the fiscal years ended October 31, 2018 and 2017, an EBITDA of € 1.8 million and € -15.4 million for the short fiscal years ended December 31, 2019 and March 31, 2019, and € -12.3 million and € 11.1 million for the fiscal years ended October 31, 2018 and 2017, representing an EBITDA margin of 3.7% and -17.3% for the short fiscal years ended December 31, 2019 and March 31, 2019, and -6.2% and 5.7% for the fiscal years ended October 31, 2018 and 2017, respectively. Pursuant to the GWI Insolvency Plan, GWI is obligated to sell the remaining stake in HALLHUBER until December 31, 2024. The proceeds from such sale will be distributed to GWI's insolvency creditors.

8.2 Our Brands

Our brand portfolio comprises three independent and distinct brands positioned at the mid-point of the mid-price segment: GERRY WEBER, TAIFUN and SAMOON. Our brands are established brands in the German and European women's apparel market as well as in Russia and the Middle East, offering high-quality fashion, accessories and lifestyle products for demanding, stylish and quality-conscious women aged between 40+ and 50+ years.

GERRY WEBER-Within the GERRY WEBER brand family, which constituted 70.6% of our total retail revenues in the six-month period ended June 30, 2020, GERRY WEBER Collection stands for feminine fashion designed to meet highest standards of quality and fit with a strong focus on matched outfits and details. GERRY WEBER Collection targets modern, mature women who enjoy life in a fashionable and self-confident manner. GERRY WEBER Collection is complemented by the sub-labels GERRY WEBER Casual and GERRY WEBER Edition. GERRY WEBER Casual, with its natural and casual chic, offers outfits for every day made out of natural materials. GERRY WEBER Casual stands for a carefree lifestyle and individualised looks with exceptional detailing, high-quality materials, beautiful colours and perfect fits. The brand offers a collection of single items for creating individualised and coordinated outfits based on clearly defined themes. GERRY WEBER Edition stands for a fresh and fashionable lifestyle. GERRY WEBER Edition offers bold items forming a collection of excellent quality, clever details and modern, dynamic looks. The numerous combination possibilities allow today's self-confident woman to express her personality through her clothes. GERRY WEBER Accessories complement the GERRY WEBER collections with trendy items which ideally complete every outfit – from scarves, shawls, ponchos and stoles to caps, hats, belts, fashion jewellery and gloves. These stylish accessories are characterized by attention to detail, sophisticated design and a wide range of high-quality materials. Together with the GERRY WEBER portfolio of licensed products – GERRY WEBER Bags, GERRY WEBER Shoes, GERRY WEBER Eyewear and GERRY WEBER Jewellery – the GERRY WEBER lifestyle is ideally complemented.

The GERRY WEBER brand targets the demographically attractive customer group of women aged 50+ years. We currently consider the GERRY WEBER brand to be positioned as a mainstream coordinate, full service outfitter and its current customers are mainly women aged 65+ years. Our aim is to re-position the GERRY WEBER brand to a feminine mainstream outfitter with a premium touch, to better meet our target customers' fashion preferences and requirements, and to again also reach younger customers of our target customer group.

TAIFUN-The TAIFUN brand, which constituted 22.1% of our total retail revenues in the six-month period ended June 30, 2020, stands for young and modern urban fashion for self-confident women. The TAIFUN brand's target customers are women aged 40+ years which typically have a higher purchasing power than younger age groups. Its current customers are mainly women aged 55+ years, but we aim to again also attract younger customers of our target customer group with modern fashion collections that catch the very latest trends. TAIFUN has a feminine orientation and presents an intelligent mix of formal business-wear and casual fashion that combines different styles with trendy and stylish silhouettes and slim cuts without compromising its own unique signature. The TAIFUN collections are complemented by additional capsule collections (*i.e.*, collection items, which we offer in addition to our regular collections) *e.g.*, comprising of so-called "athleisure" items (*i.e.*, individualised accessories for special occasions and decorative accessories).

SAMOON-The SAMOON brand, which constituted 7.3% of our total retail revenues in the six-month period ended June 30, 2020, presents casual, self-confident fashion in flattering fits for women at any age wearing plus sizes 42 to 56 (online up to 58). SAMOON stands for femininity underlined by trendy cuts, high-quality materials and excellent fits. Perfect interpretations of current trends put curves in a favourable light. The SAMOON brand's current customers are mainly women aged 50+ years, but we target to also again impress younger customers of our target customer group with fashion collections that can keep up with common mainstream fashion in terms of trend style.

Our brands are operated independently by our two strategic business units GERRY WEBER and TAIFUN/SAMOON to cater most effectively to the needs and requirements of their respective target groups. The business units are responsible for all brand and product-related matters. The procurement of merchandise for the GERRY WEBER brands and administration of the GERRY WEBER Group (including accounting, controlling, human resources, IT, auditing as well as compliance matters) are managed centrally by GWI.

8.3 Our Product Offering

Our product offering comprises 12 product categories, which include, among others, trousers, dresses, skirts, jackets, coats, t-shirts, knitwear, blouses, blazers, and accessories. We produce ten collections for each of our brands per year, which provides for an even more customer-focused product design and allows us to quickly react to changing trends arising during a season. On average, we deliver roughly 7 fashion garments to our POS every day. The collections of each of our brands are generally identical across all countries, though we aim to further internationalize our collections by introducing complementary articles to accommodate different local market requirements on a case by case basis. Our regular collections are supplemented by so-called never-out-of-stock ("**NOS**")-articles, which are independent from our regular collections. NOS articles are must-have articles which are constantly available at our POS (the life-cycle of a seasonal NOS-article is typically six months, for a regular NOS-article twelve months). These articles are held in central stock and typically delivered to our POS on a weekly basis. In order to be able to quickly react to the latest fashion trends and best meet the requirements of our customers, we also offer additional sales modules to both our own stores and our wholesale customers, such as "flash" and "repeat" modules. The flash module allows us to produce and deliver trend articles at short notice to capture new and rapidly rising fashion trends (*e.g.*, identified at fashion shows) or to add-on articles to our regular collection, *e.g.*, to fill gaps with regard to style or colour or to react to unseasonal weather conditions. Through our repeat module we are able to respond to customer demand at all times by repeatedly producing and delivering to our POS highly demanded articles ("bestsellers") from our regular collections.

8.4 Our Strengths

We believe that our business is characterized by the following key competitive strengths:

8.4.1 Strong brand name in Germany and strong brand recognition in our international markets

We have been selling apparel under the GERRY WEBER brand since 1986 and have developed a strong brand name with a high brand recognition and distribution in the attractive modern classic mainstream segment of the women's apparel market in Germany, as well as in Europe, Russia and the Middle East. Over the years, a clear profile has been built for the GERRY WEBER brand and the GERRY WEBER Group as a mainstream coordinate, full service outfitter for women within the best ager sub-segment of the modern classic mainstream fashion segment of the women's apparel market. Our long-standing reputation and distinctive brand image have been developed across a number of products, sales channels, and international markets.

Our TAIFUN and SAMOON brands of women's apparel have been produced since 1989 and 1994, respectively, and are established brands that are well-known in the German and European women's apparel market as well as in Russia and the Middle East. With respect to brand image, we believe that these brands are positioned in the modern woman fashion segment, with the SAMOON brand being positioned as modern plus size fashion brand.

8.4.2 Well-known and diversified brands, each tailored to target a specific group of women aged between 40+ and 50+ years

We currently operate three established brands, which collectively serve a broad target group of women aged between 40+ and 50+ years: GERRY WEBER, TAIFUN and SAMOON. GERRY WEBER, TAIFUN and SAMOON distinguish themselves from each other by offering distinct fashion styles tailored to target a specific group of the women between 40+ and 50+ years. A defined customer profile and brand identity lead to a clear product differentiation between each of our brands.

GERRY WEBER stands for modern feminine fashion for mature women designed to meet highest standards of quality and fit. We aim to strategically position our GERRY WEBER brand as fashion and lifestyle brand for demanding, stylish and quality-conscious costumers who exhibit a low degree of price sensitivity. The GERRY WEBER brand thus targets the demographically growing customer group of women aged 50+ years. These customers, in our experience, put an emphasis on fit, cut, quality and sustainability. This customer group is characterized by high purchasing power and the willingness to pay more for good quality and workmanship.

The TAIFUN brand has an emphasis on young modern urban fashion. The TAIFUN brand stands for feminine smart fashion with a casual touch for women looking for feminine business and leisure fashion that is not too sporty. The TAIFUN brand's target customers are women aged 40+ years which typically have a higher purchasing power than younger age groups.

The SAMOON brand presents modern plus size fashion in flattering fits for women at any age wearing plus sizes 42 to 54 and higher. The SAMOON brand is designed to meet specific needs regarding fit and addresses women who look for quality fashion with a trendy and feminine style. We believe GERRY WEBER, TAIFUN and SAMOON each have a truly unique and distinct value proposition.

In respect of the average price level, we believe that GERRY WEBER and SAMOON are positioned at the upper end and TAIFUN at the mid-point of the mid-price segment. With respect to their brand image, we believe that GERRY WEBER is positioned in the modern classic mainstream segment and TAIFUN and SAMOON in the modern woman fashion segment, with TAIFUN being more trend-driven than SAMOON.

8.4.3 Leading fashion retailer in the demographic growing best ager sub-segment of the women's apparel market with little competition of the same scale

We believe our GERRY WEBER brand is a leading fashion retailer in the best ager sub-segment of the modern classic mainstream segment of the women's apparel market, positioned at the upper end of the mid-price level. Our main competitors in this market are brands such as Betty Barclay, Comma, s.Oliver black, Frank Walder and Bonita. Within the women's apparel market, the best ager sub-segment is particularly attractive as we believe there is only limited competition of the same scale in this segment. Thus, our direct competitors in the best ager sub-segment are rather smaller companies, whereas most larger, international competitors either primarily target younger customer groups or compete in different price segments. Therefore, we believe that our global reach, multi-channel distribution, high brand recognition and brand positioning in the women's best ager sub-segment of the modern classic mainstream segment of the women's apparel market provide us with a competitive advantage over our competitors. We also believe that the best ager sub-segment will continue to be attractive. The women's best-ager sub-segment of the modern classic mainstream segment is expected to have an increasing share in the growing women's apparel market. By 2030, 47.8% of the female population is expected to be over 50 years old. Our relevant target group of over 50 year old women is expected to grow to approximately 20.1 million in 2030 from approximately 19.7 million in 2019 (*source*: management analysis based on data from the Federal Statistical Office of Germany).

8.4.4 Omni-channel go-to-market strategy anchored by a global POS footprint

We have an omni-channel go-to-market strategy anchored by a global wholesale POS network, a strong own retail presence across Europe and a growing eCommerce offering.

Our omni-channel go-to-market strategy is anchored by our wholesale channel. As of June 30, 2020, we distributed apparel and accessories of our brands to 2,230 wholesale POS worldwide (excluding third-party online marketplaces), of which 1,526 wholesale POS were located in Germany. As of June 30, 2020, we had another 159 wholesale POS in Switzerland and Austria. In the rest of the world, we supplied 545 wholesale POS (including 154 POS in Russia, 112 POS in the Benelux countries (Belgium, the Netherlands and Luxembourg), 91 POS in Eastern Europe, 79 POS in Scandinavia (Sweden, Norway, Finland, Denmark), 71 POS in Western/Southern Europe and 38 POS in the Middle East as of June 30, 2020. We have a broad network of wholesale partners, which include Bayard Co., Ltd., Galeria Karstadt Kaufhof, Modepark Röther, Nesk, Peek & Cloppenburg, Peter Hahn, SiNN and Wöhrl, with our top ten wholesale partners accounting for 21% of our total revenues for the short fiscal year ended June 30, 2020.

In addition, we believe we are well-positioned in terms of number of company-managed POS (which comprise of own retail stores (including outlet stores) and concession stores) in Germany, with a total of 350 POS as of June 30, 2020. In addition, we operated 107 retail POS in the Netherlands, 44 in Spain, 28 in Belgium, 25 in Austria, 17 in Norway, 9 in Poland, 3 in Finland, 2 each in the Czech Republic and Slovakia and 1 in Italy as of June 30, 2020. Furthermore, we operate local language online stores in Germany, Austria, Switzerland, the Netherlands, Poland and the United Kingdom for our three brands. In addition we have set up another version of our online shop accessible for the remaining European countries. Furthermore, we plan to make our online shop accessible in Asia and Russia to further improve our brand recognition in such countries. In line with our strategy to expand our outlet business and to continuously integrate our online- and offline-channels, we also plan to launch an online outlet which will provide us with an even more efficient way to sell earlier collections or excess stock. Products from all our brands are additionally available on third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto. On a geographic basis, sales in Germany, which is our largest market, contributed 56.1% of our total revenues for the six-month period ended June 30, 2020. Other important sales markets outside of Germany collectively contributed 43.9% of our total revenues for the six-month period ended June 30, 2020.

8.4.5 Vertically integrated value chain offering the full spectrum from product development to sales

In contrast to many other fashion companies, we operate a business model that covers the complete value chain from the development and design of the individual brand collections and merchandise management through the procurement and production of our products to logistics and distribution of our products to our retail stores and wholesale customers' POS. We believe that we have a clear competitive advantage due to the vertical integration of our value chain, which leads to lean processes and provides us with design, sourcing, production, and distribution synergies across all our businesses.

We generally design and prototype our products in-house, which allows us to have full control over the product development process. We maintain a team of designers, engineers and category managers, which work hand-in-hand to develop each new collection for all of our three brands, which provides for a quick, efficient and cost-effective product development process. This allows an even more customer focused product design by allowing us to quickly react to changing trends arising during a season. Further, as part of our vertically integrated structure, sourcing, whether for raw materials or ready garments, is conducted internally. We maintain a procurement team, which is responsible for the allocation of each production order to the most suitable supplier depending on the product, the material, the price, the required quantities and speed of delivery. This allows us to source cost-efficiently and in a flexible manner. The procurement team is supported by our own social compliance department, which conducts a social and environmental compliance audit before selecting a supplier in addition to an audit by an independent audit firm certified by the amfori Business Social Compliance Initiative ("**amfori BSCI**"), which is to be repeated at various time intervals. The production process is further supported by our own employees located in our procurement offices in Istanbul (Turkey), Shanghai (China) and Dhaka (Bangladesh), who have direct contact to our manufacturers during the manufacturing process, and, *inter alia* through site visits, ensure compliance with the relevant regulations and standards applicable to the respective manufacturer and appropriate local working conditions. We also actively engage with manufacturers which allow us, if required, to offer both our own stores and our wholesale customers so-called "flash" and "repeat" modules (for a more detailed description of these modules, please see above under "*—8.3 Our Product Offering*") through which complete design, prototyping, sourcing and manufacturing of a fashion product can be accomplished within short timeframes, *e.g.*, to quickly respond to a rising fashion trend or unexpected demand for a fashion product.

8.5 Our History

8.5.1 Milestones in the Development of the GERRY WEBER Group

The development of the GERRY WEBER Group can be described with the following milestones:

1973 Foundation: The historical development of the GERRY WEBER Group into an international fashion and lifestyle company leads back to the founding of Hatex KG by Gerhard Weber and Udo Hardieck in 1973. GERRY WEBER group has its origins in being a wholesale distribution organisation. Its original business was focused on producing and marketing ladies' trousers.

1986 Launch of the GERRY WEBER brand: The first brand GERRY WEBER was launched in 1986 laying the foundation for worldwide trading of GERRY WEBER Group's fashion products. For marketing purposes, a sponsoring contract was signed with Steffi Graf, whose international career in tennis quickly elevated the public profile of the brand.

1989 Launch of the TAIFUN brand: The launch of the TAIFUN brand followed in 1989, complementing our product assortment by offering a fashion line focused on younger generations.

1989 Transformation and IPO: A business milestone was achieved by the conversion of Hatex KG into Gerry Weber International AG and its listing on the Frankfurt Stock Exchange.

1993 Gerry Weber Open tournament: In 1993, Gerry Weber Open was launched as an ATP 250 tournament, which made a significant contribution to increasing the visibility of the GERRY WEBER brands internationally. It was broadcasted in German public TV as well as on international channels.

1994 Launch of the SAMOON brand: The SAMOON brand was introduced as a fashion line focused on plus sizes for women.

1999 House of GERRY WEBER: The first company-managed GERRY WEBER store was opened in Bielefeld, Germany.

2003 Development of customer experience: To further improve the shopping experience of our customers, we opened HALLE 29, an exclusive showroom located in the business district of Düsseldorf Germany.

2005 Launch of eCommerce business: In 2005, we launched our eCommerce business by opening our own GERRY WEBER online store.

2010 Introduction of RFID: GERRY WEBER was the first company in the fashion sector to introduce automated radio frequency identification (RFID) technology, which allows to automatically identify products upon arrival in the warehouse. By using RFID technology, we improved our logistics processes, overview of stocks and faster supply of merchandise to our POS.

2012 Further expansion: By taking over a 51% stake in our largest Dutch franchise partner we continued expanding and increasing our vertical distribution structures.

2013 New management appointments: In 2013, Ralf Weber was appointed as a member of the Management Board. In the same year, Gerhard Weber resigned as a member of the Management Board and was appointed as member of the Supervisory Board.

2015 Acquisition of HALLHUBER: The expansion moved forward with the GERRY WEBER Group's first acquisition of an independent brand, HALLHUBER.

2015 Opening of logistic centre "Ravenna Park": In 2015, we opened our fully-automated logistic centre "Ravenna Park" in Halle (Westfalen) ("**Ravenna Park**"), Germany.

2017 Acknowledgement of environmental compatibility: We introduced Forest Stewardship Council ("**FSC**")-certified paper bags and obtained a Global Organic Textile Standard ("**GOTS**") certification, which allows us to use cotton from controlled organic cultivation, underlining our intense efforts to contribute to a sustainable and reliable fashion industry.

2019 Insolvency proceedings concerning the assets of GWI and GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*): By resolution of April 1, 2019 and May 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI and Gerry Weber Retail GmbH & Co. KG (now Gerry Weber Retail GmbH) ("**GWR**") under self-administration pursuant to § 270 seq. of the German Insolvency Act (*Insolvenzordnung*) ("**InsO**"), respectively.

2019 Divestiture of HALLHUBER: As part of our Restructuring (as defined below), we sold 88% of our interest in HALLHUBER to Robus with effect as of July 8, 2019.

2019 Conclusion of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*): By resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration with effect as of December 31, 2019 pursuant to § 258 InsO.

2020 Conclusion of insolvency proceedings concerning the assets of GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*): By resolution of February 20, 2020, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWR under self-administration with effect as of February 29, 2020 pursuant to § 258 InsO.

8.5.2 Insolvency of GERRY WEBER International AG and GERRY WEBER Retail GmbH & Co. KG

In the course of the fiscal year ended October 31, 2018, we faced a growing number of internal and external crisis factors. Our previous management had pursued an aggressive growth strategy, but had not focused sufficiently on profitability. Our strategy was not clearly defined and we lost focus on our key target customer groups. As a result, we had a large and diverse product offering, which often did not meet the expectations of our customers and wholesale partners. Consequently, our products could no longer be sold at the full price but rather at a high discount. We also experienced a substantial loss of shop floor space at some of our key wholesale partners, due to the decline in demand for our products also resulting from an over-distribution of our own stores and our brands, particularly in the German market. These problems were compounded by a logistics strategy that was not fully aligned with the needs of our business and by a challenging market environment in the fashion retail market. When sales declined as a result of the above and other factors, we were able to compensate only partially by adjusting our costs. Due to the complexity of our product portfolio and the fragmented structure of our supply chain we were able to reduce costs only to a limited extent. All of this led to a significant reduction in our operating liquidity. At the same time, it became more difficult for us to obtain financing for our business. As our share price declined and the maturity of certain of our borrower's note loans (*Schuldscheindarlehen*) due in November 2018 approached, banks reduced the working capital lines made available to us. These challenges ultimately resulted in a comprehensive strategic, operational and financial restructuring program (the "**Restructuring Program**") initiated in the fourth quarter of the fiscal year 2018 on the basis of a detailed restructuring report (*Sanierungsgutachten*) prepared by an independent accounting firm in accordance with standard IDW S6 as promulgated by the Institute of Public Auditors in Germany (IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.). The restructuring report (*Sanierungsgutachten*) was prepared on the basis, and expands and further specifies optimization measures of our Performance program already implemented in summer of 2018, which was aimed at reducing the cost base and provided for substantial measures in the areas of product development, procurement, retail, wholesale, digital, logistics, IT and administration.

The restructuring report (*Sanierungsgutachten*) confirmed that the core business model of the GERRY WEBER Group in general is sound and viable. The restructuring measures initiated in accordance with the Restructuring Report are aimed at securing the GERRY WEBER Group's future viability and restore GERRY WEBER Group's economic success.

At the same time, we held constructive talks and were able to agree, as a first step, a deferral of the note holders' claims from November 2018 until the end of January 2019 with the Group's financing partners as well as a moratorium until the end of January 2019 with the GERRY WEBER Group's financing banks. The aim was to agree, in a second step, a comprehensive financing concept with effect from February 1, 2019 to secure the Group's sustainable financing.

However, due to over-indebtedness (*Überschuldung*) triggered by the failure of discussions with our financing partners, which had not been anticipated by such time, on January 25, 2019, we filed for the opening of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO with the competent Bielefeld District Court – *Insolvency Court*.

On February 7, 2019, we agreed with Robus on a bridge financing in an amount of € 10.8 million to ensure on-going business operations of HALLHUBER, and granted a purchase option for a 88% stake in HALLHUBER to Robus, which has been exercised by Robus on July 8, 2019 against a further cash payment of € 500,000 (for more detailed information, please see "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement* ").

Also on February 7, 2019, we filed for the opening of insolvency proceedings concerning the assets of GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO with the competent Bielefeld District Court – *Insolvency Court*.

By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO and appointed Mr Stefan Meyer (Pluta Rechtsanwalts GmbH) as trustee (*Sachwalter*) (the "**Trustee**") in course of the insolvency proceedings. GWI as holding company of the GERRY WEBER Group was (while continuing its operations as a going concern) restructured on the basis of an insolvency plan (the "**GWI Insolvency Plan**"). The GWI Insolvency Plan has been resolved upon by the creditors' meeting on September 18, 2019. In a further resolution of May 1, 2019, the Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*). GWR was also restructured on the basis of an insolvency plan (the "**GWR Insolvency Plan**" and together with the GWI Insolvency Plan, the "**Insolvency Plans**"). The GWR Insolvency Plan was resolved upon by the creditors' meeting on September 18, 2019.

The funding of the Insolvency Plans will be provided *inter alia* out of existing liquidity, proceeds from the anticipated sale of Ravenna Park, the sale of our remaining 12.0% stake in HALLHUBER (for a detailed description of the divestment of HALLHUBER, please see "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement*"), the proceeds from the collection of special assets (*Sonderaktiva*), and a certain investment amount paid into GWI and GWR by funds managed by Whitebox Advisors LLP and Robus (together, the "**Plan Sponsors**").

The adequate funding of GWI for the on-going business operations for the twelve months following Plan Effectiveness (as defined below) and the working capital have been provided via a senior secured revolving credit facility of € 15.0 million (the "**Revolving Credit Facility**"). In order to finance the claims of insolvency creditors of the GWI and GWR for immediate cash-quotas under the respective insolvency plan, we have utilized a senior secured loan originally amounting to up to € 34,200,000 (the "**Term Facilities**" and, together with the Revolving Credit Facility, the "**Financing Agreements**"). For a detailed description of these Financing Agreements, please see "*9.1 Material Contracts—Financing Agreements*").

On July 15, 2019, GWI and GWR each entered into a binding investment agreement with the Plan Sponsors (the "**Investment Agreements**") for the financial restructuring of GWI and GWR under the Insolvency Plans. Under the Investment Agreements the Plan Sponsors agreed to make available up to € 49.2 million for the long-term financial restructuring of GWI and GWR (for a detailed description of these Investment Agreements, please see "*9.6 Material Contracts—Investment Agreement with the Plan Sponsors*").

Furthermore, an M&A process was carried out for the purposes of the Restructuring, whereby the Plan Sponsors acquired all Shares in GWI (for detailed information of the ownership structure, please see "*11 Information on the Existing Shareholders*") by implementation of the GWI Insolvency Plan on October 31, 2019 (for more detailed information, please see "*13.2 Description of the Company's Share Capital and Applicable Regulations—Development of the Share Capital*").

During the insolvency proceedings, the Restructuring Program was further specified and updated, and a financial restructuring concept has been established to provide for a sustainable financing of the GERRY WEBER Group.

The terms of the GWI Insolvency Plan provided for various options to be exercised by insolvency creditors of GWI:

Each insolvency creditor of GWI was granted the option to receive a cash payment (the "**Cash Payment Option**") corresponding to 12% of the nominal value of their respective insolvency claims. If insolvency creditors elect the Cash Payment Option, the Plan Sponsors under the GWI Insolvency Plan were granted the option to acquire the claims and exercise rights of such insolvency creditors who elected the Cash Payment Option against immediate (*Zug-um-Zug*) payment of an amount equal to 12.0% of the nominal amount of the relevant creditor's insolvency claim ("**Claim Acquisition Option**").

Furthermore, pursuant to the terms of the GWI Insolvency Plan, each insolvency creditor of GWI other than creditors which have elected to subscribe for Convertible Bonds (as defined below) was granted an additional cash payment corresponding to 4.5% of the nominal value of its respective insolvency claims (the "**Excess Liquidity Quota**" or "**ELQ**").

Financial and other unsecured creditors of GWI (except creditors with insolvency claims below € 2,500, employees and public law creditors) under the GWI Insolvency Plan, alternatively to the Cash Payment Option, were granted the option to reinstate a part of their outstanding insolvency claims, by acquiring straight bonds (*Schuldverschreibungen*) with an aggregate nominal amount equalling to 40% of the nominal value of the respective insolvency claims (the "**Reinstatement-Option**". In accordance with the terms of the GWI Insolvency Plan, the payment of the Excess Liquidity Quota resulted in a reduction of the repayment amount of the straight bonds (for more detailed information, please see "*9.2 Material Contracts—€ 1,000 Straight Bonds*" and "*9.3 Material Contracts—€ 650 Straight Bonds*").

Larger financial and other unsecured creditors of GWI (with unsecured claims above € 333,333.00, but except public law creditors) under the Insolvency Plan, alternatively to the Cash Payment Option or the Reinstatement Option, were granted the option to acquire convertible bonds with a nominal value of 30% of their respective insolvency claims.

The court order confirming the GWI Insolvency Plan became legally binding (*Rechtskraft des Planbestätigungsbeschlusses*) as of October 25, 2019 (the "**Plan Effectiveness**"). Plan Effectiveness of the GWR Insolvency Plan occurred on November 22, 2019.

By resolution of December 27, 2019, the competent Bielefeld District Court – Insolvency Court – concluded the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) with effect as from December 31, 2019 pursuant to § 258 InsO. The insolvency proceedings concerning the assets of GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*) were concluded by resolution of the competent Bielefeld District Court – Insolvency Court – of February 20, 2020 with effect as from February 29, 2020.

On March 20, 2020, Robus exercised the Claim Acquisition Option under the GWI Insolvency Plan in a nominal amount of € 3.1 million.

8.5.3 Measures to counter the impact of the COVID-19 pandemic

We have initiated various measures to counter the impact of the COVID-19 pandemic and the administrative measures taken in order to contain the COVID-19 pandemic, including the temporary closure of our POS, on our business operations.

To ensure continuity of our business operations, we have implemented COVID-19 health and safety measures for our customers and employees.

We also have further reduced the complexity of our operations (*e.g.*, by reducing our collections from twelve monthly collections per year to ten collections per year, reducing the number of our showrooms, consolidating our marketing activities by executing a performance driven marketing approach, and reorganizing our procurement structure by switching our product sourcing by increasingly making use of full package services (*Vollkauf*)) ("**Full Package Services**" or "**FPS**"). Going forward we will continue to focus on streamlining processes to further drive efficiency of our operations, and cut costs.

As eCommerce retailing has even more become relevant due to the worldwide lockdown during the COVID-19 pandemic, we have furthermore focused to push the expansion of our eCommerce activities in Germany and abroad.

To secure liquidity, we have negotiated an adjustment of the Financing Agreements as well as the claims under the GWI Insolvency Plan. The vast majority of the insolvency creditors agreed to a deferral, and conditional waiver, of certain of their claims under the GWI Insolvency Plan, and the Plan Sponsors agreed to defer, and under certain conditions to waive, claims and to increase the Revolving Credit Facility by € 2,500,000. By an amendment and restatement agreement dated June 1, 2020, the loans under the Term Facilities Agreement were adjusted down to € 22,350,586.21 and the commitment under the Revolving Credit Facility Agreement was increased to € 17,500,000. For more detailed information, please see "*9.1 Material Contracts—Financing Agreements*").

On April 30 2020, GWI requested the creditors who have exercised the Cash Payment Option to consent to an adjustment of their claims under the GWI Insolvency Plan (the "**Cash Payment Adjustment Request**"). The Cash Payment Adjustment Request provided for a deferral of 35% of the relevant creditor's insolvency claims under the GWI Insolvency Plan until December 31, 2023 (the "**Cash Payment Quota Claim Deferral Amount**"). Furthermore, pursuant to the Cash Payment Adjustment Request payment of the Excess Liquidity Quota is deferred in a portion of 55% until December 31, 2023 (the "**Excess Liquidity Quota Deferral Amount**"). The remainder of the cash amount to be paid under the Cash Payment Option and the Excess Liquidity Quota was paid on June 15, 2020 and September 15, 2020, respectively. The Cash Payment Quota Claim Deferral Amount and the Excess Liquidity Quota Deferral Amount shall be paid on June 30, 2024 out of a refinancing amount calculated on the basis of certain key performance indicators included in the audited consolidated financial statements for the fiscal year ended December 31, 2023. Should the refinancing amount be less than the total deferral amount (including any deferrals agreed with the GWI's creditors until Mai 31, 2020 plus interest and deferred fees), the Cash Payment Quota Claim Deferral Amount and the Excess Liquidity Quota Deferral Amount will be paid *pro rata* to the total deferral amount. If and to the extent the Cash Payment Quota Claim Deferral Amount and the Excess Liquidity Quota Deferral Amount may not be repaid, the creditors agreed to a waiver of such Cash Payment Quota Claim Deferral Amount and the Excess Liquidity Quota Deferral Amount. If the relevant key performance indicators of the Company meet certain thresholds calculated on the basis of the audited consolidated financial statements for the short fiscal year ended December 31, 2019, the Company agreed to pay an additional amount corresponding to 2% of the relevant creditor's insolvency claims on June 30, 2024.

On April 30 2020, GWI requested the creditors who have exercised the Reinstatement Option to consent to an adjustment of their claims under the GWI Insolvency Plan (the "**Straight Bond Adjustment Request**"). The Straight Bond Adjustment Request provided for (i) a reduction of the nominal value of the Straight Bonds to be issued to creditors who have declared their consent to the Straight Bond Adjustment Request from 40% to 26% of the nominal value of their respective insolvency claims under the GWI Insolvency Plan and (ii) the deferral of the remainder of their claims under the Insolvency Plan until December 31, 2023, which shall be paid in cash to the relevant creditors (the "**Straight Bond Quota Claim Deferral Amount**"). Furthermore, pursuant to the Straight Bond Adjustment Request payment of the Excess Liquidity Quota is deferred in a portion of 55% until

December 31, 2023 (the "**Straight Bond Excess Liquidity Quota Deferral Amount**"). Payment of the Straight Bond Excess Liquidity Quota Deferral Amount will reduce the Straight Bond Quota Claim Deferral Amount accordingly. The remainder of the Excess Liquidity Quota was paid on June 15, 2020 and September 15, 2020, respectively, reducing the amount to be repaid under the straight bonds accordingly. The Straight Bond Quota Claim Deferral Amount and the Straight Bond Excess Liquidity Quota Deferral Amount shall be paid on June 30, 2024 out of a refinancing amount calculated on the basis of certain key performance indicators included in the audited consolidated financial statements for the fiscal year ended December 31, 2023. Should the refinancing amount be less than the total deferral amount (including any deferrals agreed with the GWI's creditors until Mai 31, 2020 plus interest and deferred fees), the Straight Bond Quota Claim Deferral Amount and the Straight Bond Excess Liquidity Quota Deferral Amount will be paid *pro rata* to the total deferral amount. If and to the extent the Straight Bond Quota Claim Deferral Amount and the Straight Bond Excess Liquidity Quota Deferral Amount may not be repaid, the creditors agreed to a waiver of such Straight Bond Quota Claim Deferral Amount and the Straight Bond Excess Liquidity Quota Deferral Amount.

For the creditors who have agreed to the Straight Bond Adjustment Request, the Company issued bonds due 2023 with an aggregate nominal amount of € 24,979,500, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650 each (which corresponds to 26% of the nominal value of their respective insolvency claims under the Insolvency Plan) (the "**€ 650 Straight Bonds**") (for a detailed description of the terms and conditions of the € 650 Straight Bonds, please see "*9.3 Material Contracts—€ 650 Straight Bonds*").

The creditors who have not agreed to the Straight Bond Adjustment Request have remained entitled to straight bonds in an aggregate nominal amount corresponding to 40% of the nominal value of their respective insolvency claims under the Insolvency Plan. For this purpose the Company issued bonds due 2023 with an aggregate nominal amount of € 5,148,000, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 1,000 each (the **"€ 1,000 Straight Bonds**") (for a detailed description of the terms and conditions of the € 1,000 Straight Bonds, please see "*9.2 Material Contracts—€ 1,000 Straight Bonds*").

Furthermore, on April 30 2020, GWI requested the creditors who have exercised the option to acquire convertible bonds to consent to an adjustment of their claims under the GWI Insolvency Plan (the "**Convertible Bond Adjustment Request**"). The Convertible Bond Adjustment Request provided for (i) a reduction of the nominal value of the Convertible Bonds to be issued to creditors who have declared their consent to the Convertible Bond Adjustment Request from 30% to 19.5% of the nominal value of their respective insolvency claims under the Insolvency Plan and (ii) the deferral of the remainder of their claims under the GWI Insolvency Plan until December 31, 2023, which shall be paid in cash to the relevant creditors (the "**Convertible Bond Quota Claim Deferral Amount**"). The Convertible Bond Quota Claim Deferral Amount shall be paid on June 30, 2024 out of a refinancing amount calculated on the basis of certain key performance indicators included in the audited consolidated financial statements for the fiscal year ended December 31, 2023. Should the refinancing amount be less than the total deferral amount (including any deferrals agreed with the GWI's creditors until Mai 31, 2020 plus interest and deferred fees), the Convertible Bond Quota Claim Deferral Amount will be paid *pro rata* to the total deferral amount. If and to the extent the Convertible Bond Quota Claim Deferral Amount may not be repaid, the creditors agreed to a waiver of such Convertible Bond Quota Claim Deferral.

For creditors who have agreed to the Convertible Bond Adjustment Request, the Company issued convertible bonds (*Wandelschuldverschreibungen*) due 2023 with an aggregate nominal amount of € 1,192,750, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650 each (which corresponds to 19.5% of the nominal value of their respective insolvency claims under the Insolvency Plan) (the "**Convertible Bonds**") (for a detailed description of the terms and conditions of the Convertible Bonds, please see "*9.4 Material Contracts—Convertible Bonds*"). In order to settle the claims of bondholders upon exercise of their conversion right, the Company created a conditional capital (*bedingtes Kapital*) (for a more detailed description, please see " *13.4 Description of the Company's Share Capital and Applicable Regulations—Conditional Capital*").

We have implemented a strict cost discipline, particularly with regard to investments, and a partial management salary waiver.

To secure liquidity, we have negotiated and partly already agreed price reductions and cancellations with our suppliers. We have also considerably reduced the planned volumes for merchandise not yet ordered.

Measures to reduce operating costs include partial/temporary unemployment (*Kurzarbeit*) for retail staff in Germany, and, where possible under applicable law, abroad, as well as numerous employees at the headquarters. Ravenna Park is working short time according to capacity utilization. We are in talks with all landlords in order to obtain relief for the rents we have to pay in Germany and other European countries. Where appropriate, we also make use of legal aid in this respect, *e.g.* the provisions put into force by the German legislator in March 2020 in favour of tenants.

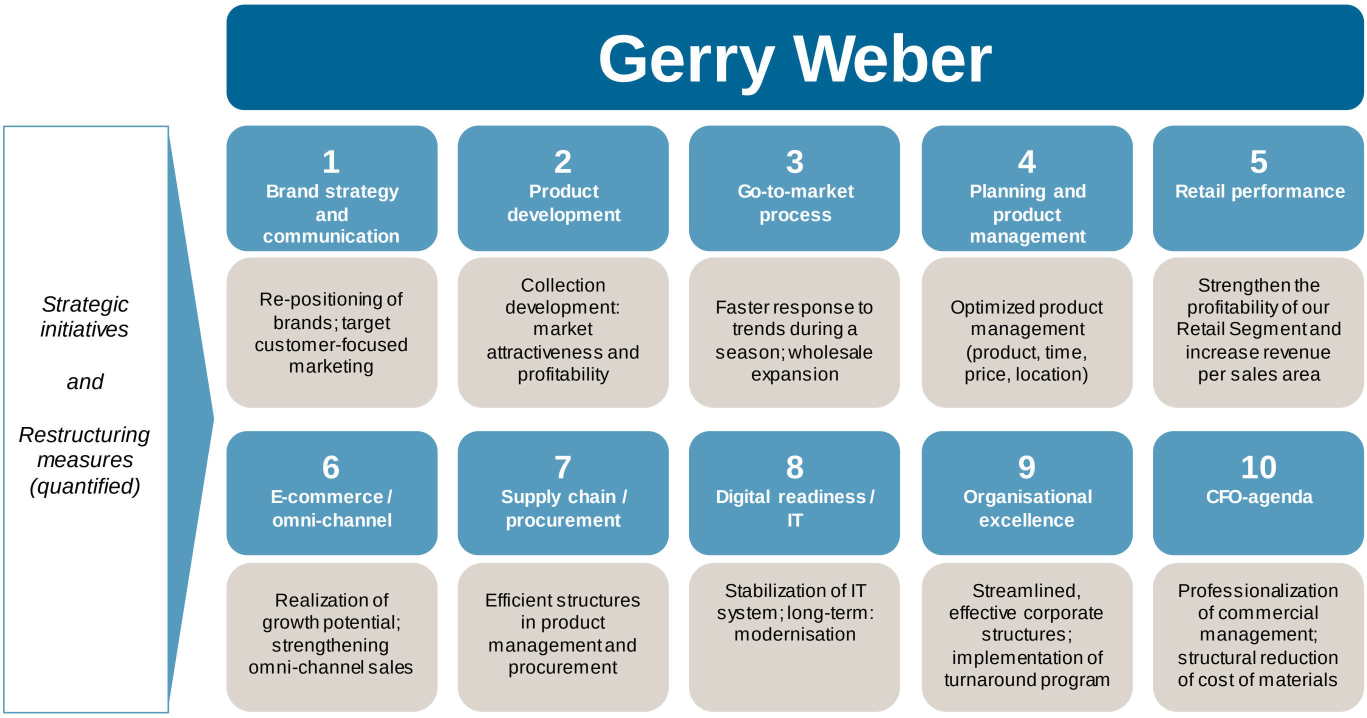
In order to further resize our overhead structure, our future concept provides for a reduction of our personnel by over 200 employees between June 2020 and 2022, particularly in the headquarter in Halle/Westphalia. To this end, the corresponding social plans and reconciliations of interests as well as collective restructuring agreements have been concluded with employee representatives and the competent trade union.

To deal with the daily changing issues of the COVID-19 pandemic, we have set up a "coronavirus" task force, whose members are now contributing their expertise and experience to maintain all vital structures during the COVID-19 pandemic and to be available as contact persons.

Furthermore, in June 2020, a second restructuring report (*Sanierungsgutachten*) had been prepared, which again updates and further specifies the Restructuring Program aimed at securing the GERRY WEBER Group's future viability and restore GERRY WEBER Group's economic success. The restructuring report (*Sanierungsgutachten*) confirmed that on the basis of the financing concept specified in the GWI Insolvency Plan the going concern of the business operations of the GERRY WEBER Group can be assessed as more likely than not according to the current circumstances.

8.6 Restructuring and Strategic Repositioning

It is our long-term objective to return to profitable growth following our Restructuring. In order to achieve this objective, we follow a clear strategy for the future. We are repositioning our brands and improving our product offering, marketing efforts, and shopping experience in our POS to add value for our customers. We are also evolving our operating model to enable sustainable, profitable sales growth by significantly improving quality of sales, reducing supply chain lead times, improving our product development process and sourcing. To this end, our focus is on the following ten key strategic objectives, as laid out in the restructuring report as of June 2020 (the "**Restructuring Report**"):



The restructuring measures associated with the Restructuring Report are largely implemented and in connection with our financial planning and budgets form the basis for our on-going Restructuring which we expect to be fully completed by 2023.

In context of our financial restructuring, with effect as of July 8, 2019, we sold an 88.0% interest in HALLHUBER to Robus (for a detailed description of the divestment of HALLHUBER, please see "*9.5 Material Contracts—Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement*"), which formed a separate segment within the GERRY WEBER Group, and since then only hold a minority interest of 12.0%. The transaction resulted from the exercise by Robus of a purchase option for the 88.0% stake agreed on February 7, 2019. Therefore, the Restructuring Program only applies to our GERRY WEBER Retail and Wholesale Segments.

8.6.1 Brand Strategy and Communication

The repositioning of our GERRY WEBER brands is the basis of our turnaround concept. We have recognized a shift in demand of our target customer groups to slightly more fashionable and higher-quality fashion. Our customers are today much more trend-driven and actively interested in buying modern and high-quality fashion styles that enable them to keep up with the latest fashion trends. Our strategic aim is to align our brand's collections accordingly by gradually increasing the trend grade of our brands, especially in regard to contemporary fashion trends, thereby attracting both, our current customers as well as younger customers of our target customer groups.

We have undertaken an extensive overhaul of our brands' collections with a customer-centric approach on the basis of a comprehensive customer study that has been carried out particularly for our GERRY WEBER brand, which became externally visible with the release of our brands' collections in autumn/winter 2019. Already in summer 2018, we performed a "360 Degree Product Performance Panel" by interviewing customer focus groups to gain insights into customers' perception of the GERRY WEBER brand and better understand today's customers' demands and fashion preferences. On the basis of this "360 Degree Product Performance Panel" we implemented a web-based version of such panel establishing a direct feedback-loop with customers, wholesale partners, sales staff and employees. These insights allowed us to develop and produce apparel for our brands' collections that we believe better matches market trends, requirements and fashion preferences of our brands' respective target customer groups.

We have developed a distinct brand identity for each of our brands, which is characterized by its own clearly differentiated customer, market segment and price positioning. At the same time, we streamlined our current product portfolio to reduce the complexity and breadth of our product assortment.

We substantially invested in the modernization of the GERRY WEBER collection to increase the value perception of the GERRY WEBER brand. The target positioning of the GERRY WEBER brand is the modern classic mainstream fashion segment of the women's apparel market bordering on the premium segment. With respect to fashion style the GERRY WEBER brand aims to offer up-to-date and desirable fashion with a premium touch for women beginning in their early fifties, who are today much more fashion conscious than in the past and willing to pay more for good quality. Our aim is to impress this target customer group with quality, and by providing fashion items with more modern cuts and a strong fashion appeal. To focus more on the GERRY WEBER brand instead of single fashion lines of our sub-labels, we furthermore harmonized the style and colour concept of all GERRY WEBER sub-labels, which leads to a clearer and more modern look and a high compatibility of the sub-labels (*i.e.*, a GERRY WEBER Collection suit can be combined with GERRY WEBER Edition pants and GERRY WEBER Casual knits), which is expected to result in more pieces per bon. In order to become more selective and desirable, we also selectively reduced the GERRY WEBER retail and wholesale sales space in our core markets.

We aim to position our TAIFUN brand as a category leader of the modern woman fashion segment, and in the mid-price segment. The TAIFUN brand stands for a feminine smart casual fashion for women aged 40+ years looking for feminine business and leisure fashion that is not too sporty. We have modernized the TAIFUN collection with an increased focus on our target customer group's requirements and preferences, *e.g.*, by modernizing and accentuating colours and prints. Our collections now include more up-to-date products with an increased focus on ready-to-wear-trends with modern styles, monochrome looks and high quality. The increasing use of natural fibres and high-quality manufacturing increases the added value for our customers.

With regard to our SAMOON brand our aim is to position it as a high-quality brand in the modern woman fashion segment with a focus on modern plus size fashion. The target customers are women at any age desiring plus size fashion that can keep up with common mainstream fashion in terms of trend style. The SAMOON brand offers high-quality fashion with perfect fit for women wearing plus sizes 42 to 54 and higher and who want to be up to date, feminine and well dressed. We see great growth potential for our SAMOON brand, as its target group is becoming increasingly fashion-conscious and wants to spend growing parts of its income on clothing. In order to attract our target customers, we modernized the SAMOON collections to become more attractive than other fashion labels offering plus size fashion.

In order to revitalize our brand appearance in the German market and to communicate our brand repositioning, in September 2019, we launched modernized and re-designed websites of our GERRY WEBER, TAIFUN and SAMOON brands and rolled out a redesigned and clearly customer focused marketing campaign, in particular for our GERRY WEBER brand which covered the full spectrum of online and offline marketing channels, including advertisements in print media and television. We, among other initiatives, issued a twelve page customer magazine, which was published in major fashion magazines. Commercials were broadcasted on all major channels at the preferred viewing times of our target customer group. Furthermore, we launched an online-campaign in all relevant social media channels, such as Facebook and Instagram, as we believe social media plays an increasing role in fashion retailing, as consumers have the ability to influence a brand's reputation and its sales through social media channels. These measures were accompanied by visual merchandising and PR-activities. The aim of our marketing activities was to provide for a sales-stimulating market impulse across all sales channels. The initial feedback we received was very positive and confirmed that our brands' collections are very well perceived by our customers and wholesale partners. However, to additionally support our brand presence and product performance in the market, going forward we will apply a performance driven marketing approach, *i.e.*, we will focus on targeted and sales-relevant marketing activities, which will furthermore be tailored to our target customers and implement a clear distinction between our three brands. For this purpose, we have developed a media-mix concept with a roadmap for our marketing activities until 2023. The use of analytical tools thereby allows us to continuously monitor the success of our marketing activities and optimize them in accordance with our target customers' requirements.

We are convinced that a brand strategy with a clear distinction between our individual brands as well as their visibility and operational excellence at the POS are key to our success. Therefore, we intend to continue to invest in our brands to offer even more distinct brands to best meet the individual requirements of our brands' target customers and stay competitive in the rapidly evolving market environment. We also strive to continuously make further investments to further improve operational excellence at our POS to support the successful implementation of our brand strategy and appeal our customers directly in our POS.

With regard to our TAIFUN brand we see high potential in the wholesale business since further wholesale customers can be acquired and existing customers can still grow sales, which we intend to achieve with collections which precisely match the individual expectations of TAIFUN's target customers and targeted measures aimed at increasing brand awareness. This also applies to our online business, which we intend to increase by expanding existing and acquiring new co-operations with third-party online market places. We plan a series of additional measures to continue the repositioning of our TAIFUN brand and further improve our competitive position. These measures include increasing the degree of vertical integration by offering capsule collections in addition to our regular collections to capture current fashion trends. Furthermore, we plan to develop sub-lines of our TAIFUN brand with a new positioning, *e.g.*, signature collections of particular product groups, to secure additional wholesale sale space and win new target customers.

With regard to our SAMOON brand, our aim is to clearly position our SAMOON brand as online brand and benefit from the on-going trend of consumer spending, in particular of our SAMOON brand's target group, shifting to online and away from stationary stores. We aim to achieve this objective by increasing customer awareness at both, our own online shops and third-party online market places, *e.g.*, by offering exclusive online collection items and a wider product range. For example, we introduced collection items of our SAMOON brand in size 58, which are exclusively available online. We also intend to expand our SAMOON brand internationally. To meet this objective, we intend to further invest in developing our products to be able to sell our SAMOON brand's collections internationally. In this context the offering of our SAMOON brand through online channels could serve as a first step of market entry in order to explore future growth markets. Furthermore, we aim to develop and test new approaches for retail growth. For example, we plan to reduce the product assortment in some of our retail stores and offer in-store-ordering for products which are not available in such stores.

With regard to our GERRY WEBER brand we particularly see potential for future growth in international markets in which have not been impacted by our Restructuring as much as our domestic market. We particularly see future expansion potential in Russia, the Balkans, Saudi Arabia and the Middle East because of the high value perception and thus high demand for our products in these markets, and we plan to selectively grow in these markets, in particular through the expansion of our wholesale POS (see also below under —*8.6.3 Go-to-Market*).

8.6.2 Product Development

As part of our Restructuring, we have undertaken an extensive overhaul of our product development process to better meet the demands of our customers and wholesale partners, and reduce costs.

Rapidly changing customer preferences, quickly emerging fashion trends and market conditions, including off-season weather conditions, require us to continuously and flexibly align our brands' collections with customers' requirements. We introduced a new go-to-market approach providing for ten collections for each brand (previously six collections per year), which enables us to respond more quickly and adequately to market trends and customer preferences during the season. Each collection is designed based on current market trends and customer preferences, which are incorporated into our collections on the basis of a newly defined and streamlined collection framework plan. The web-based "360 Degrees Product Performance Panel" introduced in summer 2018 allows us to continuously and promptly align our product and category strategy on the basis of direct feedback gained from our customers, wholesale partners, sales staff and employees. We believe that identifying trends quickly and promptly translating them into collections ready for sale at our POS is a key factor. With each of our brands producing ten collections per year supplemented by our flash and repeat modules, each point of sale receives a constant stream of new products for display to potential customers. To further optimize our product development process we intend to increasingly make use of analytic tools in order to continuously identify and evaluate customer preferences and incorporate these into our brands' collections.

In 2019, we reorganized our product development in terms of concept, organization and processes to provide for a coherent and thus efficient and more customer oriented product development process across all our brands to best meet the requirements of our target customers. For more detailed information about our product development process, please see below under *"—8.7 Product Development, Category Management"*. Over the coming month we will continue to further optimize our product development process which will be supported by a close cooperation of our product development teams and our procurement teams. Moreover professional standards of flexible and timely control have been initially introduced and will be anchored even more firmly in the operational organisation and optimized in the coming months. We also intend to utilize further sales potential of our license business.

We also introduced a newly defined NOS strategy, which is an integral part of our collection framework plan. To increase the desirability of our NOS articles and take into account the overall shorter life cycle of fashion products, we significantly shortened the life cycle of our NOS articles to 12 months for regular NOS articles and 6 months for seasonal NOS articles. Our life cycle management tool allows us to continuously monitor and analyse the life cycle of each NOS article in order to ensure high productivity of our NOS collection. We plan to increasingly incorporate our newly defined NOS strategy into the operational organization. The new NOS range has been available to customers since January 2019.

8.6.3 Go-to-Market

We want to significantly increase our planning accuracy and reduce complexity, while at same time making our distribution activities much more efficient. Our primary "go-to-market" objectives are targeted collections and an optimised adaptation to strong trends during the course of each season. To this end, in 2018, we already changed the "traditional" pre-order process with our wholesale partners and delivery rhythm for our own retail stores by launching a new go-to-market approach, comprising ten collections for each of our three brands, which will be offered to our wholesale partners in four physical order rounds but with shorter order times in one of our showrooms and two digital order rounds per year by placing orders using our internet-based order platform (Fashion Cloud). We follow a customer-centric approach by providing ten collections with trend specific content. The quick changeover of our collections allows us to respond more quickly to fashion trends and customer preferences during the season, which we believe improves our sales efficiency, reduces the fashion and sales risk for our products, increases the planning accuracy and reduces excess stock.

The main focus of the "go-to-market" concept is placed on our wholesale partners. We aim to further optimize and improve our wholesale business to remain the preferred partner for our current wholesale partners, and become the preferred partner for new potential wholesale partners

We are convinced that it is absolutely critical to our success to further strengthen, cultivate and expand our relationships with our key accounts, most of which are still good. We pursue to offer intensive account management by closely cooperating with our wholesale partners to further improve sales performance. We also intend to further improve processes to further reduce lead times if our wholesale customers require a fast response to unexpected market demand, *e.g.*, additional product quantities to replenish stock, inclusion of a suddenly emerging fashion trend or unseasonal weather conditions. These measures will be our main concern in the coming months.

We continue to see good growth potential for our wholesale business especially in countries outside Germany. While in our core DACH region our current key focus is on stabilizing and strengthening relationships with our existing wholesale partners, we aim for a profitable expansion of our international wholesale activities with defined targets for expansion and plan to take advantage of existing growth potential in selected foreign markets. At present, we particularly see expansion potential in Russia, the Balkans and Saudi Arabia because of the perception of GERRY WEBER as high value premium brand and thus high demand for our products in these markets, and we plan to grow in these markets, in particular by implementing country-specific market strategies. Furthermore, in 2020, we started to develop a new concept for our franchise strategy with the aim to increase our franchise network.

8.6.4 Planning and Product Management

It is our aim to distribute the right product at the right time at the right price and at the right place. Therefore, in 2019, we optimized our product planning and product management processes throughout all distribution channels. We have switched to a monthly product allocation in accordance with our collection framework plan, and as a result considerably reduced pre-order limits, while at the same time gaining more flexibility for re-adjustments during the season to prevent excess stock. We plan to implement a professional software solution to further optimize our product planning and operational control of the allocation of merchandise. The necessary decisions for such implementation are expected to be taken in 2020. However, we believe, that economically measurable benefits from the then newly implemented software solution will not become apparent before 2022.

8.6.5 Retail Performance

To achieve profitability of our Retail GERRY WEBER Segment in the future, as part of our Restructuring, we initiated a series of measures to reduce costs within our Retail GERRY WEBER Segment, enhance the performance of our retail stores to increase our revenue per sales area and conversion rates, and further improve our competitive position.

In the fiscal year ended October 31, 2018, we closed 42 POS (thereof 27 in Germany), which either failed to meet the Group's profitability targets, mostly due to high rental and personnel costs, or whose future prospects appeared negative, and reduced overheads correspondingly. In the short fiscal years ended March 31, 2019 and December 31, 2019, we closed another 10 and 174 POS, respectively. In the six-month period ended June 30, 2020, we closed 36 POS. Following consolidation of our retail portfolio, as of June 30, 2020, we had a total of 588 retail POS (thereof 350 POS in Germany). Furthermore, in connection with the POS consolidation, we decided to completely exit our retail operations in the United Kingdom, Denmark and Sweden, which proved to be not profitable.

To further reduce our operating costs, in 2020, we implemented a concept aimed at reducing our rental expenses. First talks have been held for the reduction of rents across all sorts of retail stores. Where appropriate, we also make use of legal aid in this respect, *e.g.* the provisions put into force by the German legislator in March 2020 in favour of tenants in context of the COVID-19 pandemic.

Following the consolidation of our POS portfolio, our focus is now on achieving profitability and increasing sales per square meter and conversion rates (which is defined as the ratio of the number of total purchases divided by the total number of our visits in a given period) as the key performance indicators for our Retail GERRY WEBER Segment. To achieve this, we intend to introduce a new shop fitting and visual merchandising concepts in the course of 2020. To further improve and develop our sales system, we are also implementing new concepts for a systematic sales training for our sales staff (Retail Academy). We expect that this will lead to an increase of the average bon sizes (which is defined as the total amount spent including VAT divided by the total number of orders in a given period).

We believe our current retail portfolio provides a solid basis to operate our retail business profitably going forward and provides us with an opportunity for selective future growth. Currently, we particularly see growth potential in the expansion of our outlet stores, as these provide us with an efficient opportunity to sell excess stock, especially in times of low consumer demand as experienced in context of the COVID-19 pandemic, thereby reducing our working capital, and intend to open 6 outlet stores the location of which has already been defined during the course of 2020.

8.6.6 eCommerce/Omni-Channel

Our online revenues increased steadily over the past fiscal years and amounted to € 13.1 million for the six-month period ended June 30, 2020 (€ 21.9 million for the short fiscal year ended December 31, 2019, € 11.2 million for the short fiscal year ended March 31, 2019, respectively, and € 59.6 million and € 51.2 million for the fiscal years ended October 31, 2018 and 2017, respectively), which represented 9.3% of our consolidated revenues for the six-month period ended June 30, 2020. We intend to further strengthen and expand our eCommerce business in order to increase our online revenue share and benefit from the on-going shift of consumer spending from traditional retail stores to online shopping. To this end, we launched a new set-up for our online shops by replacing our service provider for webshop and fulfilment, including new software (iSHOP) and improved logistic services (including customer care and debtor management services). We also seek to increasingly offer products through our eCommerce channels and to further promote the continuous integration of our on- and offline channels to enhance the shopping convenience of our customers and achieve further growth of our eCommerce business. For example, we implemented an online in-store-ordering solution (option for our customers to order products on our own retail stores for delivery at home), which is now available in 80 retail stores in Germany, and prepared a further rollout of such in-store-ordering solution in Austria, Belgium and The Netherlands in the near term. We are also implementing click and collect (function which allows customers to order products in the GERRY WEBER online shop and collect and pay them in one of our own retail stores) and click and pay (function which allows customers to order and pay for products in the GERRY WEBER online shop and collect them in one of our own retail stores) solutions in our own retail stores in Germany. We also aim to continually improve our customer service, and thereby increase customer's conversion rate, repeat purchases and brand loyalty. We expanded our already existing Customer Relationship Program ("**CRM Program**") covering all of our brands and sales channels. Furthermore, we implemented a concept for a customer loyalty program with the aim to improve customer retention.

We intend to pursue growth of our eCommerce business by continuously expanding our eCommerce presence in selected new markets in order to gain market share and further increase our online revenues. We currently operate local language online stores for each of our brands in Germany, Austria, Switzerland, the Netherlands, Poland and the United Kingdom. In addition, in November 2019, we set up a separate online shop, through which we sell our products into the remaining European countries. Furthermore, we plan to make our online shop accessible in Asia and Russia to further expand our brand recognition in such countries. In line with our strategy to expand our outlet business and to continuously integrate our online- and offline-channels, we also plan to launch an online outlet which will provide us with an even more efficient way to sell earlier collections or excess stock. We intend to increasingly expand co-operations with third-party marketplaces in our domestic market and internationally. We recently implemented a cooperation with Zalando in Switzerland and we see further potential for a short- to mid-term expansion of our eCommerce business through the cooperation with third-party online marketplaces.

8.6.7 Supply Chain/Procurement

We have reorganized our product management and product procurement structures in terms of concept, organisation and processes to further increase operational efficiency in these areas, and reduce costs.

We down-sized large dimensioned administrative structures in our procurement offices in Turkey and Asia, we closed our own production site in Romania in January 2018 and introduced a standardized process for the use of raw materials by using so-called fabric libraries (*i.e.*, libraries listing generally used materials across all product lines. We have also streamlined our supplier base and reduced the number of suppliers from approximately 186 suppliers as of October 31, 2017 to approximately 90 suppliers as of June 30, 2020, thereby placing particular emphasis on suppliers that meet our increasing product requirements in terms of quality, speed, quantity and price. Our criteria for the selection of our supply partners will remain very strict.

While we have been able to already reduce our lead times and reduce costs through these measures, we plan to continue to further optimize processes and workflow structures of our product management and product procurement until into 2021. We, for example, plan to change our product procurement by increasingly making use of Full Package Services on a case-by-case basis to reduce complexity and staff costs. Cut, Make, Trim (*passive Lohnveredelung*) ("**Cut, Make, Trim**" or "**CMT**") will nevertheless remain a fundamental component of our procurement strategy and the development of the patterns will remain the core competency of all GERRY WEBER brands. We also aim to establish cross-functional product teams and align our product procurement and product development processes to improve our procurement structure and increase efficiency.

8.6.8 Digital Readiness / IT

Advanced IT systems are a key success factor for a profitable and cost-efficient operation of our business and therefore of significant relevance for our turnaround process. Thus, as part of our Restructuring, we initiated an extensive overhaul of our IT infrastructure. In a first step, we stabilized our IT-infrastructure by making investments in hardware and software to provide for a reliable support of our operational processes. We also plan to strengthen our IT organization by hiring a dedicated IT team. Furthermore, we have initiated various short-term cost reduction measures, including renegotiating IT infrastructure and IT service related contracts at improved terms. In the medium-term, we plan to consolidate and modernize our IT landscape and expect to reap substantial process improvements and cost savings from those efforts over the coming years. This will *inter alia* include the modernization of the IT infrastructure in our POS and further IT improvements, such as improving our data analytics capabilities. To achieve this, we are currently developing a clear roadmap for a scheduled implementation of these measures.

8.6.9 Organizational Excellence

In order to streamline our corporate structure and increase efficiency of all administrative processes to promote future profitable growth, effectively implement the Restructuring Program, and reduce costs, as part of our Restructuring, we have substantially reorganized our Group's management structure. This structural reorganization included the reorganization of our Management Board, with a clear functional division between operational and financial responsibilities among the two members of the Management Board and a corresponding reorganization of our second and third line management, leading to clearer definition of responsibilities and short-decision making processes in the Group. The new management structure follows a functional approach along the two Board departments of Chief Executive Officer ("**CEO**") and Chief Restructuring Officer ("**CRO**").

On February 21, 2020, Alexander Gedat was appointed as interim chairman of the Management Board and CEO. As CEO, Alexander Gedat is responsible for product related aspects and sales. Florian Frank was appointed to the Management Board as CRO on October 2, 2018 and is responsible for the areas restructuring, human resources and IT. Furthermore, Mr Frank's responsibilities extend to all tasks typically performed by a Chief Financial Officer ("**CFO**") which are finance, budgeting, controlling and M&A. As the measures and strategy associated with the Restructuring Report are largely implemented, Florian Frank's role will increasingly develop into the role of a CFO in the future.

On July 28, 2020, Angelika Schindler-Obenhaus was appointed as member of the Management Board and Chief Operating Officer with effect from August 1, 2020. Angelika Schindler-Obenhaus is responsible for the areas design, production, procurement and marketing.

In addition, we have highly qualified and dedicated second and third level management teams with clearly defined operational areas and responsibilities. We are convinced that the specific expertise and know-how of our second and third level management team members is a key advantage both with regards to our Restructuring and strategic repositioning process and the prevailing competitive environment. Having used the opportunity of the restructuring process to reshuffle management responsibilities and tasks wherever necessary, we are now operating with second and third level management teams that have profound industry experience, proven marketing expertise and high customer acceptance coupled with long-lasting deep understanding of our Company's incumbent brand strength. We have thus successfully combined existing highly skilled management forces with newly appointed profound sector expertise in order to further strengthen the change process. Furthermore, we believe that our clear organizational structure allows us to focus on the mid- to long-term strategic development of the GERRY WEBER Group. In addition, highly experienced external advisors and professionals complement our internal know-how. To accelerate the on-going transformation process, we have hired Klaus Harnack, business consultant at Hachmeister + Partner GmbH & Co. KG, for consultation purposes. The engagement of Karin Veit, who has more than 18 years of experience in the fashion business at Marc Cain GmbH, as an independent advisor, helps us to solidify our alignment towards customers in our segment. Furthermore, by engaging the services of Norbert Lock as advisor for our wholesale business, we obtain extensive knowledge of an experienced manager within the fashion industry. With respect to the optimization of our product offering we are consulted by Norbert Steinke, who works on sales analytics and full price sell-through analytics, mainly in the retail sector.

Furthermore, we have aligned our overhead structure with the new corporate structure by reducing headcount, implementing new roles, responsibilities and processes and opening a multi-project-management office, which is responsible for the implementation of our Restructuring, and the revitalisation of an attractive employer culture that promotes performance and loyalty, providing a basis for a stronger focus on profitable growth of our businesses and to further improve our competitive position. In order to further resize our overhead structure, we intend to additionally reduce personnel by approximately 200 employees between June 2020 and 2022, particularly in the headquarter in Halle/Westphalia.

8.6.10 CFO-Agenda

Our CRO negotiated a sustainable new financing structure which allows us to be fully financed over the next four years comprising of the Financing Agreements which are described in "*9.1 Material Contracts—Financing Agreements*".

The main goal of the CFO-Agenda is gaining transparency and implementing an integrated management information-system that allow us to measure and assess the performance and target achievements of the Group as well as our individual segments and business areas, which are our consolidated revenue, revenue by distribution channel/segment and revenue by brand. Furthermore, we implemented a rolling forecast system regarding EBITDA and cash flows.

To make our internal controlling and reporting processes more efficient, we implemented a tool-based internal planning/controlling system. Any operational decision is made on the basis of its sustained impact on EBIT and EBITDA in the short- and long-term. Additionally, the number of POS of each individual store format (*e.g.*, mono-label store, concession store, franchise store) and the sales space in square meters are important non-financial performance indicators of the Group. The relevant indicators to assess the operating performance of the Retail GERRY WEBER Segment are average revenue per square meter as well as like-for-like revenue growth. In addition, we have defined specific early indicators for the individual brands and distribution channels, whose development may have a positive or negative impact on the net worth, financial and earnings position. These include the conversion rate or the increase/decrease in visits of our online shops. Complementary performance indicators have been defined for the other operating areas, *e.g.*, logistic costs per item.

In the context of our Restructuring, we implemented a multi project office management to track progress of all relevant measures. Going forward we intend to implement leverage, which is defined as net debt/adjusted EBITDA, as an additional key performance indicator to measure the progress of our Restructuring and strategic repositioning.

Furthermore, we aim to reduce our fixed cost base by renegotiating current contracts and implement outsourcing procedures. Also there is a cost controlling process implemented to remain flexible regarding budgeted expenses.

8.7 Product Development, Category Management

Our value chain starts with the season planning for our brands GERRY WEBER, TAIFUN and SAMOON based on a quantitative analysis of past sales, price points, bestseller product classes and expected future sales, combined with a qualitative analysis of current trends which will be translated into a seasonal story board. The result of this analysis builds the collection framework plan which forms the basis for the product development process. It includes the number of models and colour variations planned by product class, price points, fashion level and store cluster. Besides the core collection items offered to our own retail stores additional styles requested by other sales channels, *i.e.*, our eCommerce and wholesale channels are incorporated into our collection framework.

We release ten collections for each brand, which are collectively developed by our brands' product teams, consisting of designers, technicians and merchandisers. Such teams are organized into product categories to ensure a product and customer focused development process. Each collection is designed based on current trends. In a concept meeting the product teams jointly decide which product ideas can be realized and coordinate prints, fabric-concepts and colours. Prototypes of our designs are either developed internally or by our manufacturing partners. In either case our teams (design teams, pattern makers, technicians and quality management department) ensure compliance with our stringent production requirements and high quality standards. These prototypes are then checked both, technically, *i.e.*, with regard to fit and material composition and commercially, if they can meet the price targets in order to ensure a coherent offer to our customers. This collection proposal is then discussed during the pre-cluster meeting in the mock-shop, which serves as an agile communications hub for the designers, visual merchandisers, category managers and sales team and ensures that all functions are connected in order to incorporate all aspects and subsequently to release this selection for sample duplication for our wholesale-showrooms. During the whole development process, feedback from all our sales channels (*i.e.*, wholesale, retail and eCommerce) is integrated and adapted to the collection framework plan so that the collections are well-balanced with regard to number of styles by product class, price points, fashion levels etc. Right before sales start in the final cluster meeting, order recommendations are prepared to present a well-balanced offer to our wholesale customers, franchise partners and own retail stores. Various aspects and past experiences are considered when preparing this order recommendation. Besides the prior year figures, specific characteristics such as regional preferences are considered depending on the store format and size as well as the individual sales regions.

The development of our collections is followed by the sales phase in which context our category managers place the orders for our own retail stores and the controlled retail spaces, adding quantities for replenishment, and our wholesale clients decide what quantities of which product and in which sizes are to be ordered for their sale spaces.

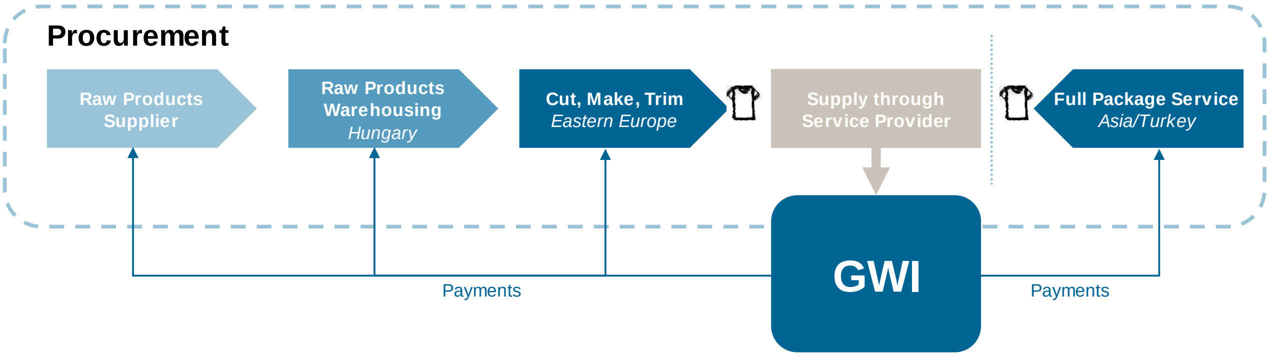
Finally our procurement team bundles these quantities and places the bulk orders accordingly.

8.8 Procurement and Production

The production requirements for each individual product are defined on the basis of the information obtained from the merchandise management process and the order data of our wholesale partners. For the six-month period ended June 30, 2020, our production volume amounted to approximately 4.8 million items.

We use two different channels for the procurement and production of our products: Full Package Services on the one hand and Cut, Make, Trim (each as defined below) on the other hand.

The below chart provides an illustrative overview of our procurement channels:



FPS, which accounted for approximately 77.7% of our total production volume in the six-month period ended June 30, 2020, are mainly provided through contract manufacturers in so-called "low-cost-countries". In the six-month period ended June 30, 2020, Turkey contributed approximately 34.1% of the total FPS production volume. The remaining FPS production volume was mainly sourced from countries in Asia, with Bangladesh, India, Indonesia, Vietnam, Pakistan and Sri Lanka contributing approximately 31.0% to the total FPS production volume, while almost 28.4% of the FPS production volume was sourced from China. Full Package Services are carried out by the FPS contract manufacturers, which includes the sourcing of the individual components for and the manufacturing of our products. Clear instructions for outer fabrics and other components as well as the technical data from the pattern-making department provide the framework for our contract manufacturers. The production process is supervised by own employees located in our procurement offices in Istanbul (Turkey), Shanghai (China) and Dhaka (Bangladesh), who have direct contact to our manufacturers during the manufacturing process, and, *inter alia* through site visits, ensure compliance with the relevant regulations and standards applicable to the respective manufacturer and appropriate local working conditions, which enables us to have control over the manufacturing process.

CMT, which accounted for approximately 22.3% of our total order volume in the six-month period ended June 30, 2020, is carried out mainly in Eastern Europe and Northern Africa by contract manufacturers from the Ukraine (with a share of approximately 31.9% of the total Cut, Make, Trim volume in the six-month period ended June 30, 2020), Tunisia (23.2%), Albania (15.8%), Bulgaria (13.1%), Macedonia (7.8%), Moldavia (6.2%) and Poland (1.1%). CMT manufacturers are responsible for the finishing process, mainly consisting of sewing work. The components required for a garment, such as fabrics, zippers, yarns and buttons, are sourced by us in advance and made available for production to the respective CMT manufacturer.

We are in the process of changing our product procurement by increasingly making use of FPS.

For both procurement channels no specific contractual documentation, such as framework agreements or long-term contracts, exists. Instead, procurement is implemented by placing individual orders.

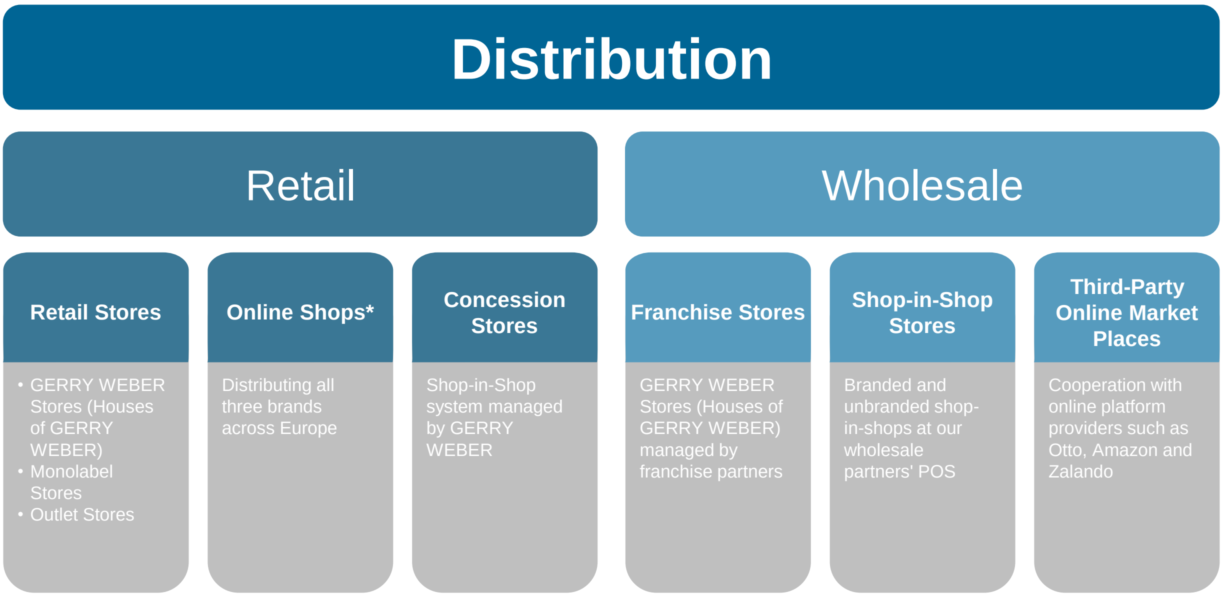
The cost efficiency and speed of the procurement structures are material aspects of our success. Our global network of manufacturing partners and suppliers allows us to allocate each production order to the most suitable manufacturer depending on the product, the material and the required quantities. We maintain an in-house procurement team, which is responsible for the selection of the best contract manufacturers and suppliers for us. Besides compliance with our high quality and social standards, the procurement team bases its decisions on the punctuality, compliance with high standards of quality and workmanship including no-compromise compliance with all legal standards as well as competitive prices. Before being accepted as a contract manufacturer or supplier, all partners must undergo extensive checks to ensure that they meet our selection criteria. The procurement team is supported by our own social compliance department, which conducts a social and environmental compliance audit and which is to be repeated at various time intervals. We only choose manufacturers and suppliers who have been audited by an independent audit firm certified by amfori BSCI, approved by our social compliance department and meet our requirements in terms of social and environmental compliance, which is reflected in a social compliance agreement to be signed by each supplier to ensure compliance with the social standards according to the code of conduct set up by amfori BSCI ("**CoC amfori**") and the terms of implementation of such CoC amfori both by our suppliers in their own production facilities as well as by subcontractors employed by our suppliers. The social compliance agreement sets out the requirements and intervals of the audits and provides us with the option to shorten the audit intervals if necessary, imposes financial sanctions or provides for a termination of the cooperation in case of severe violations. Furthermore, the social compliance agreement requires our suppliers to comply with additional regulations in the area of environmental and animal protection, such as, amongst others, the ban of real fur or angora cotton in any product. We believe that we have high standards with respect to quality and workmanship, the quality-consciousness of our manufacturers and suppliers in the production process and the quality of materials used for the production of our products as well as local working conditions, and we require our manufacturers and suppliers to comply with the CoC amfori and the terms for the implementation of the CoC amfori. The CoC amfori includes relevant principles and standards of the Universal Declaration of Human Rights, the Children's Rights and Business Principles, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines, the UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain. Additionally, we have our own in-house laboratory in Halle (Westfalen), Germany, which is providing random checks of merchandise.

In the context of the Restructuring, we closed our own production site in Romania in January 2018. Furthermore, we have also streamlined our supplier base and reduced the number of suppliers from approximately 186 suppliers as of October 31, 2017 to approximately 90 suppliers as of June 30, 2020 (Cut, Make, Trim and Full Package Service). In six-month period ended June 30, 2020, our top ten suppliers contributed 44.8% of the total order volume and the largest single supplier was responsible for less than 10% of the total order volume.

8.9 Our omni-channel distribution model

We sell our products through a fully integrated omni-channel distribution model via our wholesale and retail channels, which reflect our operating segment structure. Our wholesale channel supplies our wholesale partners around the world with the collections of our GERRY WEBER, TAIFUN and SAMOON brands. We also sell directly to end-customers through our integrated retail channel, which includes our retail stores (including outlet stores), concession stores, and online shops. Our global reach is extensive as our products are available through our wholesale and retail distribution channels at a total of 2,818 POS worldwide as of June 30, 2020, of which 1,876 POS were located in Germany. In addition, we license to third parties the right to access our various trademarks in connection with the licensees' manufacture and sale of products, such as certain glasses and sunglasses, leather and textile products (*e.g.*, bags, purses, briefcases) and shoes.

The below chart provides an overview of our omni-channel distribution model:



* Does not cover third party online market places which are reflected in the Wholesale Segment

The below table shows the number of our POS by distribution channel as of June 30, 2020:

	As of June 30, 2020
	(unaudited)
GERRY WEBER Retail	
GERRY Weber stores	291
Monolabel stores	15
Concession stores	254
Outlet stores	28
Total	**588**
GERRY WEBER Wholesale	
GERRY WEBER franchise stores	242
Shop-in-shop stores	1,988
Total	**2,230**

8.9.1 Retail

Our retail channel is our main operational pillar contributed 53.1% to our total revenues in the six-month period ended June 30, 2020 (63.7% for the short fiscal year ended December 31, 2019, 56.4% for the short fiscal year ended March 31, 2019, respectively, and 56.8% (excluding HALLHUBER) for the fiscal year ended October 31, 2018 and 42.7% and 44.6% for the fiscal years ended October 31, 2018 and 2017, respectively). The retail channel encompasses sales of the GERRY WEBER, TAIFUN and SAMOON brands directly to end-customers via company-managed POS of GERRY WEBER, comprising of (i) own retail stores (including outlet stores) and (ii) concession stores, and our own online shops. As of June 30, 2020, we had a total of 588 company-managed POS (which comprise of 334 own retail stores (including 28 outlet stores) and 254 concession stores), out of which 350 POS were located in Germany. We believe that through our own retail presence we benefit from control over the whole value chain, including full control over the product assortment and sales areas and thus a consistent brand presentation.

The chart below provides an overview of our retail store portfolio in Europe, *i.e.*, the number of our company-managed POS regions as of June 30, 2020:

8.9.1.1 *Retail stores*

Our own retail stores, which contributed 69.4% to our total retail revenues in the six-month period ended June 30, 2020 (excluding outlet stores), comprise of leased multi-label stores operated by us under the brand GERRY WEBER (so-called Houses of GERRY WEBER) and mono-label stores of our TAIFUN and SAMOON brands. A GERRY WEBER store has an average sales space of around 212 sqm. Depending on the size and the location, a GERRY WEBER store sells all GERRY WEBER brands. The smaller mono-label stores have an average sales space of approximately 100 sqm and exclusively sell either TAIFUN or SAMOON branded products.

In addition to the GERRY WEBER stores and mono-label stores, we operate 21 outlet stores in Germany, 3 in the Netherlands, 2 in Belgium, 1 in Austria and 1 in Italy, which mainly offer out-of-season products of our brands at a reduced price as well as unsold merchandise, which has been returned at the end of a season by our wholesale partners participating in our partnership schemes. In the six-month period ended June 30, 2020, our outlet stores contributed 19.1% to our total retail revenues.

As part of the "Optimize the Retail Operations" module of our realignment program FIT4GROWTH launched in 2016, we have consolidated our retail portfolio by closing own retail stores (including outlet stores) and concession stores, which either failed to meet the Group's profitability targets, mostly due to high rental and personnel costs, or whose future prospects appeared negative, and reduced overheads correspondingly. As a result, the number of POS in our Retail GERRY WEBER Segment decreased by 137 POS between October 31, 2015 and October 31, 2017. Furthermore, as part of our Restructuring, in the fiscal year ended October 31, 2018, we closed 42 retail stores. In the short fiscal years ended March 31, 2019 and December 31, 2019, we closed another 10 and 174 POS, respectively. In the six-month period ended June 30, 2020, we closed 36 POS. Following consolidation of our retail portfolio, as of June 30, 2020, we had a total of 588 POS (thereof 350 POS in Germany.

Furthermore, in connection with the POS consolidation, we decided to completely exit our retail operations in the United Kingdom, Denmark and Sweden, which proved to be not profitable.

8.9.1.2 Concession stores

Concession stores, which contributed 11.4% to our total retail revenues in the six-month period ended June 30, 2020, are company-managed shop-in-shops. In contrast to consignment-based shop-in-shop stores operated within our Wholesale GERRY WEBER Segment (for a description of consignment-based shop-in-shop stores please see below under "*—8.9.2.2 Wholesale—Consignment based shop-in-shop stores*"), we rent the sales areas in the respective retail stores of our contractual partner and operate these on our own account and with own employees, which provides us with full control over the product assortment and brand execution. On the other hand we bear the sales and inventory risk of unsold merchandise, which means that our contractual partners may return merchandise, which has not been sold by them at the end of a season. Most of the concession stores are located in large department stores of our wholesale partners, such as Galeria Karstadt Kaufhof in Germany and El Cortes Inglés in Spain and typically have a sales area of approximately 56 sqm. As of June 30, 2020, we had 254 concession stores, of which 147 were located in Germany and 107 abroad (66 in the Netherlands and 41 in Spain).

8.9.1.3 Online shops

Our Retail GERRY WEBER Segment also comprises revenues generated by our own online shops, which contributed 14.2% to our total retail revenues in the six-month period ended June 30, 2020. We currently operate local language online shops for each of our brands in Germany, Austria, Switzerland, the Netherlands, Poland and the United Kingdom. In addition, in November 2019, we set up a separate online shop, through which we sell the collection of our brands into the remaining European countries. Furthermore, we plan to make our online shop accessible in Asia and Russia to further improve our brand recognition in such countries. For more detailed information regarding our eCommerce offering, please see below under"*—8.10 eCommerce Growth*".

We outsourced all services (including logistic, customer care and debtor management services) to a third-party provider, who also provides the relevant software for the operation of our online shops.

8.9.2 Wholesale

Our Wholesale GERRY WEBER Segment, which contributed 46.9% to our consolidated revenues in the six-month period ended June 30, 2020, builds our historical foundation with a strong international POS footprint. As of June 30, 2020, our wholesale channel comprised of 2,230 POS worldwide (excluding eCommerce), of which 1,526 were located in Germany. As of June 30, 2020, we had another 159 wholesale POS in Switzerland and Austria. In the rest of the world, we supplied 545 wholesale POS (including 154 POS in Russia, 112 POS in the Benelux countries (Belgium, the Netherlands and Luxembourg), 91 POS in Eastern Europe, 79 POS in Scandinavia (Sweden, Norway, Finland, Denmark), 71 POS in Western/Southern Europe and 38 POS in the Middle East as of June 30, 2020. We have a broad network of wholesale partners, which include Mode Bayard AG, Galeria Karstadt Kaufhof, Modepark Röther, Nesk Trading Projects LLC, Peek & Cloppenburg West, Sinn and Woehrl, with our top ten wholesale partners accounting for 21% of our consolidated revenues for the six-month period ended June 30, 2020.

Our wholesale channel comprises two distribution channels: (i) shop-in-shop stores and (ii) franchise stores. Additionally, we maintain partnerships with third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto. As these purchase the merchandise from us, the revenues generated through such third-party online marketplaces are counted towards the Wholesale GERRY WEBER Segment.

8.9.2.1 Shop-in-shop stores

We had 1988 shop-in-shop stores as of June 30, 2020. We operate to different shop-in-shop store sales formats: (i) multi-label stores and (ii) consignment-based shop-in-shop stores.

Multi-label stores are department stores and boutiques of generally rather small independent fashion retailers who generate a limited turnover with our products and sell items from the collections of our brands in addition to products of other fashion companies. Multi-label stores are not equipped with specific GERRY WEBER shop fittings and the products are not sorted by designers or exclusively labelled. Thus, our products are less visibly distinguishable from the products of other fashion companies and can only be identified by the labels on the inside of the products and price tags. The independent fashion retailers operating multi-label stores place individual orders on standard order notes, thus our control over the flow of merchandise is very limited. On the other hand, the merchandise is sold and title to it is transferred by us to the retail partners. Therefore, our retail partners bear the sale and inventory risk of unsold merchandise. For retail partners placing larger sales volumes of our products, we additionally use so-called customer trust limit agreements, which generally differ in terms of commercial conditions, *i.e.*, the higher the annual turnover of the relevant retail partner the better are the commercial conditions at which such partner is entitled to purchase GERRY WEBER merchandise. If a retail partner qualifies for the so-called platinum level (which is the highest level of the customer trust limit agreements), we are obliged to take back the merchandise or to partially refund the purchase price for up to 5% of the merchandise purchased by such retail partner.

8.9.2.2 Consignment based shop-in-shop stores

Consignment based shop-in-shop stores are branded sales areas managed by our wholesale partners and are usually located in department stores such as Galeria Karstadt Kaufhof, Wöhrl and Appelrath Cüpper. These sales areas are equipped with GERRY WEBER shop fittings and designs and within the sales areas our products get physically and visually distinguished from the products of other fashion companies. We operate shop-in-shop stores by using the so-called consignment model (*Kommissionierungsmodell*), which differs significantly from the business operated via multi-label stores: We ship our products to our consignment partners but do neither sell these to the consignment partners nor transfer title to the products to them. Instead, the products remain our property, until they are sold and transferred by the relevant consignment partner to the end-customer at consignment partner's POS. Thus, we bear the sale and inventory risk of unsold merchandise.

8.9.2.3 Franchise stores (Houses of GERRY WEBER)

The so-called Houses of Gerry Weber are franchise stores operated by franchise partners. These stores feature the same branding and shop fittings as the company-managed GERRY WEBER stores.

The table below shows the number of our franchise partners by regions as of June 30, 2020:

	As of June 30, 2020
Germany	42
Switzerland	18
Austria	2
France	9
Benelux	6
Eastern Europe	35
Baltics	15
GIS States	70
Middle East	29
Others	16
Total	**242**

The partner agreements entered into with franchisees include the construction and operation of the franchise stores and the distribution of merchandise of the GERRY WEBER, TAIFUN and SAMOON brands as well as the franchise partner's right to use the GERRY WEBER trademarks in the context of the franchise business. The franchise partners independently operate the franchise stores at their own expense, purchase and sell our products in their own name and for their own account. The franchise partners are liable to us in respect of all third-party claims asserted against us in connection with the business operations of the respective franchise partner. The franchise partners are generally obliged to take out and maintain several insurances, *i.e.*, insurance protection against third-party liability claims including product liability. We are obliged to set up a franchise store at the premises of the respective franchise partner, including shop fittings according to the GERRY WEBER concept-standard, changing rooms, cash desks and shopping assistance.

8.9.2.4 *Third-party online marketplaces*

Each of our brands has its own co-operations with third-party online marketplaces, such as Amazon, Zalando, Boozt, about you and Otto. As the marketplace operators buy the merchandise from us, revenues attributable to third-party online marketplaces are counted towards the Wholesale GERRY WEBER Segment. Revenues attributable to third-party online market places accounted for approximately 3.8% of our total wholesale revenues for the six-month period ended June 30, 2020. For more information regarding our eCommerce business, please see below under "—*8.10 eCommerce Growth*".

The Wholesale GERRY WEBER Segment is subject to increasing vertical integration, meaning that an increasing number of wholesale partners transfer the selection of the collection items and merchandise management process to the GERRY WEBER experts. Therefore, as part of our "Strengthen the wholesale operations" module of our FIT4GROWTH Program, in 2017, we introduced partnership program to improve the service of our wholesale partners and to optimize and gain more control over the flow of merchandise at our wholesale partners' POS. Depending on the individual status of the partnership program (bronze, silver, gold or platinum), GERRY WEBER experts assume responsibility for placing merchandise in our wholesale partners' shop-in-shops. This includes among other aspects the replenishment of sold out products as well as the replacement of collection items during the season. Furthermore, we, depending on the individual partnership status, offer a partial take-back of unsold merchandise (within a limited time-frame and value range) which is then sold through our outlet stores at the end of a season or which will be exchanged against new merchandise. The partnership program not only optimizes the presentation of the GERRY WEBER collections at the POS, but also lead to improved pricing, and, as a consequence, better margins for both partners.

8.10 eCommerce Growth

One of our key strategic objectives is to significantly grow our online revenues and, thus, better leverage the potential of our eCommerce channel, comprising of our own online shops, which are available across Europe as well as co-operations with third-party online marketplaces, such as Amazon, Zalando, Boozt, about you and Otto. Our eCommerce business constituted 9.3% of our total revenues for the six-month period ended June 30, 2020.

As of June 30, 2020, we reached six countries through our separately branded online shops: Germany, Austria, Switzerland, the Netherlands, Poland and the United Kingdom. In addition, in November 2019, we set up a separate online shop, through which we sell the collection of our brands into the remaining European countries. Furthermore, we plan to make our online shop accessible in Asia and Russia to further improve our brand recognition in such countries. Apart from our own online shops, we generated sales from third-party online marketplaces, which represented 18.9% of our eCommerce revenues for the six-month period ended June 30, 2020. Therefore, these marketplaces represent an important part of our growing eCommerce offering. Apparel and accessories from all our brands are currently available on third-party online marketplaces such as Amazon, Zalando, Boozt, about you and Otto.

The below table shows the share of revenues generated by our online shops attributable to our Retail GERRY WEBER Segment and third-party marketplaces attributable to our Wholesale GERRY WEBER Segment for the periods indicated:

	Six-month period from		**Short fiscal year from**		**Fiscal year from**	
(in € million)	**January 1, 2020 to June 30, 2020**	**January 1, 2019 to June 30, 2019**	**April 1, 2019 to December 31, 2019[(1)]**	**November 1, 2018 to March 31, 2019[(1)]**	**November 1, 2017 to October 31, 2018**	**November 1, 2016 to October 31, 2017**
			(unaudited)			
Online Shops	10.6	10.6	20.0	10.1	29.5	28.1
Third-party online marketplaces	2.5	1.9	1.8	1.1	2.7	3.0
Total	**13.1**	**12.5**	**21.9**	**11.2**	**32.2**	**31.1**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

We aim to continue to grow our eCommerce business in order to increase our market share and benefit from the on-going shift of consumer spending from stationary retail stores towards online shopping. Our eCommerce offering, through both our own online shops and third-party online marketplaces, currently target

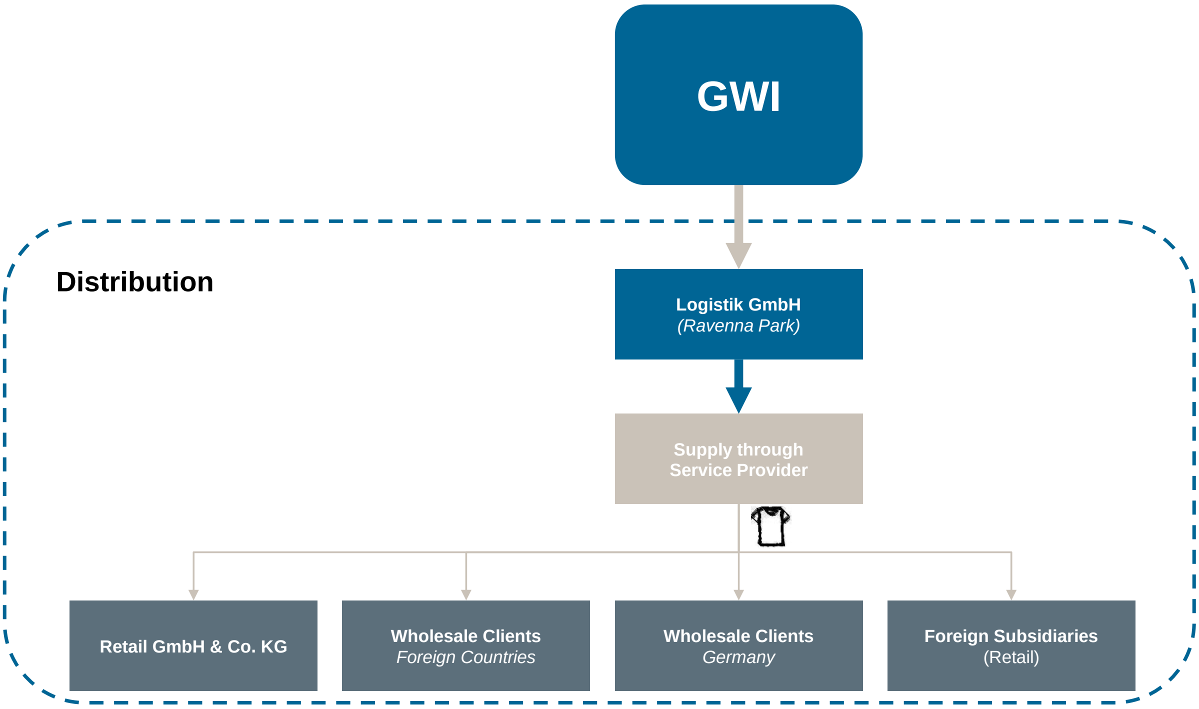
European countries. We intend to pursue growth of our eCommerce business by continuously expanding our online shop presence in selected new markets, such as Asia and Russia, in order to gain market share and further increase our online revenues. In line with our strategy to expand our outlet business and to continuously integrate our online- and offline-channels, we also plan to launch an online outlet which will provide us with an even more efficient way to sell earlier collections or excess stock. We also intend to considerably expand co-operations with third-party online marketplaces in our domestic markets and internationally. We recently implemented a cooperation with Zalando in Switzerland and see further potential for a short- to mid-term expansion of our eCommerce business through the cooperation with third-party online marketplaces. We also seek to increasingly offer products through our eCommerce channels and to further promote the continuous integration of our on- and offline channels to enhance the shopping convenience of our customers and achieve further growth of our eCommerce business. For example, we introduced a number of innovations such as click and collect, order online and return offline and in-store ordering for delivery at home to further enhance our customer engagement and thus grow our online revenues (please also see above "—8.6.6 *Restructuring and Strategic Repositioning—eCommerce/Omni-channel*").

8.11 Logistics

Ensuring reliable delivery to our wholesale customers and own retail stores places high requirements on our logistic infrastructure. Efficient logistic requirements are driven by ever faster seasonal turnarounds and changing consumer behaviour. We handle the logistic processes for the delivery of our products to our wholesale partners and own retail stores, from transport preparations and stock-keeping to processing and order picking to delivery to the individual POS, through our own logistic centre "Ravenna Park" located in Halle (Westfalen), Germany. Ravenna Park, which serves as a group-wide inbound and outbound logistics hub, was taken into operation in 2016 and encompasses a logistic area of approximately 111.000 sqm. Furthermore, Ravenna Park serves as warehouse (approximately 145.000 sqm) and outlet center (approximately 34.000 sqm). The logistic centre is equipped with an automated radio frequency identification (RFID) technology which allows us to automatically identify products upon arrival in our warehouse, to check them for completeness and to transport them to their place in the warehouse, providing for a more efficient and transparent logistic process, overview of stocks and faster supply of merchandise to our POS. Pursuant to the GWI Insolvency Plan, GWI is obligated to sell the Ravenna Park until December 31, 2021. The proceeds from such sale of Ravenna Park (after deduction of disposal costs) will be distributed to GWI's creditors. If the sale of the Ravenna Park has not been completed by such time, the sale will be carried out by the Trustee in the interest of GWI's creditors. Ravenna Park was run with good utilization rates in 2018 and 2019. Therefore, the Restructuring Program provides for a use of the Ravenna Park until 2021 and that a concept will be developed, which will be ready for implementation by that time and which provides for a commercially suitable alternative for the Group.

Due to other logistic requirements, our B2C logistics are outsourced to a third-party logistic provider (for a description of the logistic agreement with such third-party logistic provider, please see "*9.7 Material Contracts—Investment Agreements with the Plan Sponsors—Service Agreement with FIEGE Logistik Stiftung & Co. KG*"). Once our new logistic concept has been fully implemented, we plan to evaluate potential synergies.

The below chart provides an overview of our logistics processes:



8.12 Sustainability

We are a fashion and lifestyle group with a strong commitment to sustainability and social responsibility. We maintain memberships of and co-operations with a number of associations, which facilitates a broad exchange of knowledge and opinions with other players in our sector as well as with stakeholders, which we use in various associations and initiatives to gain ideas, insights and contacts, such as *Bündnis für nachhaltige Textilien, Dialog Textil-Bekleidung, the German Fashion Modeverband e.V. and the Gesamtverband der deutschen Textil- und Modeindustrie*. Furthermore, since 2010, we are an active member of amfori BSCI, an initiative joined by approximately 1,300 companies aimed at achieving social compliance improvements along the supply chain and pool resources to reach shared objectives.

We believe that sustainability and social responsibility is key to our wholesale customers and an important precondition for attracting our target customers. We expect that in respect to our customer target groups sustainability and environmental considerations will play an ever more important role in the decision to buy our products in the future. Therefore, focusing on environmentally friendly and resource-preserving production throughout our value chain is of great importance for us and our brands. Sustainability is an integral part in all areas of operations and is continuously expanded: the selection of materials and the constant evaluation of the entire supply chain, as well as the reduction of the number of products, collections and delivery dates support this objective. We follow a clear roadmap and intend to further reduce the impact to the environment of our manufacturing processes in the course of the next years. Furthermore, we believe that there will be increased awareness of certifications. In 2018, we renewed our GOTS certification, which allows us to use biological cotton for products in our organic collections, reaffirming our intention to continuously expand our offering of sustainable and biological textile products. The GOTS is recognized as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire organic textiles supply chain and also requires compliance with social criteria. The aim of GOTS is to define world-wide recognized requirements that ensure organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling in order to provide a credible assurance to the end consumer. In 2019, we manufactured more than 500,000 t-shirts from GOTS certified cotton, which constituted 24.0% of all produced cotton shirts. We achieved an important milestone with the release of our "I wear, I care" collection from March to May 2020 for our brands GERRY WEBER, TAIFUN and SAMOON which comprised of 384 items (approximately 40% of all products) made of GOTS certified organic cotton and an environmentally-friendly alternative to viscose which is produced out of wood. Denim in the collection is produced using a new environmentally-friendly indigo yarn dyeing process that uses foam instead of water, which eliminates 99% of the water typically used in indigo-dyeing, while using 89% less chemicals and reducing energy consumption by 65%.

We are committed to offering to our consumers sustainably produced fashion products. To achieve this objective, we have a quality assurance system, which is implemented by means of various measures, such as the targeted selection of qualified raw material suppliers, check of all raw materials for allergenic and cancerogenic substances in the country of origin and counter-check of the end-product on a random sample basis by independent certified laboratories. We have introduced a catalogue listing all of our minimum standards in the field of product- and human-ecological compliance, which are endorsed by our suppliers and *inter alia* ensures compliance with the European Chemicals Regulation REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) by listing chemicals, which may be contained in our end products either in limited quantities or not at all.

It is an integral element of our procurement strategy to purchase high-quality goods produced under socially and environmentally compatible conditions. Therefore, we only source goods from manufacturers which comply with our social and environmental standards as well as local and international standards, such as the amfori BSCI-guidelines. In 2010, we set up a Corporate Social Responsibility unit, which is *inter alia* responsible for ensuring compliance of our suppliers with these standards. The commencement of a business relationship with a new supplier is conditional on the supplier signing both, our code of conduct and a social compliance agreement. Our suppliers must also be amfori BSCI-audited or provide a comparable audit accepted by us.

8.13 Intellectual Property

GWI is the registered owner of a high number of registered trademarks in various countries around the globe (including at European Union level). The portfolio includes the trademarks "GERRY WEBER", "TAIFUN" and "SAMOON". Additionally, Life-Style Fashion GmbH ("**Life-Style Fashion**") is the owner of a portfolio of approximately 40 national trademark registrations in certain countries in Middle East, Asia and Europe. This trademark portfolio includes the trademarks "TAIFUN" and "SAMOON COLLECTION". Life-Style Fashion is also the owner of two registered Community designs pursuant to Council Regulation (EC) No. 6/2002 of 12 December, 2001 covering stitching patterns on the pockets of jeans.

Furthermore, GWI grants trademark licenses to third parties, providing for an exclusive right to use certain trademarks owned by GWI for the production and distribution of certain glasses and sunglasses for women, leather and textile products for women (*e.g.*, bags, purses, briefcases, while GWI retains the right to produce and sell such products through its own stores and certain franchisees), and shoes. The licensees are obliged to pay a certain license fee on the basis of their net sales, while certain minimum payment obligations apply.

We also own a large number of internet domain names, including for our own online shops, which are available across Europe, for the various countries in which we operate. These domains are used for the operation of our eCommerce business and for general corporate purposes.

8.14 Real Estate and Leased Properties

The majority of our sites including all of our own retail stores are rented under operating lease agreements. Only the distribution of our products through our retail and wholesale channels, located in the Ravenna Park, and an area located at the public road "Gutenbergstraße" in Halle (Westfalen), Germany, which is partly used by GWI and partly leased to third parties, as well as a detached house located at Jahnstraße 48 in Halle (Westfalen), Germany, which is leased to third parties, are owned by us.

The following table provides an overview of our real estate holdings as of the date of this Prospectus.

Property	Principal Use	Square meters	Location
Ravenna Park	Multi-channel logistics centre (retail and wholesale products distribution)	112,017	Ravenna-Park 1, Korten Kamp, Halle (Westfalen), Germany
Gutenbergstraße	leased to third parties	71,799	Gutenbergstraße 2,14,16, Neulehenstraße 8, 10, Gartnischer Weg 124, Halle (Westfalen), Germany
Jahnstraße	leased to third parties	773	Jahnstraße 48, Halle (Westfalen), Germany

Furthermore we lease premises for our own retail stores (*i.e.*, GERRY WEBER stores and mono-label stores), outlet stores and concession stores as well as offices used by Group companies. The lease contracts are governed by the respective legal regimes relating to commercial leases in the different jurisdictions and have generally been concluded for a fixed term of 5 to 10 years and in general contain provisions on the extension of such fixed term, either by way of automatic renewal or by way of extension options to be exercised by the tenant.

We believe that our existing facilities are adequate for our current requirements. For further information about certain of our lease agreements, see "*15. Certain Relationships and Related Party Transactions*".

8.15 Employees

As of the date of this Prospectus we had approximately 2,536 employees worldwide (approximately 1,807.8 full-time equivalent employees ("**FTEs**")), including trainees. We had approximately 1,166.2 FTEs in Germany and approximately 641.5 abroad as of the date of this Prospectus.

The tables below show the average number of GERRY WEBER Group's employees, including trainees by segment and geography for the periods and dates indicated:

		Short fiscal years from		Fiscal years from		
	As of the Date of this Prospectus	January 1, 2020 to June 30, 2020	April 1, 2019 to December 31, 2019[(1)]	November 1, 2018 to March 31, 2019[(1)]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
Wholesale GERRY WEBER	384	410	484	552	664	757
Retail GERRY WEBER	2,151	2,217	2,877	3,309	3,732	4,099
Retail HALLHUBER	–	–	1,703	1,633	2,009	2,065
Total	**2,536**	**2,627**	**5,063**	**5,494**	**6,405**	**6,921**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

		Short fiscal years from		Fiscal years from		
	As of the Date of this Prospectus	January 1, 2020 to June 30, 2020	April 1, 2019 to December 31, 2019[(1)]	November 1, 2018 to March 31, 2019[(1)]	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
Germany	1,743	1,872	3,579	4,378	5,013	5,302
Abroad	793	755	1,484	1,116	1,392	1,620
Total	**2,536**	**2,627**	**5,063**	**5,494**	**6,405**	**6,921**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

The table below shows the average number of GERRY WEBER Group's employees, including trainees broken down by funtions for the periods and dates indicated:

		Short fiscal years from		Fiscal years from		
	As of the Date of this Prospectus	January 1, 2020 to June 30, 2020	April 1, 2019 to December 31, 2019(1)	November 1, 2018 to March 31, 2019(1)	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
Logistics & IT	173	185	252	266	319	345
Stores	1,821	1,815	3,903	4,189	4,852	5,106
Headquarter						
Corporate Sourcing	11	14	14	14	14	13
eCom	15	18	31	30	31	30
Finance & Controlling	30	33	48	52	51	49
Group Purchasing	118	146	192	245	393	621
HR & Central Services	59	56	70	78	90	93
IT	45	49	82	92	87	87
Logistics	0	0	0	0	0	1
Managing Board	4	6	9	12	13	13
Marketing & VM	18	20	70	81	86	90
Product	68	86	128	144	160	164
Product Planning	3	3	1	0	0	0
RT Overhead	58	70	121	140	151	160
SCM	23	23	19	20	10	7
Wholesale	90	103	123	131	148	142
Total	**2,536**	**2,627**	**5,063**	**5,494**	**6,405**	**6,921**

(1) The short fiscal year ended December 31, 2019 comprised 9 months and the short fiscal year ended March 31, 2019 comprised 5 months, while the fiscal years ended October 31, 2018 and October 31, 2017 each comprised 12 months.

8.16 Insurance

We maintain comprehensive business property insurance including business interruption insurance (*Betriebsunterbrechungsversicherung*), business liability insurance (*Betriebshaftpflichtversicherung*), uniform product insurance (*Produkteinheitsversicherung*), criminal defence insurance (*Strafrechtsschutzversicherung*) as well as credit insurance (*Forderungsausfallversicherung*). In addition, we have obtained director's and officer's liability insurance, which covers expenses, capped at a certain amount, that our Management Board and Supervisory Board members and our executive managers may incur in connection with their conduct as members of our Management Board and Supervisory Board or executive managers which, pursuant to the AktG, in the case of members of the management board, provides for a deductible of 10% of the damage up to a maximum of 150% of the annual fixed remuneration of the respective member of the management board. We consider our insurance coverage to be adequate in light of the risks we face.

8.17 Legal Proceedings

We are from time to time subject to various claims, enforcement actions, investigations and legal proceedings arising in the ordinary course of business. As of the date of this Prospectus, we are not involved, and have not been involved during the past 12 months, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the recent past, significant effects on our financial position or profitability.

9. MATERIAL CONTRACTS

The following provides a summary of each material contract other than contracts entered into in the ordinary course of business, to which the Company or any member of the GERRY WEBER Group is a party, for the two years prior to the date of this Prospectus. Apart from the contracts set out below, there are no other contracts (not being a contract entered into in the ordinary course of business as specified above) entered into by any member of the GERRY WEBER Group which contains any provision under which any member of the GERRY WEBER Group has any obligation or entitlement which is material to the GERRY WEBER Group.

9.1 Financing Agreements

Set forth below is a summary of certain of our future significant debt arrangements.

In order to finance the claims of insolvency creditors of the Company and GWR for immediate cash-quotas in accordance with the Insolvency Plans, the Company as company, borrower and original guarantor, GWR and Life-Style Fashion as original guarantors, Global Loan Agency Services Limited as agent, GLAS Trust Corporation Limited as security agent and Robus, Morrigan Lending, Designated Activity Company ("**Morrigan**") and J.P. Morgan AG ("**JPM AG**") as original lenders (the "**Original Lenders**") entered on September 18, 2019 into a senior secured term loan facilities agreement (the "**Term Facilities Agreement**"), providing for a term facility originally amounting to up to € 31,200,000 (the "**Facility A**") and a further term facility amounting up to € 3,000,000 (the "**Facility B**" and, together with Facility A, the "**Term Facilities**"). Facility A represents the preliminary investment sum in relation to the Company and Facility B represents the investment sum relating to GWR. Each of the investment sums were deposited in escrow by the Plan Sponsors in accordance with the respective Investment Agreements (as defined below) entered into by each of the Company and GWR with the Plan Sponsors in preparation of, and having been a condition under, the applicable Insolvency Plans. For a detailed description of these Investment Agreements, please see "*9.6 Material Contracts—Investment Agreement with the Plan Sponsors*".

Further, on September 18, 2019, the Company as company, borrower and original guarantor, GWR and Life-Style Fashion as original guarantors, Global Loan Agency Services Limited as agent, GLAS Trust Corporation Limited as security agent and the Original Lenders as original lenders entered into a super senior secured revolving facility agreement (the "**Revolving Credit Facility Agreement**" and, together with the Term Facilities Agreement, the "**Financing Agreements**") in order to meet the Company's working capital needs.

The Revolving Credit Facility Agreement provides for borrowings up to an aggregate principal amount of originally € 15.0 million on a committed basis (the "**Revolving Credit Facility**" and, together with the Term Facilities, the "**Financing Facilities**") with the option to establish ancillary facilities. The Revolving Credit Facility may be utilized by us in € together with other currencies upon approval of the agent thereunder by the drawing of cash advances, and the ancillary facilities may be utilized in € together with other currencies upon approval of the agent under the Revolving Credit Facility Agreement by us or by an affiliate of us being an additional borrower with consent of the respective lender and in accordance with the terms and conditions of such ancillary facility. Subject to certain exceptions, loans may be borrowed, repaid and re-borrowed at any time. The borrowings will be available to be used towards the general corporate and working capital purposes of the Group in the ordinary course of business.

Due to the effects of the COVID-19 pandemic and the administrative and private measures taken in order to address the COVID-19 pandemic, including the temporary closure of our POS, an adjustment of the Financing Agreements as well as the claims under the Insolvency Plan was required. Whereas the vast majority of the insolvency creditors agreed to a deferral, and to the extent that agreed refinancing thresholds have not been met, a waiver, of certain of their claims under the GWI Insolvency Plan (such agreements the "**Creditors' Consents**"), the Plan Sponsors agreed to defer and, to the extent that agreed refinancing thresholds have not been met, waive claims and to increase the Revolving Credit Facility by € 2,500,000. By an amendment and restatement agreement dated June 1, 2020, Facility A was adjusted down to € 19,350,586.21 whereas Facility B remained unchanged so that the adjusted Facility A and Facility B collectively amount to € 22,350,586.21. The commitment under the Revolving Credit Facility Agreement was increased to € 17,500,000.

The Term Facilities are completely utilised. The commitments under the Term Facilities were made, and the loans are now hold by, in allocation of quotas between the Original Lenders thereunder as follows (each percentage value commercially rounded): Robus and Morrigan each 40 per cent and JPM AG 20 per cent. As of the date of this Prospectus, the Revolving Credit Facility was not utilised.

The final investment sum in relation to GWI, and accordingly the adjusted amount of Facility A, was determined in accordance with the applicable Insolvency Plans based on the actual exercise of the available option rights granted to the respective insolvency creditors as amended by the Creditors´ Consents and amount to up to € 19,350,586.21. The loan under Facility A was used for distribution to the insolvency creditors of the Company in satisfaction of their respective claims for immediate cash-quotas under the GWI Insolvency Plan as amended by the Creditors´ Consents, the loan under Facility B was used for financing the pay-off claims (*Ablösesummen*) of insolvency creditor´s under the GWR Insolvency Plan with respect to their preferred security interests (*Absonderungsrechte*).

The loan amount under the Term Facilities shall be repaid, subject to customary voluntary and mandatory prepayments, in full on December 31, 2023. Interest payable in relation to the Term Facilities may be capitalized (and consequently increasing the relevant principal amount of the loans) upon our request at the end of each calendar quarter up to an interest amount equaling 8% per annnum.

Members of the Group incorporated or established outside Germany are financed by, or advanced by guarantees from, the Company or other members in the Group incorporated or established in Germany, or by way of bilateral financing agreements with local banks or local branches of non-domestic banks. Further, the Company and other members of the Group, either incorporated or established in Germany or outside, might enter into bilateral facility agreements in order to cover the need for letters of credit or letters of guarantee, in particular when importing goods or otherwise trading with third parties abroad. Most of such bilateral arrangements with banks are granted on an uncommitted basis and/or cash-collateralized.

9.1.1 Availability

The Financing Facilities may be utilized from the date on which the insolvency proceedings over the Company and GWR have been terminated, *i.e.*, from January 1, 2020, until, and shall be repaid at the latest, on December 31, 2023.

9.1.2 Borrowers and Guarantors

The Company is the borrower and the Company, GWR and Life-Style Fashion are the original guarantors and Gerry Weber Retail B.V. is an additional guarantor under each of the Financing Agreements. A mechanism is included in the Financing Agreements to enable the Company´s subsidiaries to accede as a borrower (such accession only contemplated in relation to an ancillary facility under the Revolving Facility Agreement) and/or a guarantor under each of the Financing Agreements subject to certain conditions as the Company has to procure that all of its subsidiaries having earnings before interest, tax, depreciation and amortization (as calculated in accordance with certain adjustments proceedings as provided for in the Financing Agreements, the adjusted EBITDA) representing five (in relation to subsidiaries incorporated or established in Russia, fifteen) or more % of the consolidated adjusted EBITDA in relation to the Group is/becomes a guarantor under each of the Financing Agreements.

9.1.3 Maturity and Repayment Requirements

The Financing Facilities mature on December 31, 2023. All outstanding amounts under the Financing Facilities must be repaid in full on or prior to December 31, 2023. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be re-borrowed prior to that maturity date.

9.1.3.1 Interest Rate and Fees

The interest rates on the Financing Facilities are each fixed at 12% per annum (Term Facilities) or 8% per annum (Revolving Facility). There is a capitalization option of the Company regarding the interest under the Term Facilities which allows us to capitalise interest equaling 8% per annum.

A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility from (and including) November 1, 2019 to (and including) the last day of the availability period for the Revolving Credit Facility (that is expiring one week prior to the its maturity) at a rate of 35% of the fixed interest rate for the Revolving Credit Facility. The commitment fee is payable quarterly in arrears, on the last day of the availability period of the Revolving Credit Facility and on the date the Revolving Credit Facility is cancelled in full or on the date on which a lender cancels its commitment. Default interest under both Financing Facilities shall accrue at a rate which is two percentage points higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a loan under the respective Financing Facility in the currency of the overdue amount. The Company is also required to pay customary agency fees to the agent and the security agent in connection with the Financing Facilities and customary fees in connection with the issuance of letters of credit. Further, the Company shall pay an exit premium to each lender of 2% on the relevant lender´s participation in the respective loans under the Financing Facilities on the date of repayment or prepayment (other than in relation to repayment or prepayments arising from the event that it became illegal to a lender to perform its obligations under the respective Financing Facilities Agreement or, in relation to the Term Facilities Agreement, to the extent by which the loans are not required to satisfy the insolvency creditors´ claims for the immediate cash-quota).

9.1.3.2 *Security*

The Financing Facilities (subject to certain agreed security principles set out in the respective Financing Agreement) are secured by security over certain assets of the Company, GWR and Life-Style Fashion. Each of them, each holding company of any future guarantor which becomes a guarantor under any of the Financing Agreements and each of such guarantors might be requested (subject to agreed security principles) to grant additional security in favor of the finance parties and/or the security agent under each of the Financing Agreements.

9.1.3.3 *Representations and Warranties*

The Financing Agreements contain certain customary representations and warranties, subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated, including: (i) status and incorporation; (ii) binding obligations; (iii) non-conflict with constitutional documents, laws or other obligations; (iv) power and authority; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (vii) insolvency; (viii) no default; (ix) accuracy of most recent financial statements delivered; (x) no proceedings pending or threatened; (xi) no breach of laws; (xii) compliance with environmental laws; (xiii) taxation; (xiv) true and accurate group structure chart; (xv) good title to assets; (xvi) intellectual property; (xvii) legal and beneficial ownership; (xviii) shares; (xix) sanctions and anti-corruption; (xx) no filing or stamp taxes; (xxi) centre of main interests; and (xxii) structure memorandum.

9.1.3.4 *Covenants*

The Financing Agreements contain certain affirmative, negative covenants and insolvency/restructuring covenants, each of them subject to the applicable insolvency plan and current restructuring opinion. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge or other qualifications, exceptions and baskets.

9.1.3.5 *Affirmative Covenants*

The affirmative covenants include, among others: (i) providing certain financial information, including annual audited and quarterly financial statements and compliance certificates; (ii) authorizations, (iii) compliance with laws; (iv) payment of taxes; (v) maintenance of material assets; (vi) maintenance of at least *pari passu* ranking of each of the Financing Facilities; (vii) maintenance of intellectual property and insurance; (viii) funding of pension schemes; (ix) granting of additional guarantees and security in prescribed circumstances; and (x) further assurance provisions.

9.1.3.6 *Negative Covenants*

The negative covenants include restrictions, among others, with respect to: (i) changing the centre of main interest of a borrower or guarantor incorporated in the European Union; (ii) sanctions and anti-corruption; (iii) incurring or subsisting of additional liabilities (other than the Straight Bonds and Convertible Bonds and liabilities under the Financing Agreements) and (iv) granting and subsisting of loans and credit support to persons other obligors under the Financing Agreements.

9.1.3.7 *Mandatory Prepayment Requirements upon a Change of Control*

The Company is required to notify the respective agent under each of the Financing Agreements of the occurrence of any person or group of persons acting in concert holding beneficially at least 50% of the issued share capital or voting rights in the Company (other than the Plan Sponsors) or the sale of all or substantially all of the assets of the Group, whether in a single transaction or a series of related transactions, following which each lender under the respective Financing Agreement is entitled to notify the Company requiring repayment of all outstanding amounts owed to that lender and the cancellation of that lender's commitments.

9.1.3.8 Financial Covenants

The Financing Agreements contain financial covenants providing that the Company shall ensure that (i) the Available Liquidity (as defined in the Financing Agreements) at the last business day of each month ending after the day of first utilization of the respective Financing Facility but prior to December 31, 2020 is not less than € 2,000,000, (ii) Leverage in respect of any Relevant Period (each as defined in the Financing Agreements) ending on December 31, 2020 and any quarter date thereafter does not exceed the ratio agreed between the Company and the respective lenders on July 15, 2020 and, with regard to Leverage (as defined in the Financing Agreements) adjusted on July 31, 2020 on the basis of the Business Plan (as defined in the Financing Agreements), (iii) Interest Cover in respect of any Relevant Period (each as defined in the Financing Agreements) ending on December 31, 2020 or any quarter date thereafter is not below the ratio agreed between the Company and the respective lenders on July 31, 2020 and (iv) the aggregate Capital Expenditure of the Group, other than Capital Expenditure funded by certain Excluded Disposal Proceeds (each as defined in the Financing Agreements) not exceed certain amounts as specified in the Financing Agreements. In the event the financial covenant would not be complied with when tested, new equity or subordinated debt may be injected into, or advanced to, the Company to cure the breach. No new equity or subordinated debt may be injected in any two consecutive Relevant Periods (as defined in the Financing Agreements) or, as applicable months, or more than two times during the life of the Financing Facilities.

9.1.3.9 Insolvency/Restructuring Covenants

The Financing Agreements contain certain covenants customary in restructuring scenarios, in particular (A) the Company and GWR shall (i) comply in all respects with all the terms of their respective insolvency plan and duly and (ii) punctually perform, and make payments and fund certain special baskets reserved for insolvency creditors in accordance with, such plan, and (B) the Company shall use all reasonable endeavours to implement actions, steps and operational measure contemplated by the current restructuring opinion and to meet the milestones therein, for example consolidate the point of sales, change an online service provider, downsize certain sourcing companies in Asia, consolidate overhead and product development and outsource the building and store fitting department

9.1.3.10 Events of Default

The Financing Agreements provide for customary defaults and events of default, all of which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods, as appropriate, including: (i) failure to pay any principal or interest when due subject to a three business day grace period, if failure to pay is caused by an administrative error or technical delay; (ii) failure to comply with the financial covenants, subject to timely exercise of applicable equity cure options; (iii) failure to comply with any other provision of the Revolving Credit Facility Agreement and/or any other Finance Document subject to a 15 business day grace period; (iv) representations or warranties found to be untrue or misleading when made or deemed repeated subject to a 15 business day grace period; (v) cross-payment default to, and cross-acceleration in relation to, any Financial Indebtedness (as defined in the Financing Agreements) and, if such payment default relates to the respective other Financing Facility, in excess of € 3,000,000; (vi) failure to comply with a material term of, or breach of representation or warranty by certain parties under, the intercreditor agreement; (vii) cessation of business; (viii) expropriation; and (ix) repudiation and rescission.

9.1.3.11 Governing Law

The Financing Agreements are governed by, and to be construed in accordance with, German law.

9.2 € 1,000 Straight Bonds

On 15 June 2020, GWI issued bonds (*Schuldverschreibungen*) with an aggregate nominal amount of € 5,148,000 due on December 31, 2023 (the "**€ 1,000 Straight Bonds**") to financial and other unsecured creditors of GWI with insolvency claims above € 2,500, who alternatively to a cash payment, elected the option to reinstate a part of their outstanding insolvency claims in accordance with the GWI Insolvency Plan (the "**Reinstatement-Option**"), by acquiring straight bonds with a nominal value of 40% of their corresponding insolvency claims.

The € 1,000 Straight Bonds have an original principal amount of € 1,000 each. However, due to the right of each insolvency creditor who exercised the Reinstatement-Option to receive an additional cash payment corresponding to 4.5% of the nominal value of its corresponding insolvency claims of € 2,500 per € 1,000 Straight Bond (the "**Excess Liquidity Quota**" or "**ELQ**"), the redemption amount of each € 1,000 Straight Bond was reduced to € 887.50 already upon issuance, as calculated in accordance with the following formula:

$$\mathrm{RZ} = € \ 1000 \ \mathrm{x} \ \frac{40\% \ - \mathrm{ELQ}}{40\%}$$

whereby the following applies:

RZ = the Redemption Amount;

ELQ = the Excess Liquidity Quota.

The € 1,000 Straight Bonds constitute unsubordinated and unsecured obligations of the Company which rank at least *pari passu* to all other current and future unsecured and unsubordinated obligations of the Company. The € 1,000 Straight Bonds initially bear interest at a fixed rate of 4% p.a. From January 1, 2023, the bonds will bear an interest of 5% p.a. The interest is payable semi-annually on July 1 and January 2 of each year in arrears.

The € 1,000 Straight Bonds will mature on December 31, 2023 and on such date will be repaid at their redemption amount. The € 1,000 Straight Bonds may be redeemed early at any time in whole or in part at the option of the Issuer. In the event of a partial early redemption the redemption amount will be reduced pro rata.

If the Company undergoes a change of control any bondholder may demand from the Company redemption of any or all of its € 1,000 Straight Bonds which have not been declared due for early redemption at their redemption amount plus interest accrued on their principal amount. Upon certain events of default by the Company, including failure by the issuer to fulfil payment obligations in respect of its financial indebtedness in an amount of at least € 5,000,000, the bondholders may cancel their € 1,000 Straight Bonds and demand repayment at the redemption amount plus interest accrued.

The terms and conditions of the € 1,000 Straight Bonds contain a negative pledge and covenant as well as further covenants which, among other things, restrict the Company from distributing or repaying any dividends or capital reserve, and subject to certain limitations and exceptions, from creating or incurring certain liens or other forms of encumbrances *in rem.*

9.3 € 650 Straight Bonds

On June 15, 2020, GWI issued bonds (*Schuldverschreibungen*) with an aggregate nominal amount of € 24,979,500 due on December 31, 2023 (the "**€ 650 Straight Bonds**") to financial and other unsecured creditors of GWI with insolvency claims above € 2,500, who alternatively to a cash payment, elected the Reinstatement-Option and who agreed to the Straight Bond Adjustment Request (for a detailed description of the Straight Bond Adjustment Request, please see "*8.5.3 Business—Our History—Measures to counter the impact of the COVID-19 pandemic*"), by acquiring € 650 Straight Bonds with a nominal value of 26% of their corresponding insolvency claims.

However, due to the right of each insolvency creditor who exercised the Reinstatement-Option to receive payment of the Excess Liquidity Quota, and the deferral of 55% of such payment of the Excess Liquidity Quota pursuant to the Straight Bond Adjustment Request the redemption amount of each € 650 Straight Bond was reduced to € 599.38 already upon issuance, as calculated in accordance with the following formula:

$$\mathrm{RZ} = € \ 650 \ \mathrm{x} \ \frac{26\% \ - \mathrm{ELQA}}{26\%}$$

whereby the following applies:

RZ = the Redemption Amount;

ELQA = the ELQ Portion.

"**ELQ Portion**" is an overall percentage rate of 2.025% (*i.e.* % of the Excess Liquidity Quota).

The € 650 Straight Bonds constitute unsubordinated and unsecured obligations of the Company which rank at least *pari passu* to all other current and future unsecured and unsubordinated obligations of the Company. The € 650 Straight Bonds initially bear interest at a fixed rate of 4% p.a. From January 1, 2023, the bonds will bear an interest of 5% p.a. The interest is payable semi-annually on July 1 and January 2 of each year in arrears.

The € 650 Straight Bonds will mature on December 31, 2023 and on such date will be repaid at their redemption amount. The € 650 Straight Bonds may be redeemed early at any time in whole or in part at the option of the Issuer. In the event of a partial early redemption the redemption amount will be reduced *pro rata*.

If the Company undergoes a change of control any bondholder may demand from the Company redemption of any or all of its € 650 Straight Bonds which have not been declared due for early redemption at their redemption amount plus interest accrued on their principal amount. Upon certain events of default by the Company, including failure by the issuer to fulfil payment obligations in respect of its financial indebtedness in an amount of at least € 5,000,000, the bondholders may cancel their € 650 Straight Bonds and demand repayment at the redemption amount plus interest accrued.

The terms and conditions of the € 650 Straight Bonds contain a negative pledge and covenant as well as further covenants which, among other things, restrict the Company from distributing or repaying any dividends or capital reserve, and subject to certain limitations and exceptions, from creating or incurring certain liens or other forms of encumbrances *in rem*.

9.4 Convertible Bonds

The Company issued on 15 June 2020 convertible bonds (*Wandelschuldverschreibungen*) in the aggregate principal amount of € 1,192,750 due on December 31, 2023 (the "**Convertible Bonds**") to larger financial and other unsecured creditors of GWI with unsecured insolvency claims above € 333,333.00, who, alternatively to a cash payment or the Reinstatement Option, exercised the option to acquire Convertible Bonds and who agreed to the Convertible Bond Adjustment Request (for a detailed description of the Convertible Bond Adjustment Request, please see "*8.5.3 Business—Our History —Measures to counter the impact of the COVID-19 pandemic*") with a nominal value of 19.5% of their corresponding insolvency claims.

The Convertible Bonds have a principal amount of € 650 each. The minimum amount of the Convertible Bonds to be purchased was 100. The issue price for each Convertible Bond equals to 19.5% of the nominal value of the underlying insolvency claim.

The Convertible Bonds constitute unsubordinated and unsecured obligations of the Company which rank at least *pari passu* to all other current and future unsecured and unsubordinated obligations of the Company. The Convertible Bonds bear interest at a fixed rate of 3% p.a. The interest is payable semi-annually on July 1 and January 2 of each year in arrears. The right of the existing shareholders of the Company to subscribe to the Convertible Bonds is excluded.

The Convertible Bonds will mature on December 31, 2023 and on such date will be repaid at the rate of 100% of their nominal value, unless redeemed, converted, or repurchased and cancelled before.

If the Company undergoes a change of control, any bondholder may demand from the Company redemption of any or all of its Convertible Bonds, unless the attached conversion rights have not yet been exercised and the bond units have not been declared due for early redemption, at par value plus interest accrued. Upon certain events of default by the Company, including failure by the Company to fulfil payment obligations in respect of its financial indebtedness in an amount of at least € 5 million, the bondholders may terminate their Convertible Bonds and demand repayment at par value.

The terms and conditions of the Convertible Bonds contain a negative pledge and covenant as well as further covenants which, subject to certain limitations and exceptions, restrict the Company from creating or incurring certain liens or other forms of encumbrances *in rem*.

Pursuant to the terms and conditions of the Convertible Bonds, each bondholder is entitled to convert the Convertible Bonds into the Shares in the relevant ratio calculated by the conversion agent upon exercise of the conversion right by the bondholder. Subject to certain excluded periods, the conversion rights can be exercised by a holder of the Convertible Bonds at any time from the date of the issue (including this date) (i) until the 30th trading day prior to the maturity date of the Convertible Bonds, or (ii) if the Convertible Bonds are redeemed by the Company, until the fourth business day prior to the date fixed for redemption, or (iii) if the day under (i) or

(ii) falls within an exclusion period, the last business day before the begin of this exclusion period. The Shares to be delivered shall, to the extent legally permissible, participate in profit from the beginning of the fiscal year for which at the time when the subscription rights were exercised, there was still no resolution passed by the shareholders' meeting on the appropriation of the balance sheet profit. Further, the terms and conditions of the Convertible Bonds provide for an adjustment of the conversion ratio in the case of specific events leading to a dilution of the share value.

The Company may redeem the Convertible Bonds at any time in whole or in part should the total par value of the outstanding Convertible Bonds fall to or below 15% of the aggregate principal amount of the Convertible Bonds originally issued.

9.5 Hallhuber Bridge Loan and Claims Purchase and Share Option Agreement

After the Company filed for the opening of insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 seq. InsO with the competent Bielefeld District Court – *Insolvency Court* in January 2019, Hallhuber Beteiligungs GmbH ("**HHB**")" and its operating subsidiary HALLHUBER faced urgent liquidity needs to ensure the continuation of HALLHUBER's business operations and required an amendment of its financing and restructuring concept.

On February 7, 2019, Robus as lender, agent and security agent, HALLHUBER as borrower and original guarantor, and HHB as original guarantor entered into a bridge loan agreement (the "**HALLHUBER Bridge Loan Agreement**") providing for a bridge financing in an amount of € 10.8 million to ensure on-going business operations of HALLHUBER.

As a condition for Robus to provide the HALLHUBER bridge loan to HALLHUBER, the Company as claims and option seller, HBB as option seller and Robus as claims and option purchaser, on February 7, 2019, entered into a claims purchase and share option agreement, as amended on July 2, 2019 (the "**CPSOA**") under which Robus was granted a purchase option for a 88.0% stake in HALLHUBER against granting of the HALLHUBER Bridge Loan and an additional cash payment by Robus of € 500,000. The purchase option has been exercised by Robus on July 8, 2019.

Under the CPSOA, Robus purchased and acquired from the Company an 88.0% portion (*Teilforderung*) of receivables of the Group against HALLHUBER as of January 31, 2019, at a purchase price of € 932,106.99.

At closing of the transaction, the profit and loss transfer agreement *(Ergebnisabführungsvertrag)* pursuant to which HHB is entitled to any annual net profits of HALLHUBER and obliged to compensate any annual net loss of HALLHUBER, was terminated.

Furthermore, as post settlement covenant, Robus was obligated to cause HALLHUBER to continue to use the logistics services rendered by Gerry Weber Logistics GmbH to the current conditions until end of June 2020 and to conclude a logistics services contract for its eCommerce business with Fiege Logistik Holding Stiftung & Co. KG.

On June 28, 2019, the HALLHUBER Bridge Loan was further increased to € 16.4 million and converted to a long term subordinated restructuring loan by way of an amendment and restatement of the HALLHUBER Bridge Loan Agreement.

9.6 Investment Agreements with the Plan Sponsors

On July 15, 2019, GWI and GWR each entered into a binding investment agreement with the Plan Sponsors in preparation of, and having been a condition under, the Insolvency Plans (the "**Investment Agreements**") to set the legally binding framework for the Plan Sponsor's cash investment in, and further financing obligations pertaining to, GWI and GWR, as well as GWI's and GWR's obligation to promote the implementation of the Insolvency Plans. The Plan Sponsors deposited in escrow the preliminary investment sum of € 31.2 million with respect to GWI and the investment sum of € 3.0 million with respect to GWR. The final investment sum with respect to GWI was determined in accordance with the exercise of available option rights of the insolvency creditors under the Insolvency Plans as amended by the Creditors´ Consents and amount to € 19,350,586.21.

9.7 Service Agreement with FIEGE Logistik Stiftung & Co. KG

On October 14, 2019 GWR and FIEGE Logistik Stiftung & Co. KG ("**Fiege**") entered into an exclusive services agreement (the "**Services Agreement**") under which Fiege provides, in connection with business to consumer-orders (B2C), certain eCommerce and e-fulfilment services (*e.g.*, webshop, marketplace, logistics, backend and multichannel management services including certain services in connection with warehouse such as monitoring of order status, check of goods delivered into the warehouse, purchase of packaging material, etc.) to GWR from a German warehouse located in Brieselang (near Berlin), Germany operated by Fiege. According to the letter of intent entered into in preparation of the Services Agreement, GWR shall bear ramping-up costs of up to a maximum of € 475,000 which upon entering into that services agreement shall be credited back by Fiege to GWR in 36 equal monthly instalments. The Services Agreement has a fixed duration of 3 years, but is renewed automatically for another 12 months, if not terminated 12 months prior to the expiry.

9.8 Consultancy Agreement with Management Link GmbH

On December 23, 2019, the Company entered into a consultancy agreement (the "**Consultancy Agreement**") with Management Link GmbH ("**Management Link**"), under which Management Link provides the Company with the services of Mr Frank as CRO and member of the Management Board during the term of his appointment as member of the Management Board until December 31, 2020. The Consultancy Agreement has a fixed term until December 31, 2020.

Mr Frank does not receive remuneration from the Company but receives a fixed annual salary from Management Link. Pursuant to the Consultancy Agreement, the Company pays Management Link a management fee of € 25,000.00 p.a. plus VAT and a remuneration in form of a daily rate of € 4,000.00 plus 15% expenses and VAT per man-day performed by Mr Frank. The Consultancy Agreement may be terminated by both parties upon three month notice or for good cause.

10. REGULATORY ENVIRONMENT

Our business activities are influenced by a wide range of regulatory requirements under European Union law and national law. We are subject to the respective legal framework applicable in our core market Germany and in many other countries inside and outside the European Union ("**EU**"), in which we operate. In the EU, most applicable laws, rules and regulations are determined or affected by EU regulations and directives. These include, *inter alia*, requirements with respect to import and export of goods, product liability, textile labelling and consumer protection. Since EU regulations are binding acts and are directly and uniformly applicable in every EU Member State as soon as they enter into force, without needing to be transposed into national law, the relevant provisions apply to our company in the same way in all EU Member States. EU directives, on the other hand, require the Member States only to achieve a certain goal, but let them free to choose how to do so. The EU Member States must adopt measures to incorporate them into national law in order to achieve the results set by the Directive. Accordingly, the principles laid down in EU directives and applicable to the GERRY WEBER Group may differ slightly from one Member State to another.

The complex regulatory environment for our business activities is subject to rapid change, as the regulatory requirements are continuously amended at the national and European level. Infringements of these laws and regulations may result not only in civil liability but also in administrative orders, fines or even criminal sanctions.

The following provides only for a brief overview of certain selected regulations that are, *inter alia*, applicable to our business segments. It is not to be considered an exhaustive list of all laws and regulations governing our business activities.

10.1 Import Regulations

10.1.1 Foreign Trade and Customs Law

The Treaty on the Functioning of the European Union (TFEU) stipulates free movement of goods throughout the European Union, which is one of the key elements of the single European market. Imports and exports within the EU internal market are therefore generally free of customs duties. However, since we also import our products from countries outside the EU, in particular from Turkey and China, we must comply with national and European foreign trade and customs regulations.

As regards customs, there is a uniform legal framework on imports from outside the EU. On October 9, 2013, Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (Union Customs Code, "**UCC**") was adopted. It entered into force on October 30, 2013 although most of its substantive provisions took effect from May 1, 2016, when delegated and implementing acts based on the UCC came into force. The UCC was enacted in order to modernise and simplify trade into the EU and aims at harmonise the customs procedures in all Member States. When importing goods from non-EU countries, we have to pay import customs charges in accordance with the UCC.

In Germany, the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*) and the Foreign Trade and Payment Ordinance (*Außenwirtschaftsverordnung*) constitute additional restrictions on the trade. Infringements of these regulations can be punished by a fine up to € 500,000.

10.1.2 REACH

Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006, concerning the registration, evaluation, authorization and restriction of chemicals ("**REACH**") as amended is the main legal framework for the manufacturing, handling, use and trading of chemicals in the EU. It came into effect on June 1, 2007, and has been fully applicable since June 1, 2009. It requires the registration of all chemical substances or substances manufactured in or imported into the EU in quantities of 1 ton per year or more. In particular, REACH has established an authorization system for chemicals aiming to ensure that substances of very high concern are adequately controlled and progressively substituted by safer substances or technologies. In a first step, potential substances of very high concern are included in the so called "candidate list". Producers and importers of articles containing substances listed there may have notification obligations. The candidate list is updated and extended on a regular basis. In order to comply with possible notification requirements we must monitor the candidate list periodically. In general, once a substance is drawn from the candidate list and has been added to Annex XIV of REACH, a "sunset date" will be set after which its use will be prohibited unless an authorisation has been granted for the specific use. Moreover, REACH provides for restrictions of use of certain chemicals in textile production. We therefore need to ensure that the goods we import and distribute comply with REACH and do not contain any substances principally banned or restricted by REACH. Non-compliance with such restrictions may trigger, in particular, enforcement measures of the relevant authorities and administrative fines.

10.1.3 International Labour Standards

We have committed ourselves to the Fundamental Convention concerning Minimum Age for Admission to Employment and to the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour set up by the International Labour Organisation ("**ILO**"). We are a member of the amfori Business Social Compliance Initiative ("**amfori BSCI**"), which is based, *inter alia*, on the Conventions of the ILO. We do not tolerate forced or child labour and take care that our suppliers respect these fundamental conventions. Therefore, every new supplier must present an amfori BSCI or comparable audit to us before starting production. If there is no social audit prior to collaboration, it must be carried out by an independent audit firm accredited by amfori BSCI.

10.2 Textile Labelling

We are subject to Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products and repealing Council Directive 73/74/EEC and Directives 96/74/EC and 2008/121/EC of the European Parliament and of the Council ("Textile Labelling Regulation") as amended. According to the Textile Labelling Regulation, textile products have to be labelled or marked whenever they are on the market. Manufacturers are, *inter alia*, obliged to state the full fibre composition of textile products and to indicate the presence of non-textile parts of animal origin. In Germany, the former German Textile Labelling Act (*Textilkennzeichnungsgesetz*) of August 14, 1986 was replaced by a new Textile Labelling Act of February 15, 2016, which governs the implementation of Regulation (EU) No 1007/2011 and applies on a supplementary basis. Infringements of several provisions set forth in the German Textile Labelling Act are administrative offences and can be penalised with an administrative fine up to € 10,000. Moreover, violations of the provisions may be considered as unfair trade practices which are prohibited under the German Act Against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb* – "**UWG**").

10.3 Consumer Protection Law

We must comply with a number of consumer protection regulations regarding the sale and marketing of our products. Various EU Directives provide a high level of consumer protection. The relevant Directives in the field of consumer protection are, in particular,

- The Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts,
- The Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects on the sale of consumer goods and associated guarantees,
- The Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market,
- The Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector,
- The Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market,
- The Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights (Directive on Consumer Rights)
- The Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC, which came into effect on June 11, 2019 and has to be implemented into national law on January 1, 2022.

The Directives 93/13/EEC, 2005/29/EC and 2011/83/EU have recently been amended by Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019, amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernization of Union consumer protection rules, which came into effect on January 7, 2020. In particular, Directive (EU) 2019/2161 aims at improving the existing rules on penalties for infringements of national provisions transposing those directives. Moreover, under Directive (EU) 2019/2161, any announcement of a price reduction shall indicate the lowest price applied by the trader during a period of time not shorter than 30 days prior to the application of the price reduction. The EU Member States shall adopt the measures necessary to comply with this directive by November 28, 2021, and shall apply those measures from May 28, 2022.

Under the applicable directives and the national laws implementing the provisions of these directives we are required may obligations, including in particular, but not limited to the following:

Sellers are liable to the consumer for any lack of conformity which exists at the time the goods were delivered when the lack of conformity becomes apparent within two years as from delivery. If a material defect manifests itself within the first six months (from 2022 on: within the first 12 months) after the delivery, it is presumed that the goods have already been defective when delivered. In case sold goods turn out to be faulty or do not look or work as advertised, the consumer is entitled to have the goods brought into conformity free of charge by repair or replacement. The seller must pay the costs of curing the defect, especially transport costs, material costs and labor costs. Moreover, the consumer may require an appropriate reduction of the price or have the contract withdrawn if the seller has not completed the remedy within a reasonable time or without significant inconvenience to the customer.

The Directive on Consumer Rights which was implemented into German national law on June 13, 2014, led to numerous amendments of provisions applicable to our online shop activities: Consumers who conclude "distance contracts" (*Fernabsatzverträge*) have an EU-wide uniform withdrawal period of 14 days after receipt of the goods. The commencement of the withdrawal period no longer depends on the proper fulfilment of all consumer protection information obligations, but only on the correct instruction about the right of withdrawal. There is no longer an "eternal right of withdrawal"; even if the seller has not properly instructed the consumer about his right of withdrawal, this right expires at the latest upon expiry of 12 months and 14 days after receipt of the goods. All goods or payments must be returned within 14 days after the consumer exercised his right of withdrawal. However, the seller has a right of retention until he receives the goods or until the consumer proves that he has deposited the goods in the mail. The seller must reimburse the regular delivery costs if the consumer withdraws the contract. However, the consumer has to bear the supplementary and return shipment costs, provided that he was properly informed thereof. The consumer is only obliged to pay compensation for a loss of value if the loss of value is due to the consumer handling the relevant product in a way that was not necessary for the examination of the product`s quality, its features or its functioning if the seller has informed the customer about his statutory right of withdrawal. Insofar, the law does not longer provide for compensation for uses made (*gezogene Nutzungen*). Moreover, retailers have to meet a large number of information requirements. We have to provide customers with information, *inter alia*, on the essential characteristics of the goods to a reasonable extent, on the price, on payment and delivery details, on the individual technical steps leading to the conclusion of a contract, on the languages available for the conclusion of the contract, on all relevant codes of conduct to which the retailer subscribes and the possibility of electronic access to these codes, on the statutory warranty rights and on the right to withdraw from the contract. Moreover, we have to provide the customer with reasonable, effective, and accessible technical means with the aid of which the customer may identify and correct input errors prior to making his order, confirm receipt of the order without undue delay by electronic means for the customer and provide the customer with the opportunity to retrieve the contract terms including the standard business terms when the contract is concluded and save them in a form that allows for their reproduction. In addition, we have to arrange the ordering situation such that the consumer explicitly confirms with his order that he undertakes to effect a payment. If the order is placed using a button, we only meet this obligation if the button is marked in an easy-to-read manner with nothing else but the words "Order and Pay" (*zahlungspflichtig bestellen*), or with equally unambiguous wording.

10.4 Product Safety and Product Liability

We have to comply with national and European legal requirements on product safety. Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety as amended provides the main basis for ensuring the safety of goods placed on the market by imposing certain requirements on manufacturers, own-branders and importers of goods. Under this directive, manufacturers are obliged to put only safe products on the market. In Germany, the directive has been implemented by the Product Safety Act (*Produktsicherheitsgesetz*) replacing the former Equipment and Product Safety Act (*Geräte- und Produktsicherheitsgesetz*). The Product Safety Act applies to all products made available on the market in the course of a commercial activity. Products may only be made available on the market if their intended or foreseeable use does not put the health and safety of a person at risk. Although we do not manufacture the products we sell ourselves, we are classified as manufacturer in terms of the Product Safety Act because we label the products with our name and trademark. Therefore, we also have to inform consumers of any risks associated with the product and to affix our name and contact address to the product or its packaging as well as unambiguous markings allowing the identification of the product. Once an unsafe product has been placed on the market, we have to take all necessary measures to prevent potential risks. The measures must be appropriate and include, *inter alia*, the withdrawal of the product from the market, adequate and effective warnings to the customers and a recall of those products that have already been sold to customers. When the competent authorities have reason to suspect that a product is not safe, they are entitled, *inter alia*, (i) to prohibit that a product is placed on the market, (ii) order that a product that was made available on the market be withdrawn or recalled and (iii) order that the public be warned about the risks posed by the product available on the market. Infringements of these requirements may lead to administrative fines or even criminal penalties.

In addition, the German Act on Food, Consumer Goods and Feed (*Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch*) as well as the Regulation on Consumer Goods (*Bedarfsgegenständeverordnung*) must be complied with. They provide for special regulations regarding body and health injuries caused by textiles and list substances that may not be used in the manufacture or processing of certain textile products. We are also subject to applicable regulations on product liability, among others, to Council Directive 85/374/EC of 25 July 1985 on the approximation of the laws, regulations and administrative provisions on the Member States concerning liability for defective products ("**Product Liability Directive**") as amended. Since we sell our products (manufactured by third parties) under our own brands and import certain products from outside the EU, we qualify as producer in the meaning of the Product Liability Directive which establishes the principle of a strict liability of the producer, *i.e.* we are liable for a damage caused by our products even if we did not make any fault. In Germany, the Product Liability Directive has been implemented by the Act on Liability for Defective Products (Product Liability Act, *Produkthaftungsgesetz*), which limits the producer`s liability to an amount of € 85.0 million. In the case of damage to property, the injured party has to pay for damages up to an amount of € 500 himself.

10.5 Zoning and Regulations with regard to Retail Stores and Logistics Warehouses

Zoning and building regulations are relevant for the construction and operation of our retail stores in which we offer our products for sale as well as for logistics warehouses. As a general rule, the erection and modification of buildings and other structures require a building permit under the Building Codes of the German Federal States. In case a required permit is not in place or a building/structure does not comply with the permit, the competent authority may (temporarily) prohibit the further use of an illegal building or structure by way of administrative orders. Only in a worst case scenario, the authority may even order the demolition of the illegal building. Furthermore, the authority may impose administrative fines.

10.6 Regulations on Shop Closing Time

Most European countries have shop closing laws which stipulate that most shops must be closed on Sundays and public holidays. In Germany, Sundays and public holidays are subject to special legal protection. This is guaranteed by constitutional law, Art. 140 German Basic Law in conjunction with Art. 139 Weimar Constitution (*Weimarer Reichsverfassung*). The legislative power to determine shop closing times has fallen within the competence of the 16 Federal States (*Bundesländer*) which have adopted their own Shop Closing Acts (with the exemption of Bavaria where the Federal Shop Closing continues to apply). Both the Federal Act and the States Acts principally prohibit shops to be opened on Sundays and public holidays. Similarly, under the German Working Hours Act (*Arbeitszeitgesetz*), the employment of workers on Sundays and public holidays is prohibited in principle. However, several exemptions apply or can be applied for. In North Rhine-Westphalia, for example, on no more than eight Sundays or public holidays a year, not immediately following each other, shops may be open in the public interest for up to five hours. Comparable exemptions apply in the other states. Moreover, exemptions apply, *inter alia*, for shops located at railway stations and airports. Regulations on shop closing times in the night hours exist only in a few countries. In 11 Federal States (except *e.g.* Bavaria) shops can be opened for 24 hours from Monday to Saturday.

10.7 Waste and Packaging Regulations

We are subject to statutory provisions regarding waste management. Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain directives (European Waste Framework Directive) as amended provides for the legislative basis of a recycling society in the EU. Its provisions on the collection, transport, recovery and disposal of waste requires the EU Member States to take appropriate measures for prevention of waste as a matter of priority and to ensure that waste is recovered or disposed of without endangering human health or causing harm to the environment.

In Germany, the main waste disposal provisions are set forth in the Waste Management Act (*Kreislaufwirtschaftsgesetz*) which is supplemented and concretised by a number of regulations. In particular, we are subject to the German Packaging Act (*Verpackungsgesetz*) which transposes European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste as amended into national law. The German Packaging Act applies to all initial circulators ("manufacturers") who put packaging into commercial circulation in Germany for the first time if the packaging typically accumulates as waste for a private household or equivalent sources of waste generation. Equivalent sources of waste generation are all sources of waste generation where such packaging typically occurs as in the case of private households, *e.g.* cinemas, restaurants, hotels, canteens, hospitals etc. Further trade stages have no influence on the classification. The only decisive factor is where packaging is typically disposed of.

The Packaging Act imposes three main obligations: (i) Manufacturers must register once with the Central Agency Packaging Register ("*Zentrale Stelle Verpackungsregister*") before commercially marketing the packaging materials. We have been registered in time on January 1, 2019. (ii) Manufacturers must ensure that packaging participate in a recollection system ("*Duale Systeme*"). Therefore manufacturers are obliged to license all packaging and repackaging ("*Systembeteiligungspflicht*"). (iii) Once a year, manufacturers must report the total weight of the packaging materials marketed by them and the type of material to the system they have chosen, as well as to the Central Agency. If the one-off registration is not carried out or if the packaging is not properly registered with the recollection system, distribution is prohibited by law at all levels of trade. The sales ban is valid until a registration has been made. Non-compliance with the obligations may result in administrative fines up to € 200,000 in each case. Moreover, in the event of violations of the Packaging Act, competitors may claim for cease and desist.

Furthermore, we are obliged to take back transport packaging free of charge. Non-compliance with this obligation may result in an administrative fine up to € 100,000. Packaging that is not typically generated as waste by private end consumers is not subject to licensing. However, there is an obligation to take back this packaging free of charge.

On November 5, 2019, the Federal Government adopted a draft amendment to the Packaging Act providing for a general ban on plastic bags. However, this amendment has not yet entered into force.

10.8 Occupational Health and Safety

We must comply with applicable laws and regulations to protect employees against occupational injuries in all jurisdictions in which we operate. Under such laws and regulations, employers typically must establish the conditions of work in a manner that effectively prevents dangers to employees. In particular, employers must observe certain medical and hygienic standards and comply with certain occupational and health and safety requirements, such as permissible maximum levels for noise at the work place and requirements relating to maximum temperatures and air ventilation. In Germany, we are subject, *inter alia*, to the Act on the Implementation of Measures of Occupational Safety and Health and to Encourage Improvements in the Safety and Health Protection of Workers at Work (*Arbeitsschutzgesetz*, "***ArbSchG***") implementing Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work. According to the ArbSchG, we are obliged to take the necessary measures of occupational health and safety. *Inter alia*, we must conduct a risk assessment (*Gefährdungsbeurteilung*) of the working place and the necessary occupational safety measures. Based on the ArbSchG, the Workplaces Ordinance (*Arbeitsstättenverordnung*) has been adopted, which stipulates special requirements relating to the work place. We have implemented health and safety measures at work in accordance with the applicable legislation. We have agreed on demand-oriented work design and on social aspects drawn up with the participation of the works council. Moreover, we provide our employees with a company doctor, *e.g.* for free influence vaccinations.

10.9 Data Protection

As retailers generally process customer personal data for marketing purposes or for the purpose of performing the contract or loyalty schemes, compliance with data protection laws must be ensured. The processing of personal data is extensively regulated by both European and national legislation. At EU level, data protection law is primarily governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the General Data Protection Regulation, the "**GDPR**"). The GDPR is effective as of May 25, 2018 and introduced substantial changes to the EU data protection regime which include stricter privacy requirements, higher fines and an increased risk of liability. The GDPR requires, *inter alia*, stricter documentation obligations, proactive risk-based assessments of potential impacts on privacy and data protection, the implementation of adequate IT systems and default settings ("privacy by design" and "privacy by default") and strengthens the rights of data subjects (*i.e.*, the persons whose personal data is processed). The GDPR provides data subjects with, *inter alia*, extensive information rights, including rights to access their personal data, rights to object, rights to request deletion of personal data, and rights of data portability, etc. Moreover, the GDPR increases the maximum level of fines for compliance failures to up to € 20,000,000 or, in the case of a business, to up to 4% of the total annual worldwide turnover made in the preceding financial year (whichever is higher). In the event of compliance failures, supervisory authorities have discretion when deciding whether to impose a fine or on the amount of fines and must take into account, *inter alia*, the nature, gravity and duration of and intentional or negligent nature of the compliance failure and which personal data and how many data subjects were affected. In addition or alternatively to fines, supervisory authorities can also issue warning, carry out audits or impose temporary or definite limitations including a ban on the data processing activity.

Specifically with respect to electronic communication, Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002, concerning the processing of personal data and the protection of privacy in the electronic communications sector (the "**Directive on Privacy and Electronic Communications**"). In Germany, to the extent the GDPR permits national legislators to transform certain regulations into national law the data protection law is primarily governed by the German Federal Data Protection Act (*Bundesdatenschutzgesetz,* the "**Data Protection Act**"). This particularly applies to the processing of employee personal data and certain exceptions from data subject rights under the GDPR. In addition, various sector specific statutes set forth specific data protection rules which apply to certain industries or businesses and prevail over the general rules of the Data Protection Act and further specify the application of the rules of the GDPR. Moreover, eCommerce providers have to comply with the specific requirements provided in the German Telemedia Act (*Telemediengesetz,* the "**Telemedia Act**") which take into consideration the peculiarities of online communication, to the extent the Telemedia Act is not superseded by stricter rules under the GDPR. Compared to other European jurisdictions, the pre-GDPR German data protection law was already known to be rather strict and some of its obligations now apply on a European level. For example, the pre-GDPR version of the Data Protection Act already provided for a detailed regulatory system regarding contracts relating to data processing on behalf of the controller (*Datenverarbeitung im Auftrag*) which now also applies under the GDPR and has to be implemented in particular in the context of IT outsourcings.

In general, provisions on data privacy regulate when and how personal data may be collected, for which purposes they may be processed, for how long they may be stored and to whom and how they may be transferred. The transfer of personal data to entities outside the EEA is subject to specific requirements.

Furthermore, provisions on data privacy require organizational measures such as the appointment of a data protection officer (*Datenschutzbeauftragter*), a data management system ensuring to be able to demonstrate compliance with the requirements under data protection laws and staff training on data protection law requirements.

In the course of our business, we advertise to customers via email including sending newsletters. In Germany, direct email marketing is generally only permissible with the addressee's prior express consent. Without such consent, email marketing is considered unconscionable pestering in terms of the UWG. Exceptions apply under certain circumstances in cases of advertising using electronic mail if the entrepreneur himself has obtained the electronic mail address from the customer in connection with a previous sale, directly advertises own similar goods and the customer was informed about their right to object at the time of collection and in every subsequent advertising email. Otherwise the costumer's consent has to be obtained which has to be expressed voluntarily and explicitly, it has to be documented and must be accessible to and revocable by the costumer at all times. In general, direct email marketing must not disguise or conceal the sender's identity or the marketing character of such email and shall clearly and unambiguously explain the conditions for discounts, premiums and gifts or sweepstakes, make such conditions easily accessible for the customer and provide an opt-out opportunity for the customer.

10.10 Antitrust Law

In addition to general and industry-specific regulations, the clothing industry is also subject to EU antitrust law and the German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*, "**GWB**"). Under EU and German antitrust laws considerable fines may be imposed on parties restricting competition, whether in coordination with third parties or unilaterally, if they enjoy relevant market power. This may be the case, for example, if parties enter into illegal horizontal or vertical price fixing and a competition authority learns of this behavior and decides to investigate. Public enforcement may be followed by private enforcement, *i.e.* follow-on damage claims. In addition, agreements restraining competition are void and unenforceable.

Currently, the Company is not aware of any antitrust investigations by the EU Commission or the German Federal Cartel Office or proceedings pending before German courts, the results of which would have a material adverse effect on its business. Furthermore, the Company has not received any notice of a civil action launched by third parties based on violations of Articles 101 or 102 of the Treaty on the Functioning of the European Union (TFEU) or of §§ 1, 19 or 20 GWB.

11. INFORMATION ON THE EXISTING SHAREHOLDERS

11.1 Current Shareholders

Robus SCSp SICAV FIAR - Robus Recovery Fund II, WBOX 2018-3 Ltd. and J.P. Morgan Securities plc are our existing shareholders. The following table sets forth the Company's shareholder structure as of the date of this Prospectus, which is the expected shareholder structure after the Listing:

Shareholder	Number of Shares	% of share capital
Robus SCSp SICAV-FIAR - Robus Recovery Fund II(1)	512,500	42.00
WBOX 2018-3 Ltd.(2)	512.500	42.00
J.P. Morgan Securities plc(3)	195,238	16.00
Total...	**1,220,238**	**100.00**

(1) The ultimate parent company of Robus SCSp SICAV-FIAR - Robus Recovery Fund II is Robus Capital Management Limited. The sole general partner of Robus SCSp SICAV-FIAR - Robus Recovery Fund II is Robus (GP) S.à r.l., whose sole shareholder in turn is Robus Capital Management Limited.
Robus Capital Management Limited will also have voting rights in its function as investment manager of Robus SCSp SICAV-FIAR - Robus Recovery Fund II. The Alternative Investment Fund Manager of Robus SCSp SICAV-FIAR - Robus Recovery Fund II, which is Prime AIFM Lux S.A., has authorized Robus Capital Management Limited to exercise voting rights.
In addition, voting rights are attributed to the Alternative Investment Fund Manager of Robus SCSp SICAV-FIAR - Robus Recovery Fund II, which is Prime AIFM Lux S.A., which is ultimately controlled by Wolfgang Stolz.

(2) The ultimate parent company of WBOX 2018-3 Ltd. is Whitebox General Partner LLC. The shares of WBOX 2018-3 Ltd. are held by four funds (Whitebox GT Fund, LP (3.58%), Whitebox Credit Partners, LP (7.13%), Whitebox Multi-Strategy Partners, LP (44.06%) and Whitebox Relative Value Partners, LP (45.23%)). The sole general partner of each of these four funds is Whitebox General Partner LLC.
In addition, voting rights are attributed to Whitebox Advisors LLC, the investment manager of the four funds mentioned above, as it plays a key role in the voting and coordination of the exercise of voting rights between WBOX 2018-3 Ltd. and Robus SCSp SICAV-FIAR - Robus Recovery Fund II.

(3) The ultimate parent company of J.P. Morgan Securities plc. is JPMorgan Chase & Co. The parent company of J.P. Morgan Securities plc is J.P. Morgan International Finance Limited, whose parent company is JPMorgan Chase Bank, National Association, whose parent company in turn is JPMorgan Chase & Co.

11.2 Shareholders' Agreement

As of the date of this Prospectus, the shareholders WBOX 2018-3 Ltd. and Robus SCSp SICAV-FIAR coordinate the exercise of voting rights on the basis of a shareholders' agreement (acting in concert). Whitebox Advisors LLC is involved in coordinating the exercise of voting rights.

12. GENERAL INFORMATION ON THE COMPANY

12.1 Formation, Incorporation, Commercial Name and Registered Office

GERRY WEBER International AG was formed on June 5, 1989 as a German stock corporation (*Aktiengesellschaft*).

The Company is organized under German law as a German stock corporation Therefore, the Company, which has its seat in Germany, is governed by German law. Thus, the AktG as well as other laws applicable to stock corporations (in particular the German Transformation Act (*Umwandlungsgesetz* ("**UmwG**")), the HGB, the WpHG and the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* ("**WpÜG**")) apply or will apply to the Company.

The Company's legal name is GERRY WEBER International AG. The Company is the holding company of the Group and primarily operates under the commercial name "GERRY WEBER".

The Company has its registered office at Neulehenstraße 8, 33790 Halle/Westfalen, Germany (telephone: +49 (0) 5201 185-0) and is registered in the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany under docket number HRB 4779. The Company's legal identifier (LEI) is: 529900PGN4LKDAV34J75.

12.2 Fiscal Year and Duration

The Company's fiscal year is the calendar year. With effect as of January 1, 2020, we changed our fiscal year to the calendar year throughout the GERRY WEBER Group. The Company has been established for an unlimited period.

12.3 Corporate Purpose

Section 2 of the Articles of Association defines the Company's corporate purpose as follows:

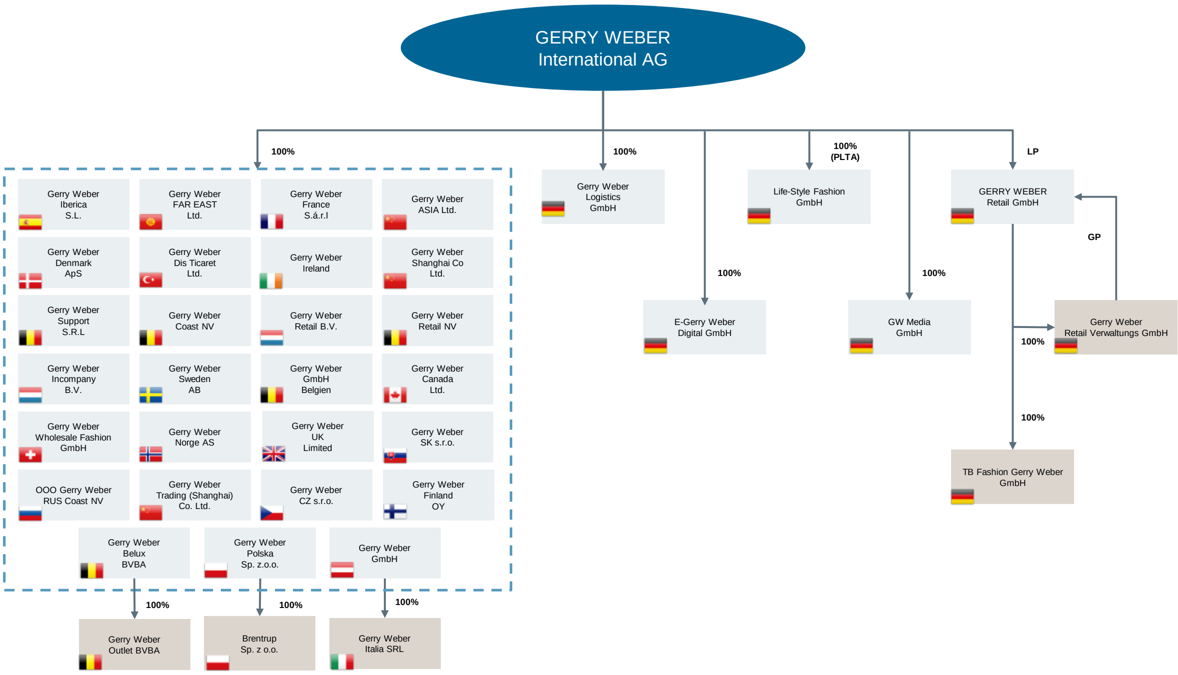
(1) The object of the Company is the manufacturing and distribution of women's apparel in Germany and abroad.

(2) The Company may engage in all business activities which serve, directly or indirectly, the object of the company. The company is allowed to establish, acquire interests in or engage in any other form with domestic and foreign companies.

12.4 Group Structure

GWI AG is the holding company of the GERRY WEBER Group. GERRY WEBER's business is conducted by GWI AG and 25 subsidiaries in Germany and abroad.

The following graph provides a simplified overview of the current structure of the GERRY WEBER Group and its direct and indirect subsidiaries:



12.5 Significant Subsidiaries

The following table provides an overview of the Company's significant subsidiaries as of the date of this Prospectus. The shareholdings reflect the Companies' direct and indirect economic interest in the respective entity. This means that shares held by the respective company itself are not taken into account when computing the percentage of participation. As of the date of this Prospectus, no amount was outstanding under the issued shares for the subsidiaries listed below.

Company's significant subsidiaries

Legal name and registered office	**Company's share of capital** **(in %)**
Life-Style Fashion GmbH, Halle/Westfalen, Germany	100%
Gerry Weber Retail GmbH, Halle/Westfalen, Germany	100%
GERRY WEBER Retail B.V., Amsterdam, Netherlands	100%
Gerry Weber GmbH, Vienna, Austria	100%
Gerry Weber Iberica S.L., Palma de Mallorca, Spain	100%
Gerry Weber Belux BVBA, Brussels, Belgium	100%
TB Fashion GERRY WEBER GmbH, Halle/Westfalen, Germany	100%
OOO Gerry Weber RUS, Moscow, Russia	100%
Gerry Weber Logistics GmbH, Halle/Westfalen, Germany	100%

12.6 Independent Auditors

The Audited Consolidated Financial Statements and the Audited Unconsolidated Financial Statements were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, with registered seat in Frankfurt am Main, Germany, through its Bielefeld office, Kreuzstraße 35, 33602 Bielefeld, Germany ("**PwC**"), a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), who issued unqualified auditor's reports (*unqualifizierte Bestätigungsvermerke*) on the Audit Consolidated Financial Statements as included in this Prospectus. The audits of the Audited Consolidated Financial Statements for each of the short fiscal years ended December 31, 2019 and March 31, 2019, as well as for the fiscal years ended October 31, 2018 and 2017 and the Audited Unconsolidated Financial Statements, were conducted in accordance with Section 317 German Commercial Code (*Handelsgesetzbuch*, *HGB*) and German generally accepted standards for the audit of financial statements of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*, *IDW*). The auditor's reports of PwC for the Audited Consolidated Financial Statements of the Company as of and for the short fiscal years ended December 31, 2019 and March 31, 2019, as well as for the fiscal years ended October 31, 2018 and 2017 each make reference to the group management report (*Konzernlagebericht*) of the Company. The group management reports are not included or incorporated by reference in this Prospectus. They were prepared by and are the sole responsibility of the respective management of the Company in accordance with German generally accepted accounting principles.

The examinations of the auditor's reports upon such group management reports are required under German GAAP.

12.7 Announcements, Paying Agent

Pursuant to the Articles of Association, the Company's announcements are published in the German Federal Gazette (*Bundesanzeiger*), unless provided otherwise by mandatory law.

The Company is entitled, in accordance with Section 49 para. 3 WpHG to provide information to shareholders by way of remote data transmission.

The paying agent is Baader Bank. The mailing address of the paying agent is Weihenstephaner Str. 4, 85716 Unterschleißheim, Germany.

Pursuant to Article 21 Para. 3 of the Prospectus Regulation, this Prospectus, as well as any supplements thereto, are published on the Company's website https://group.gerryweber.com under the section "Investors".

13. DESCRIPTION OF THE COMPANY'S SHARE CAPITAL AND APPLICABLE REGULATIONS

13.1 Current Share Capital; Shares

As of the date of this Prospectus, the share capital of the Company amounts to € 1,220,238.00 and is divided into 1,220,238.00 ordinary bearer shares with no par value (*Stückaktien*) with a notional value of € 1.00 per share. The share capital has been fully paid up. The Shares were created pursuant to the laws of Germany.

13.2 Development of the Share Capital

- On July 5, 1989, the Company was incorporated as a German stock corporation (*Aktiengesellschaft*) and had a share capital of DM 8,000,000.00;
- on May 28, 2002, the share capital of the Company was increased by € 1,465,200.00 from € 21,978,000.00 to € 23,443,200.00;
- on October 29, 2007, the share capital of the Company was decreased by € 490,220.00 from € 23,443,200.00 to € 22,952,980.00;
- on June 22, 2011, the share capital of the Company was increased by € 22,952,980.00 from € 22,952,980.00 to € 45,905,960.00;
- on October 31, 2019, the share capital of the Company was decreased by € 45,897,583.00 from € 45,905,960.00 to € 8,377.00.
- By implementation of the GWI Insolvency Plan, on October 25, 2019, the share capital of the Company was increased by € 1,016,623.00 from € 8,377.00 to € 1,025,000.00 against cash contribution (the "**Restructuring Capital Increase**") by issuing 1,016,623 no-par value bearer shares (*Stückaktien*) with full dividend rights from April 1, 2019 (the "**Restructuring Capital Increase Shares**"). The subscription rights of the existing shareholders of the Company have been excluded for the Restructuring Capital Increase. The Restructuring Capital Increase Shares have been subscribed by the Plan Sponsors at an issue price (*Ausgabebetrag*) of € 1.01 for each Restructuring Capital Increase Share. The implementation of the Restructuring Capital Increase was registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019.
- On February 11, 2020, the general shareholder meeting of the Company resolved to increase the share capital of the Company by € 195,238.00 from € 1,025,000.00 to € 1,220,238.00 against cash contribution (the "**JPM Capital Increase**") by issuing 195,238 no-par value bearer shares (*Stückaktien*) with full dividend rights from April 1, 2019 (the "**JPM Capital Increase Shares**"). The subscription rights of the existing shareholders of the Company have been excluded for the JPM Capital Increase Shares. The JPM Capital Increase Shares have been subscribed by JPM at an issue price (*Ausgabebetrag*) of € 1.01 for each JPM Capital Increase Share. The implementation of the JPM Capital Increase was registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on June 25, 2020.

13.3 Authorized Capital

Pursuant to Section 5(4) of the Articles of Association, the Management Board is authorized, subject to the consent of the Supervisory Board, in the period ending on November 15, 2024, to increase the Company's registered share capital in one or more tranches by up to € 400,000.00 in the aggregate by issuing up to 400,000 new no par value bearer shares against cash contribution and/or contributions in kind (the "**Authorized Capital 2019**"). The Management Board is authorized to exclude subscription rights of the shareholders as specified in more detail below:

- in order to broaden the Company's shareholder base, provided that the proportionate amount of share capital represented by the new shares for which subscription rights are excluded does not exceed 30% of the share capital in aggregate; the calculation of the 30% threshold is to be based on the amount of the share capital existing either on the date the corresponding resolution is passed by the general meeting or on the date the new shares are issued, whichever is the lowest;

- in order to grant shares in the Company to members of its Management Board or to members of the management of downstream affiliates of the Company, to employees of the Company or its downstream affiliates, or to advisers or other service providers to the Company, provided that the proportionate amount of share capital represented by the new shares for which subscription rights are excluded does not exceed 30% of the share capital in aggregate; the calculation of the 30% threshold is to be based on the amount of the share capital existing either on the date the corresponding resolution is passed by the general meeting or on the date the new shares are issued, whichever is the lowest;

- in order to avoid fractional amounts.

13.4 Conditional Capital

Pursuant to Section 5(3) of the Articles of Association, the Company's share capital is conditionally increased by up to € 2,091,600.00 by issuing up to 2,091,600 ordinary no-par value bearer shares (the "**Conditional Capital**"). The Conditional Capital increase may only be executed for the purpose of issuing Conditional Capital Shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or a group company within the meaning of Section 18 AktG until December 31, 2020 on the basis of the authorization to issue convertible bonds (see below under "—*13.5 Authorization to Issue Convertible Bonds*") implemented by the GWI Insolvency Plan. The Conditional Capital Shares shall only be issued to the extent that conversion or option rights are exercised or conversion or option obligations are fulfilled and to the extent that no other forms of fulfilment are used. The Conditional Capital and the respective amendments of the Articles of Association have been implemented by way of the Insolvency Plan and were registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019.

13.5 Authorization to Issue Convertible Bonds

Pursuant to the GWI Insolvency Plan, the Management Board was authorized to issue convertible bonds with the exclusion of shareholders' subscription rights and to determine the details of the issue and the terms of the convertible bonds with the consent of the Trustee.

13.6 General Provisions Governing a Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may be liquidated, in particular, by a resolution of the general shareholders' meeting to dissolve the Company followed by a liquidation procedure. The resolution of the general shareholders' meeting requires a majority of at least three-quarters of the share capital represented at the time the resolution is adopted. In the liquidation procedure, the assets remaining after all of the Company's liabilities have been satisfied are divided among the shareholders in proportion to their interest in our share capital. The AktG provides certain protections for creditors which must be observed in the event of liquidation.

13.7 General Provisions Governing a Change in the Share Capital

The share capital of the Company may be increased against contribution in cash or against contribution in kind by a resolution of the general shareholders' meeting. Under the AktG, such resolution requires a majority of at least three-quarters of the share capital represented at the vote, unless the stock corporation's articles of association provide for a different majority. The Company's Articles of Association provide a simple majority of the share capital represented at the vote unless mandatory legal provisions require a different majority.

In addition, the general shareholders' meeting may resolve to issue authorized capital by a resolution requiring a majority of at least three-quarters of the share capital represented at the vote. The authorized capital gives the Management Board authority to issue shares up to a certain amount within a period of not more than five years after registration of the authorization with the commercial register upon approval of the Supervisory Board. The nominal value of the authorized capital may not exceed one-half of the share capital in existence at the time the authorization is registered with the commercial register.

Furthermore, the general shareholders' meeting may resolve to create conditional capital with a majority of at least three-quarters of the share capital represented at the vote. Conditional capital should only be created in order to grant exchange or subscription rights to holders of convertible bonds, to prepare for a business combination with one or more other companies or to grant subscription rights to employees and members of the Management Board. In case conditional capital is created for the purpose of granting subscription rights to employees and members of the Management Board, its nominal amount may not exceed 10% of the share capital in existence at the time the resolution is adopted, in all other cases, the nominal amount must not exceed 50%, provided, however, in both cases that it does not exceed 50% in the aggregate.

The general shareholders' meeting may also resolve to decrease the share capital. Again, such resolution requires a simple majority of the votes cast as well as a majority of at least three-quarters of the share capital represented at the vote.

13.8 General Provisions Governing Subscription Rights

Section 186 AktG generally grants all shareholders the right to subscribe for new shares of the Company issued in case of a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have the right to demand admission to trading for subscription rights. The Company's shareholders' meeting may resolve to exclude shareholders' subscription rights with a vote of 75% or more of the share capital represented at the vote. Exclusion of shareholders' subscription rights, wholly or in part, also requires a report from the Management Board that justifies the exclusion to the shareholders' meeting and demonstrates that the Company's interest in excluding subscription rights outweighs the interests of the shareholders to be granted subscription rights. An exclusion of shareholders' subscription rights is, in particular, permissible if:

- the Company increases its share capital against cash contributions;
- the amount of the capital increase of the issued shares with no subscription rights does not exceed 10% of the share capital at issue, both at the time when the authorization takes effect and at the time when it is authorized; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price of the Company's shares.

13.9 Exclusion of Minority Shareholders

13.9.1 Squeeze-Out under Stock Corporation Law

Section 327a *et seq.* AktG, which govern the so-called "squeeze-out under stock corporation law", upon request of a shareholder holding 95% or more of the Company's share capital, provide that the Company's shareholders' meeting may resolve to transfer the shares of minority shareholders to such majority shareholder against payment of an adequate compensation in cash. The amount of the cash payment offered to minority shareholders must reflect "the circumstances of the Company" at the time the shareholders' meeting passes the resolution. The amount of the cash payment is based on the full value of the Company, which is generally determined using the capitalized earnings method. Minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), wherein the court will review the fairness (*Angemessenheit*) of the cash payment.

13.9.2 Squeeze-Out and Tender Rights under Takeover Law

Under Sections 39a and 39b WpÜG, in case of a so-called "squeeze-out under takeover law", an offeror holding at least 95% of the voting share capital of a target company (as defined in the WpÜG) following a takeover bid or mandatory offer, may, within three months of the expiration of the deadline for acceptance of the offer, petition the regional court (*Landgericht*) of Frankfurt am Main, Germany, to order the transfer of the remaining voting shares to such offeror against payment of an adequate compensation. Such transfer does not require a resolution of the target company's shareholders' meeting. The consideration paid in connection with the takeover bid or mandatory offer is considered adequate if the offeror has obtained at least 90% of the share capital that was subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer, while at all times a cash compensation must also be offered.

In addition, following a takeover bid or mandatory offer, the shareholders in a target company who have not accepted the offer may do so up to three months after the acceptance period has expired (Section 39c WpÜG), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG.

The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

13.9.3 Squeeze-Out under Reorganization Law

Under Section 62 para 5 of the UmwG, a majority shareholder holding at least 90% of the Company's share capital may require the Company's shareholders' meeting to resolve to transfer the shares of the minority shareholders to such majority shareholder against payment of an adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation (*Aktiengesellschaft* (*AG*)), a partnership limited by shares (*Kommanditgesellschaft auf Aktien* (*KGaA*)), or a European company (*Societas Europaea* (*SE*)) having its registered offices in Germany; and (ii) the squeeze-out is performed to facilitate a merger under the UmwG between the majority shareholder and the Company. The shareholders' meeting held to approve the squeeze-out must take place within three months of the conclusion of the merger agreement.

The procedure for a squeeze-out under the UmwG is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to judicial review of the appropriateness of the cash compensation.

13.9.4 Integration

Under Section 319 *et seq.* AktG, the Company's shareholders' meeting may vote for an integration (*Eingliederung*) into another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the Company. The former shareholders of the Company are entitled to adequate compensation, which generally must be provided in the form of shares in the parent company. In such case, Section 305 para. 3 sentence 1 AktG stipulates that shares must be issued based on the appropriate valuation in case a merger had taken place between the two companies. Fractional amounts may be paid out in cash.

13.10 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors' Dealings

Once the Shares are admitted to trading on the regulated market (*regulierter Markt*) (General Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company will be subject to WpHG provisions governing, *among other things*, disclosure requirements for significant shareholdings, the WpÜG provisions governing takeover bids and mandatory offers, as well as the MAR provisions governing, *among other things*, directors' obligations to disclose transactions in the Shares, debt instruments, related derivatives or other related financial instruments.

13.10.1 Notification Requirements of Shareholders

13.10.1.1 Notification Thresholds and Attribution Rules

Pursuant to Section 33 para. 1 WpHG, anyone who acquires or whose shareholding in any other way reaches or exceeds 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Company, is required to concurrently notify both the Company and BaFin of such occurrence. Subsequent notifications are required if such person sells or in any other way falls below the aforementioned thresholds.

All such notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances should have had knowledge of, his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge at the latest two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares. If a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest.

In connection with these requirements, Section 34 WpHG contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Furthermore, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting-in-concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Company (*e.g.*, fundamental changes to the Group's business model or a sale of a substantial part of the Group's assets). Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting-in-concert. Coordination in individual cases, however, is not considered as acting in concert.

Except for the 3%-threshold, similar notification requirements towards the Company and BaFin exist, if the aforementioned thresholds are reached, exceeded or undercut, because the shareholder holds financial instruments that (i) confer to him (a) the unconditional right to acquire already issued shares of the Company to which voting rights are attached when due or (b) discretion to exercise his right to acquire such shares, or (ii) relate to such shares and have a similar economic effect as the aforementioned instruments, whether or not conferring a right to a physical settlement. Thus, the latter mentioned notification requirements also apply, for example, to share swaps against cash consideration and contracts for difference. In addition, a person or entity is subject to a notification requirement towards the Company and BaFin if the sum of the voting rights from shares and (financial) instruments held or attributed to such person or entity reaches, exceeds or falls below the aforementioned thresholds, again except for the 3% threshold.

13.10.1.2 Exceptions to Notification Requirements

There are certain exceptions to the notification requirements. For example, a company is exempt from notification obligations if its parent company has filed a group notification pursuant to Section 37 para. 1 WpHG. If the Company's parent company is itself a subsidiary, then the relevant company is exempt from notification obligations if its parent's parent company has filed such group notification. Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the European Union or in an EEA Member State are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) the shares or instruments are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the Company's voting rights, do not grant the right to acquire more than 5% of the voting rights, or do not have a similar economic effect and (iii) it is ensured that the voting rights pertaining to such shares or instruments are not exercised or otherwise utilized.

13.10.1.3 Fulfillment of Notification Requirements

If any notification obligation is triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the German Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice may be submitted either in German or English, in writing or via fax. Irrespective of the event triggering the notification, the notice must include (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by, or attributed to, the notifying person or entity. In addition, the notice must include certain attribution details (*e.g.*, the first name, surname and date of birth of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and whether voting rights or instruments are attributed).

As a domestic issuer in Germany, the Company is required to publish such notices without undue delay, but no later than three trading days after receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire European Union and in all EEA Member States. Such publications shall only be made in the English-language. The Company is also required to transmit these publications to BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

13.10.1.4 Consequences of Violations of Notification Requirements

Rights of shares held by shareholders, or from which voting rights are attributed to shareholders, do not exist for as long as the notification requirements are not fulfilled or not fulfilled appropriately. This temporary nullification of rights applies, in particular, to dividend, voting and subscription rights. However, it does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted wilfully and have since been submitted. If the shareholder wilfully or grossly negligently fails to disclose the correct proportion of voting rights held, then the rights attached to shares held by or attributed to such shareholder cease to exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds, including the 3% threshold, was omitted. In addition, a fine may be imposed for failure to comply with notification obligations.

13.10.1.5 Special Notification Requirements for more than 10% of the Voting Rights

Pursuant to Section 43 WpHG, a shareholder who reaches or exceeds the threshold of 10% of the voting rights of the Company, or a higher threshold, is required to notify the Company within 20 trading days regarding the objective being pursued through the acquisition of such voting rights, as well as regarding the source of funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10%-threshold has been reached, the aforementioned attribution rules apply. The Company is required to publish any notification pursuant to Section 43 WpHG it receives without undue delay and no later than within three trading days.

13.10.2 Mandatory Offers

Pursuant to the WpÜG, every person whose share of voting rights reaches or exceeds 30% of the voting rights of the Company is required to publish this fact, including the percentage of its voting rights, within seven calendar days of crossing this threshold. Such publication must be furnished on the internet and by means of an electronic system for disseminating financial information. The WpÜG contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to such shares.

Once the share of voting rights exceeds 30% of the voting rights of the Company, such shareholder is required to make a mandatory tender offer to all shareholders of the Company. Under certain conditions, BaFin may grant an exemption from this rule. If the relevant shareholder fails to give notice of reaching or exceeding the 30%-threshold or fails to submit the mandatory tender offer, such shareholder is barred from exercising the rights associated with these shares (including voting rights and, in case of wilful failure to send the notice and failure to subsequently send the notice in a timely manner, the right to dividends) for the duration of the delinquency. A fine may also be imposed in such cases.

13.10.3 Managers' Transactions

A person discharging managerial responsibilities within the meaning of Article 3 para. 1 no. 25 MAR (*i.e.*, the members of the Management Board and the Supervisory Board), must notify the Company and BaFin of transactions undertaken for their own account relating to the Shares or to financial instruments based on the Shares (subject to a € 5,000.00 *de minimis* exception per calendar year for all such transactions). This also applies to persons closely associated with a person discharging managerial responsibilities within the meaning of Article 3 para. 1 no. 26 MAR. Such notifications shall be made promptly and no later than three business days after the date of the relevant transaction. The Company shall ensure that such notifications are made public promptly and no later than three business days after the relevant transaction.

During a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which the Company is required to make public according to (i) the rules of the trading venue where the Shares are admitted to trading or (ii) national law, persons discharging managerial responsibilities are prohibited from conducting for their own account or for the account of a third party any transactions directly or indirectly relating to shares or debt instruments of the Company, or to derivatives or other financial instruments linked to such securities.

13.10.4 EU Short Selling Regulation (Ban on Naked Short-Selling)

Pursuant to Regulation (EU) 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the "**Short Selling Regulation**"), the European Commission's delegated regulation for the purposes of detailing the Short Selling Regulation, and the German EU Short Selling Implementation Act (*EU-Leerverkaufs-Ausführungsgesetz*) of November 15, 2012, the short-selling of the Shares is only permitted under certain conditions. Additionally, under the provisions of the Short Selling Regulation, significant net-short selling positions in the Shares must be reported to BaFin and published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net-Short Positions (*Netto-Leerverkaufspositionsverordnung*) of December 17, 2012. The net short-selling positions are calculated by offsetting the short positions of a natural person or legal entity in the Shares with its long positions in such shares. The details are regulated in the EU Short Selling Regulation and the other regulations the European Commission enacted on short-selling. In certain situations described in the Short Selling Regulation, BaFin may restrict short-selling and comparable transactions.

14. DESCRIPTION OF THE GOVERNING BODIES OF THE COMPANY

14.1 Overview

Our governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The responsibilities and powers of these governing bodies are determined by the AktG, the German Corporate Governance Code (the "**Code**"), the Articles of Association and the internal rules of procedure of both the Supervisory Board (*Geschäftsordnung des Aufsichtsrats*) and the Management Board (*Geschäftsordnung für den Vorstand*).

The members of the Management Board are appointed by the Supervisory Board, and the Supervisory Board is entitled to remove any member of the Management Board under certain circumstances. Simultaneous membership in the Supervisory Board and the Management Board is not permitted under the AktG, as the Supervisory Board is responsible for supervising the management of the Company by the Management Board. However, in exceptional cases and for an interim period, a member of the Supervisory Board may take a vacant seat on the Management Board. During this period, such individual may not perform any duties pertaining to his position on the Supervisory Board. Additionally, the duration of such interim arrangement may not exceed one year.

The Management Board is responsible for independently running the business of the Company without being subject to instructions. The Management Board is also responsible for implementing appropriate risk management and risk control systems within the Group. The Management Board is also obligated to report regularly to the Supervisory Board, at least on a quarterly basis, on the status of the business and condition of the Company and its subsidiaries. Furthermore, the Management Board reports to the Supervisory Board at least once a year on the projected business objectives and other key issues relating to corporate planning (especially finance, investment and human resources planning), which must include discussion of any deviations between actual developments and objectives previously reported on, including the reasons for such deviations. In addition, the Management Board must submit a budget for the following financial year to the Supervisory Board. The Management Board is also required to report to the Supervisory Board in a timely fashion on any transactions that may be significant with respect to the profitability or liquidity of the Company in order to give the Supervisory Board an opportunity to express its opinion on such transactions prior to their implementation. The Management Board must report important matters to the chairperson of the Supervisory Board, including any matters involving subsidiaries that become known to the Management Board and that could have a material effect on the Company. The Articles of Association or the Supervisory Board shall designate types of transactions that may only be conducted with the prior approval of the Supervisory Board. Matters subject to the prior approval of the Supervisory Board or of a committee of the Supervisory Board currently are (a) the preparation of the Management Board's reporting to inform the Supervisory Board and of the quarterly and semi-annual reports as required by the applicable capital market laws; (b) fundamental organisational measures, such as the conclusion of or amendment to company transfer agreements (Section 291 et seqq. AktG), transformation measures within the meaning of the German Transformation of Companies Act (*Umwandlungsgesetz*), sale or acquisition of material company assets as well as issues of strategy and business planning as set out in Section 90 para. 1 no. 1 AktG; (c) measures related to the implementation and controlling of a monitoring system as described in Section 91 para. 2 AktG; (d) the issuance of the compliance statement pursuant to Section 161 para. 1 AktG (if applicable); (e) the preparation of the consolidated and unconsolidated financial statements (including the management report on the Company's business situation) as well as comparable reports issued by the Company voluntarily or based upon capital market rules; (f) convening of the general shareholders' meeting and the Management Board's requests and proposals for resolutions to be dealt with and voted on therein; or (g) matters with respect to which any member of the Management Board has requested a resolution by the Management Board.

In addition to the aforementioned transactions and measures, the Supervisory Board may make other types of transactions and measures subject to its prior approval by amending the rules of procedure of the Management Board or the Supervisory Board or through a resolution of the Supervisory Board. The Supervisory Board may also grant revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Company. In discharging these duties, each member of these bodies must consider a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for any damages the Company has incurred. The Company's directors' and officers' (D&O) liability insurance policy provides financial loss coverage up to a certain amount for members of the Management Board and the Supervisory Board with regard to their activities. The Company bears the cost of these insurance policies. However, it should be noted that applicable German law requires that each member of our Management Board remains personally responsible in the case of any finding of personal liability of such member, as the case may be, for 10% of the total amount of such personal liability, up to an amount that equals 150% of such member's total annual fixed remuneration.

Under German law, shareholders generally have no right to directly assert claims against members of the Management Board or Supervisory Board if they believe that such members have violated their duties to the Company (*i.e.*, only the Company has the right to enforce such claims against the members of the Management Board or Supervisory Board). With respect to claims against members of the Management Board, the Company is represented by the Supervisory Board, and with respect to claims against members of the Supervisory Board, the Company is represented by the Management Board. The German Federal Supreme Court (*Bundesgerichtshof*) has ruled that the Supervisory Board is generally required to assert claims against members of the Management Board if it is likely that such claims can be pursued and enforced successfully, unless significant interests of the Company conflict with the pursuit of such claims and outweigh the interests of the Company asserting such claims against members of the Management Board.

If either the Supervisory Board or the Management Board decides not to pursue claims of the Company against members of the respective other governing body for violations of their duties, such claims must nevertheless be asserted if the shareholders' meeting adopts a resolution to this effect with a simple majority of the votes validly cast. The shareholders' meeting may also appoint a special representative (*besonderer Vertreter*) to assert such claims. Shareholders whose aggregate shareholdings amount to 10% of the Company's share capital or a *pro rata* share of € 1 million in the Company's share capital may also motion for the competent court to appoint such a special representative. If there are facts that justify the suspicion that the Company was harmed by dishonesty or a gross violation of laws or the Articles of Association, shareholders whose aggregate shareholdings amount to 1% of the Company's share capital or a *pro rata* share of € 100,000.00 of the Company's share capital may under certain conditions assert claims of the Company against members of the Management Board or Supervisory Board in their own names. However, such claims become inadmissible once the Company itself files a suit to assert such claims.

In addition, the Company's shareholders' meeting may appoint special auditors (*Sonderprüfer*) to audit transactions, particularly management transactions, with a simple majority of the votes validly cast. If the shareholders' meeting rejects a motion to appoint special auditors, the competent court shall appoint such special auditors upon a motion by shareholders whose aggregate shareholdings amount to 1% of the Company's share capital or a *pro rata* share of € 100,000.00 of the Company's share capital, if there are facts that justify the suspicion that the relevant occurrence involved acts of dishonesty or gross violations of the law or the Articles of Association. If the shareholders' meeting has resolved to appoint special auditors, the competent court shall appoint different special auditors upon a motion by shareholders whose aggregate shareholdings amount to 1% of the Company's share capital or a *pro rata* share of € 100,000.00 of the Company's share capital, if such appointment appears necessary due to reasons concerning the original special auditors.

Shareholders and shareholder associations may solicit via the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*), other shareholders to file a motion, jointly or by proxy, for the appointment of special auditors, for the appointment of a special representative, the convention of a shareholders' meeting, or the exercise of voting rights in a shareholders' meeting.

The Company may only waive or settle claims for damages against members of the Management Board or Supervisory Board if at least three years have elapsed since such claims arose and if the shareholders' meeting has consented to such waiver or settlement by a simple majority vote, provided that a minority of the shareholders whose aggregate shareholdings amount to at least 10% of the Company's share capital does not object to such resolution in the minutes of the shareholders' meeting.

Under German law, neither individual shareholders nor other persons may use their influence on the Company to cause a member of the Management Board or the Supervisory Board to act in a manner that would be detrimental to the Company. Any person who uses his or her influence on the Company to cause a member of the Management Board or the Supervisory Board, an authorized representative (*Prokurist*) or an authorized agent

(*Handlungsbevollmächtigter*) to act to the detriment of the Company or its shareholders may be liable to compensate the Company and the affected shareholders for the resulting losses. Moreover, in this context, the members of the Management Board and Supervisory Board are jointly and severally liable, in addition to the person using his influence, if such members acted in breach of their duty of care towards the Company.

14.2 Management Board

Under the Articles of Association, the Management Board consists of two or more persons. The Supervisory Board determines the specific number of the members of the Management Board. The Supervisory Board may appoint members of the Management Board for a maximum term of up to five years. Reappointments or extensions, each for a maximum term of up to five years, are permissible.

The Supervisory Board may revoke for good cause (*e.g.*, a gross breach of fiduciary duties, inability to properly manage the Company or if the Company's shareholders' meeting has passed a vote of no-confidence with respect to such member, unless the vote of no-confidence was clearly passed for arbitrary reasons) the appointment of a member of the Management Board prior to the expiration of the relevant member's term.

The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Company in and out of court *vis-à-vis* the members of the Management Board.

Pursuant to Section 84 para. 2 AktG and Section 7 para. 1 of the Articles of Association, the Supervisory Board may appoint any member of the Management Board as chairperson of the Management Board (the "**Management Board Chairperson**") and any other member as deputy chairperson.

The Management Board has a quorum if all members of the Managing Board have received due notice of the meeting and at least one half of the members take part in voting. Members connected by telephone or video conference shall be deemed to be in attendance. Absent members may cast their votes in writing, in text form (*Textform*) or by telephone. Where possible, resolutions by the Management Board should be passed unanimously. If this cannot be accomplished, adoption of a resolution shall require a simple majority of the votes cast. In the event of a tie, the Management Board Chairperson shall cast the tie-breaking vote. At the instruction of the Management Board Chairperson, resolutions may also be passed in telephone or video conferences or outside of meetings by casting votes in writing, in text form, orally or by telephone. In the case of resolutions passed outside of meetings, the Managing Board will be quorate if at least one half of the members take part in voting.

The Company is represented *vis-à-vis* third parties and in court proceedings by two members of the Management Board or a member of the Management Board jointly with any authorized representative (*Prokurist*).

The internal rules of procedure of the Management Board require that the delegation of responsibilities to individual members of the Management Board is established on the basis of the organization plan (*Geschäftsverteilungsplan*) which is determined in mutual cooperation with the Supervisory Board.

Additional provisions regarding, among other things, the composition of the Management Board, the duties of its members, the overall responsibility of the Management Board, the allocation of responsibilities for particular functions and the Management Board's internal organization are set forth in the rules of procedure of the Management Board, which were adopted by the Supervisory Board on January 21, 2020.

14.2.1 Members of the Management Board

The following table sets forth the current members of the Management Board, their respective age and position, and the duration of their respective current term:

Name	Age	Member since	Appointed until	Position
Alexander Gedat......................	56	2020	2021	Chief Executive Officer
Florian Frank...........................	48	2018	2020	Chief Restructuring Officer
Angelika Schindler-Obenhaus.	58	2020	2022	Chief Operating Officer

Alexander Gedat, born in 1964, took over as interim CEO of the Company on February 20, 2020 after being the Chairman of the Supervisory Board since December 2019. He is responsible for digital transformation and distribution. In 1985 he completed his professional education as industrial manager and graduated from the

Business School of Münster, Germany with a degree in business administration (VWA), where he studied in cooperation with Fa. Bischof & Klein, Lengerich. Afterwards, he worked as a sales manager at Fa. Bischof & Klein. Between 1987 and 1988 he completed his military service. From 1988 to 1990, he worked as a management board assistant at Lignotock GmbH, Sontra, Germany, a supplier to the automotive industry. Between 1991 and 1994 he worked as a commercial manager first at Thermoselect S.r.l., Verbania and then at Peri SPA, Mailand, Italy where he was mainly responsible for controlling, finance and accounting. During that time he studied controlling at the Controller Akademie, Gauting, Germany and received his diploma in 1994. Between 1994 and 1995, he was controlling manager at Fashion Stage Franco Bruccoleri GmbH, Munich. In 1995, he received his Ph.D. in business administration from the Kensington University Glendale, California, as part of a distance learning program. In the same year, he started working for Marc O'Polo AG, Stephanskirchen, where he held various managing positions, prior to becoming Chief Financial Officer of the company in 1996. He also served as chief sales officer between 2003 and 2007 and stayed in this position, prior to becoming chief executive officer in 2012. As CEO of Marc O'Polo AG, he focused on the expansion strategy and the development of the company nationally as well as internationally. In addition, he has been engaged in an advisory board mandate at Amoena Medizin-Orthopädie-Technik GmbH, Raubling, with a view to applying his many years of business experience.

Alongside his office as a member of the Management Board, Mr Gedat is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Ahlers AG, Herford, Germany (chairman of the supervisory board)

Fynch-Hatton GmbH, Mönchengladbach, Germany (chairman of the advisory board (*Beirat*))

Sportalm GmbH, Kitzbühel, Austria (member of the advisory board (*Beirat*))

Former:

Marc O'Polo AG, Stephanskirchen, Germany (member of the management board / chief executive officer)

Other than listed above, Mr Gedat has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Florian Frank, born in 1972, took over as the chief restructuring officer ("**CRO**") at the Company in October 2018. He is responsible for all operational restructuring and performance improvement measures. Furthermore his responsibilities extend to finance, budgeting, controlling and M&A.

Florian Frank holds a degree in business administration from the University of Mannheim, Germany. After his studies he worked as a manager for financial advisory services at KPMG. Between 2006 and 2010 he served as senior director for corporate restructuring at Hanse Management Consulting GmbH, Hamburg, Germany responsible for performance improvement projects with the focus on retail and construction. Since 2010 Florian Frank is a member of the management board and lead partner in performance improvement at Dr. Wieselhuber & Partner GmbH in Hamburg, Germany, a business consulting company. He remains in this position alongside his office as a member of our Management Board.

Alongside his office as a member of the Management Board, Mr Frank is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Dr. Wieselhuber & Partner GmbH, Germany (Partner)

Former:

None.

Other than listed above, Mr Frank has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Angelika Schindler-Obenhaus, born in 1962, took over as chief operating officer ("**COO**") of the Company on August 1, 2020. Her area of responsibility includes product, product procurement & sourcing, CSR and marketing. In 1984, she completed her professional education in retail sales and department management with study-related internships at Horten AG in Essen and Dusseldorf, Germany where she continued to work after her study. From 1989 till 2005 she worked on various management positions at several German fashion companies such as Sinn Leffers AG, Boecker GmbH & Co. KG and Cecil GmbH & Co. KG. In 2005 she joined Katag AG where she first focused on expansion management and later strategic coordination between sales and distribution. From 2012 until July 2020 she was a board member of Katag AG with responsibility for vertical brands and expansion, purchasing, logistics, marketing, distribution and IT/digitalisation.

Alongside her office as a member of the Management Board, Mrs Schindler-Obenhaus is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Saxonia Holding GmbH, Dresden, Germany (member of the advisory board, currently inactive)

Former:

Katag AG, Bielefeld, Germany (member of the management board)

Other than listed above, Mrs Schindler-Obenhaus has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

The members of the Management Board may be reached at the Company's office at Neulehenstraße 8, 33790 Halle/Westfalen, Germany (telephone: +49 (0) 5201 185 0).

14.2.2 Management Service Agreements

By resolution of the Supervisory Board passed on February 20, 2020, Alexander Gedat was appointed as member and chairman of the Management Board with immediate effect. The corresponding service agreement between Alexander Gedat and the Company (the "**CEO Service Agreement**") was signed on May 13, 2020 and is governed by German law. The appointment is valid until February 19, 2021. The CEO Service Agreement will be extended in for each period for which Mr Gedat is to be reappointed as member of the Management Board.

No service agreement was concluded with Florian Frank. Instead, the Company for each term of appointment entered into a consultancy agreement with an external service provider, Management Link, under which Management Link provides the Company with the services of Mr Frank as a member of the Management Board in the role of a CRO, last on December 23, 2019. Mr Frank's current term of appointment is valid until December 31, 2020. Please also see "*9.8 Material Contracts—Consultancy Agreement with Management Link GmbH*".

Angelika Schindler-Obenhaus and the Company entered into a service agreement on June 16, 2020 (the "**COO Service Agreement**") and she was appointed as chief operating officer with effect from August 1, 2020 for a term of two years until July 31, 2022. The COO Service Agreement is to be extended for each period for which Mrs Schindler-Obenhaus is to be reappointed as member of the Management Board.

14.2.3 Remuneration and Other Benefits of the Members of the Management Board

14.2.3.1 Remuneration under the CEO Service Agreement

Under the CEO Service Agreement, Alexander Gedat receives a total fixed remuneration for each man day rendered.

The Supervisory Board may resolve on supplementary extra bonus granted on a voluntary basis for special performance by Mr Gedat and in the event of corresponding special economic performance of the Company.

The members of the Management Board active in the short fiscal years ended December 31, 2019 received the following remuneration in the short fiscal year ended December 31, 2019.

	Short fiscal year from April 1, 2019 to December 31, 2019				
(in €)	**Fixed remuneration**	**Fringe Benefits**	**One-year variable compensation**	**Multiple year variable compensation**	**Total compensation**
			(unaudited)		
Johannes Ehling[(1)]	486,543	12,668	175,000	175,000	674,211
Florian Frank..................	828,000	0	0	0	828,000
Urun Gursu[(2)]	337,500	6,448	187,500	0	531,448

(1) Johannes Ehling resigned as member from the Management Board as from February 29, 2020.
(2) Urun Grusu resigned as member from the Management Board as from February 29, 2020.

The members of the Management Board active in the short fiscal years ended March 31, 2019 received the following remuneration in the short fiscal year ended March 31, 2019.

	Short fiscal year from November 1, 2018 to March 31, 2019				
(in €)	**Fixed remuneration**	**Fringe Benefits**	**One-year variable compensation**	**Multiple year variable compensation**	**Total compensation**
			(unaudited)		
Johannes Ehling[(1)]	293,395	8,448	125,000	0	426,843
Florian Frank..................	460,000	0	0	0	460,000
Urun Gursu[(2)]	37,500	716	20,833	0	59,050

(1) Johannes Ehling resigned as member from the Management Board as from February 29, 2020.
(2) Urun Grusu resigned as member from the Management Board as from February 29, 2020.

As of December 31, 2019 no pension commitments have been made to the current or former members of the Management Board of the Company.

Pension provisions recognized for other employees amounted to € 20,911 as of December 31, 2019.

For information on the historical compensation of the members of the Management Board, see "*15.2.2 Certain Relationships and Related-Party Transactions—Relationships with Members of the Management Board and Supervisory Board—Remuneration of the Members of the Management Board and the Supervisory Board*".

14.2.3.2 Remuneration under the Consultancy Agreement

Mr Frank does not receive remuneration from the Company but receives a fixed annual salary for his work as chief restructuring officer of the Management Board of the Company from Management Link. According to the Consultancy Agreement, the Company pays Management Link a certain annual management fee plus VAT and a remuneration in the form of a daily rate plus 15% expenses and statutory VAT per man-day performed by Mr Frank. The total fixed remuneration of Mr Frank for the short fiscal year ended December 31, 2019 amounted to € 828,000.

14.2.3.3 Remuneration under the COO Service Agreement

Pursuant to the COO Service Agreement, Angelika Schindler-Obenhaus receives a total fixed annual remuneration of € 350,000.

In addition, Mrs Schindler-Obenhaus is entitled to receive a performance-related remuneration as variable remuneration.

The variable remuneration is divided into the following components:

- The first component is a short-term variable remuneration. The assessment is based on certain key performance indicators used by the Company after deducting effects from IFRS 16, in each case according to the respective consolidated financial statements and adjusted for certain extraordinary effects from the sale of assets, investments, brands or other parts of the Company. In the event of 100% target attainment, the annual bonus is € 100,000. Notwithstanding the forgoing, Mrs Schindler-Obenhaus will receive a fixed bonus of € 30,000 for the first year of her employment (August 1 to December 31, 2020). Additionally, the Supervisory Board may resolve on a supplementary extra bonus granted on a voluntary basis for special performance by Mrs Schindler-Obenhaus and in the event of corresponding special economic performance of the Company.

- The second component is a long-term variable remuneration, which will be concluded in a separate agreement until December 31, 2020.

14.2.3.4 *<u>Reimbursement for Expenses</u>*

Pursuant to their corresponding service agreements, Alexander Gedat and Angelika Schindler-Obenhaus are compensated for any reasonable expenses and travel expenses incurred in connection with the performance of their official duties for the Company. In addition, each of them is entitled to be provided with a company car.

14.2.3.5 *<u>Insurance</u>*

The members of the Management Board are covered by D&O insurance policies with reasonable coverage. Pursuant to the COO Service Agreement, the Company is also obliged to conclude an accident insurance policy for Angelika Schindler-Obenhaus for the duration of her appointment as member of the Management Board.

14.3 Supervisory Board

In accordance with Sections 95 and 96 AktG and Section 9 of the Articles of Association, the Supervisory Board consists of twelve members. The Supervisory Board splits up into six members appointed by the general shareholders' meeting and six members appointed by the employee representatives, pursuant to the German rules on co-determination (*unternehmerische Mitbestimmung)*.

According to the Articles of Association, members of the Supervisory Board may be elected for a maximum term lasting until the end of the shareholders' meeting which resolves on the discharge (*Entlastung*) of the relevant members of the Supervisory Board for the fourth financial year after the commencement of the term of office. The financial year in which the term of office commenced is not counted towards the aforementioned number of four years. For members of the Supervisory Board who leave office before the end of their term, a successor shall be elected for the remaining term of the leaving member, unless the Company's shareholders' meeting specifies a different term for such successor. The same applies if a re-election becomes necessary due to a challenge of a previous election. Re-election of members of the Supervisory Board is permissible. Under the rules of procedure of the Supervisory Board members should not remain in office beyond the end of the General Meeting following the completion of their seventieth year of age. When electing members of the Supervisory Board, the shareholders' meeting may also appoint substitute members who shall replace any members of the Supervisory Board leaving their office before the end of their term or whose election has been successfully contested. The term of office of such substitute members shall terminate at the end of the Company's shareholders' meeting in which a successor is elected and, at the latest, at the end of the term of office of the leaving member of the Supervisory Board. If a substitute member was appointed as substitute member for several members of the Supervisory Board and if its term of office is terminated due to the election of a successor, the member's position as substitute member for such other position(s) shall revive.

The Supervisory Board shall elect a chairperson (the "**Supervisory Board Chairperson**") and a deputy chairperson from among its members to serve for the duration of those members' terms, unless a shorter period is determined at the time of their respective election(s). If the Supervisory Board Chairperson or the deputy leaves office before the end of his term, the Supervisory Board shall hold a new election without undue delay.

Each member of the Supervisory Board and each substitute member may resign from office with or without good cause, giving written notice two weeks in advance to the Management Board or the Supervisory Board Chairperson.

The Supervisory Board must meet at least twice in every calendar half-year. Extraordinary meetings will be convened as and when required. In addition, the Supervisory Board must be convened if a Supervisory Board member or the Managing Board so requests, stating the purpose and the reasons. Meetings of the Supervisory Board shall be called at least 14 calendar days in advance by the Supervisory Board Chairperson. The date on the invitation is authoritative for the calculation of the aforementioned notice period. In urgent cases, this notice period may be shortened. The invitation shall include the agenda of the meeting and, if possible, the resolution proposals.

The Articles of Association and the rules of procedure for the Supervisory Board provide that the Supervisory Board has a quorum if at least half of the members participate in the vote. Absent members of the Supervisory Board who cast their vote in writing (including by e-mail or fax) or in any other way permitted by the Articles of Association or the rules of procedure of the Supervisory Board as well as any members who abstain from voting, are considered present for purposes of calculating the quorum.

Unless otherwise provided by mandatory law, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. A member will be deemed to have participated in the passing of a resolution even if such member abstains from voting. If a Supervisory Board vote results in a tie, and where a repeated vote on the same matter again results in a tie, the Supervisory Board Chairperson shall cast the tie-breaking vote.

The Supervisory Board may adopt internal rules of procedure. The current version of the Supervisory Board's internal rules of procedure were adopted by resolution of the Supervisory Board on December 19, 2019.

14.3.1 Members of the Supervisory Board

The following table sets forth the current members of the Supervisory Board, their respective age and position, and the duration of their respective current term:

Name	Age	Member since	Appointed until	Position
Dr. Tobias Moser.......................	38	2019	2024	Supervisory Board Chairperson
Dagmar Heuer	65	2019	2024	Member of the Supervisory Board
Benjamin Noisser	44	2020	2024	Member of the Supervisory Board
Milan Lazovic	39	2019	2024	Member of the Supervisory Board
Christina Alexandra Käßhöfer...	48	2020	2024	Member of the Supervisory Board
Sanjay Sharma...........................	51	2019	2024	Member of the Supervisory Board
Manfred Menningen(1)	57	2015	2025	Member of the Supervisory Board, Deputy Chairperson
Antje Finke(1)	60	2020	2025	Member of the Supervisory Board
Klaus Lippert(1)	50	2010	2025	Member of the Supervisory Board
Renate Marx(1)	54	2018	2021	Member of the Supervisory Board
Barbara Jentgens(1)	55	2019	2025	Member of the Supervisory Board

(1) Employee representative.

In line with the applicable co-determination regime, the Company's Supervisory Board is to be composed of equal numbers of shareholder and employee representatives. Currently, this parity cannot be retained, since a member of the Supervisory Board (employee representative) left the Company prematurely on September 30, 2020. As of the date of this Prospectus, the Company is taking steps necessary to initiate the procedure to appoint a substitute.

Dr. Tobias Moser, born in 1982, is a member of our Supervisory Board since 2019. Since 2020 he serves as Supervisory Board Chairperson. He studied law in Munich, Germany and Lisbon, Portugal and received his first law degree in 2009 and his second law degree in 2011 in Munich. In 2015 he received his doctorate from the University of Regensburg. Since 2012 Dr Tobias Moser is admitted as a lawyer (*Rechtsanwalt*). From 2012 to 2016 he worked at the leading law companies such as Hogan Lovells International LLP and Pinsent Masons Germany LLP in Munich as an associate in dispute resolution and litigation & compliance. In 2016 he started working as director at One Square Advisors GmbH with focus on restructuring, corporate finance and debt advisory prior to becoming head of legal of the group and managing director of its trustee business One Square Trustee Ltd., London, UK until 2018. Between 2018 and 2019 he served at the publishing company C.H. Beck oHG, Munich as head of editorial department and authorized company representative responsible for editorial offices, their works and strategies. Alongside his office as the Supervisory Board Chairperson, Dr. Tobias Moser is currently an attorney and business mediator practicing in his own law firm in Munich, focusing on corporate law, banking and capital markets law, insolvency law and restructuring, corporate finance, compliance. In addition, since 2019 he also serves as a senior advisor on investor protection at investor-rights.de.

Alongside his office as a member of the Supervisory Board, Dr. Tobias Moser is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

One Square Trustee Ltd., London, United Kingdom (director)

Past:

None.

Dagmar Heuer, born in 1955, is a member of our Supervisory Board since 2019. She received professional education in retail sales. She started her career at Karstadt AG in 1978 and worked there until 1985 in various manager positions. From 1984 to 2005 she worked for several German fashion houses such as Neckermann Versand AG, Otto Versand and Heine Versand as a central purchasing manager. In 2005 Dagmar Heuer joined Quelle GmbH in Fürth as a department manager and became soon purchasing director with an oversight over 400 employees and responsibility for the development of eCommerce and supplier system. From 2007 until 2019 she served as managing director (purchasing) at Ernsting's family GmbH & Co. KG. In this position she was responsible, in particular, for the optimization of the supplier system, development of the sustainability strategy for products and production process, vertical integration of the purchasing segment, development of the design department, digitalization of the procurement, etc.

Alongside her office as a member of the Supervisory Board, Dagmar Heuer is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Dagmar Heuer Consulting GmbH, Billerbeck, Germany (managing director)

Past:

Ernsting's family GmbH & Co. KG, Coesfeld-Lette, Germany (member of the management board / chief product officer)

Benjamin Noisser, born in 1976, is a member of our Supervisory Board since March 2020. In 1999 he obtained his degree (MBA) from the James Madison University, Harrisonburg, USA. In 2001 he graduated from the European Business School, Oestrich-Winkel, Germany where he studied business administration with a focus on banks and financing, commercial informatics. After his studies, he came to Credit Suisse where he had been working on various analyst positions in London and Frankfurt. He started as an analyst in the equity corporate finance and acquisition & leveraged finance and moved afterwards to the investment banking department. In 2006 he joined the distressed investing team of the bank as a credit analyst. Later he moved to the department credit trading for par and distressed credits and became director of this department. Since 2012 Benjamin Noisser is managing director and portfolio manager at Robus Capital Management GmbH, Frankfurt am Main, Germany. In this position he is responsible for the control and supervision of the investment activities of open-end and closed-end Robus fonds.

Alongside his office as a member of the Supervisory Board, Benjamin Noisser is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Robus Capital Management Ltd., London, United Kingdom (managing director and portfolio manager)

International Kitchens Holding S.à.r.l., Luxembourg, Grand Duchy of Luxembourg (director)

<u>Past:</u>

HH TopCo SA, Luxembourg, Grand Duchy of Luxembourg (director)

Milan Lazovic, born in 1980, is a member of our Supervisory Board since 2019. In 2004 he graduated from the College of Engineering at the University of Florida, USA with a master's degree in management and computer engineering as well as a bachelor's degree (BS) in computer engineering with honors. Further he obtained his master degree in business administration (MBA) in finance, analytical finance and accounting from the Booth School of Business, University of Chicago, USA in 2009. Having worked several years as a software development engineer, he moved to the financial sector and joined Credit Suisse, London, UK, in 2009 where he first worked as an associate and later as vice president responsible for European leverage finance and financial sponsors group. From 2014 to 2017 he worked as a hedge fund analyst at Hadron Capital LLP. In 2017, Milan Lazovic became a senior analyst at Whitebox Advisors LLC. He stays in this position today and is responsible for event driven, long/short and deep value credit and equity strategies.

Alongside his office as a member of the Supervisory Board, Milan Lazovic has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Christina Alexandra Käßhöfer, born in 1972, is a member of our Supervisory Board since February 2020. She graduated from the University of Applied Sciences in Munich in 1997 with a master degree in business administration. After her studies, Christina Käßhöfer worked in different fashion companies in the position of fashion manager and eCommerce manager. From 2001 to 2003, she worked for the Spiegel Group/ Eddie Bauer in Chicago, USA as a group manager responsible for strategic marketing. At the end of 2003 she joined Diesel Germany where she first worked as a trade and retail marketing manager and became later head of marketing Germany. She stayed in this position until 2013. From 2014 to 2016 she worked for Triumph International AG and headed brand management & marketing for the DACH region. Since 2016 Christina Käßhöfer is active as an independent business consultant for brand strategy for various fashion and lifestyle brands.

Alongside her office as a member of the Supervisory Board, Christina Alexandra Käßhöfer has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Sanjay Sharma, born in 1968, is a member of our Supervisory Board since 2019. He holds a bachelor's degree in economics from the University of Manchester, UK. After his studies, in 1991 he worked as an audit manager at an accounting company. He started his international experience with a two-year secondment to USA with the French Connection Group PLC as a financial controller and Nicole Farhi Group as chief financial officer (CFO) and commercial director. In 2001 he joined Karen Millen Holdings Ltd. as CFO and became soon international managing director at Karen Millen with the responsibility for the full P&L accountability of the Karen Millen business in the US, Europe, Russia, the Middle East and Asia. He stayed in this position until 2009. Later Sanjay Sharma served as CFO at Brand Empire and then as commercial director at Reiss. From 2013 to 2016 he worked as global business development director for Jack Wills with the responsibility for international operations for the directly owned retail business in USA, Europe and Asia and the development of the franchising system. Between 2017 and 2019 he served as CFO and chief operations officer (COO) at Maggie & Rose Ltd. where he was responsible for the development of the expansion strategy and raising finance.

Alongside his office as a member of the Supervisory Board, Sanjay Sharma is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

<u>Currently:</u>

Maltings Place SE1 Ltd., London, United Kingdom (director)

Intergenic Ltd., London, United Kingdom (director)

Past:

Maggie & Rose Ltd., London, United Kingdom (member of the management board / chief operating and chief financial officer)

Manfred Menningen, born in 1963, has been deputy chairman of our Supervisory Board since 2015. He studied business administration with focus on corporate accounting and organisation in Cologne, Germany and received his degree in 1993. He started his career as union secretary at the Textile and Clothing Union in Duesseldorf, Germany. Since 1997 he has been working on various leading positions at IG Metall, the trade union of metal workers. From 1997 to 2002, he headed the business management division, where he was responsible for balance sheet analysis and later the division of tariff policy in the metal industry in Frankfurt, Germany. Between 2007 and 2014, Manfred Menningen was district manager of the division tariff policy in the metal industry in the federal state of North-Rhine Westphalia, before he became head of the division and nationwide leading negotiator for the textiles and clothing sector within IG Metall.

Alongside his office as a member of the Supervisory Board, Manfred Menningen is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

Hella KGaA, Lippstadt, Germany (member of the supervisory board and member of the audit committee)

Past:

None.

Antje Finke, born in 1960, is a member of our Supervisory Board since April 2020. She received professional education in dress making and clothing technology at the business school of clothing industry of Bielefeld in 1984. At the beginning of her career, she worked in China, Sri Lanka, South Korea, North Africa and Marocco in different positions in the areas of optimisation, development and management of clothing production. Since 1999 she has been working in the procurement division of GERRY WEBER International AG, where she is responsible for quality management with focus on textile-related physical standards, product safety and complaints management. Besides, she is a long-time member of the works council of the Company as well as a member of the trade union IG Metall.

Alongside her office as a member of the Supervisory Board, Antje Finke has not been a member of any administrative, management or supervisory bodies of any other company or partnership outside GERRY WEBER Group within the last five years.

Klaus Lippert, born in 1970, has been a member of our Supervisory Board since 2010. Having completed his commercial education and his studies, he started his career at GERRY WEBER. His entire professional life is connected with the Company where he currently holds the position of the team leader for the wholesale in the DACH region and an account manager at Life-style Fashion GmbH.

Alongside his office as a member of the Supervisory Board, Klaus Lippert has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Renate Marx, born in 1966, is a member of our Supervisory Board since 2018. In 1990, she graduated from the University of Applied Sciences in Mönchengladbach where she studied clothing technology and design. After her studies she worked first as a self-employed designer and developed private label collections for industry and trade sector before she founded her own company Rena Marx GmbH with her own Modern Woman Premium Collection RENA MARX in Düsseldorf in 2000. Having sold this brand to Appelrath Cüpper in 2004, Rena Marx worked at YOU NEED TWO GmbH, Osnabrück, Germany where she was responsible for product management and design. From 2007 to 2014 she worked for Katag AG in Bielefeld, Germany and headed the brand department there. In 2015 she joined GERRY WEBER International AG in the position of the head of product management G.W. and later director product management GERRY WEBER CASUAL & G.W. In 2018 she became creative vice president and in January 2020 executive vice president of the Company.

Alongside her office as a member of the Supervisory Board, Renate Marx has not been a member of any administrative, management or supervisory body of any other company or partnership outside GERRY WEBER Group within the last five years.

Barbara Jentgens, born in 1964, is a member of our Supervisory Board since 2019. She received her degree in sociology from the J.W. Goethe-University of Frankfurt am Main in 1990. Afterwards, she started her career at the trade Union IG Metall in Frankfurt am Main with the focus on professional education. Between 1995 and 1996 she worked in several regional agencies and associations in Braunschweig and Frankfurt, Germany, focusing on work organisation. From 1996 until 2002 Barbara Jentges worked for Kasseler Verkehrsgesellschaft AG, Fraport AG and Maxpert GmbH where she advised mainly on organisational development, EDV and work organisation. Between 2003 and 2005 she worked on several research projects for EWR-Consulting GmbH, Frankfurt and the research institute for labor, technics and culture in Tübingen. During that time she also worked as a self-employed adviser again for the trade union IG Metall, Frankfurt in the tariff department, textile and clothing sector, before she took the position of union secretary in 2006 where she remains today.

Alongside her office as a member of the Supervisory Board, Barbara Jentgens is, or has within the last five years been, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside GERRY WEBER Group:

Currently:

None.

Past:

Procter & Gamble Germany GmbH, Schwalbach am Taunus, Germany (member of the supervisory board)

The members of the Supervisory Board may be reached at the Company's office at Neulehenstraße 8, 33790 Halle/Westphalia, Germany (telephone: +49 (991) 2700 0).

14.3.2 Supervisory Board Committees

The Supervisory Board may form committees from among its members and delegate decision making power to any such committees as permitted by law. The committees' respective tasks, authorizations and processes are determined by the Supervisory Board. As provided for by the Supervisory Board's rules of procedure, the Supervisory Board has formed the following committees:

14.3.2.1 Mediation Committee (Vermittlungsausschuss)

As set out in Section 27 (3) of the German Co-Determination Act (*Mitbestimmungsgesetz*, "**MitbestG**"), promptly after the election of the chairman and deputy chairman, the Supervisory Board is required to set up a mediation committee consisting of the chairman, the deputy chairman, as well as one member elected by the Supervisory Board members representing the employees and one member elected by the Supervisory Board members representing the shareholders, in each case with the majority of votes cast. Such Mediation Committee performs its duties as set out in Section 31 (3) sentence 1 of the MitbestG and proposes potential Management Board members to the Supervisory Board, if the required two-thirds majority to appoint a proposed member of the Management Board was not achieved in the first ballot.

As of the date of the Prospectus, the Mediation Committee consists of Dr. Tobias Moser, Milan Lazovic, Manfred Menningen and Antje Finke.

14.3.2.2 Personnel Committee (Personalausschuss)

The personnel committee consists of three to five members of the Supervisory Board. The Supervisory Board Chairperson will also be the chairperson of the Personnel Committee. The personnel committee prepares the personnel decisions of the Supervisory Board regarding the appointment and conclusion of service contracts with the members of the Management Board. In addition, it resolves upon legal transactions and agreements with the members of the Management Board or the Supervisory Board, approves certain activities of the members of the Management Board. It also concerns with the long-term succession planning for the Management Board and handles other personnel matters.

As of the date of the Prospectus, the personnel committee consists of Dr. Tobias Moser (chairman), Manfred Menningen, Benjamin Noisser and Klaus Lippert.

14.3.2.3 Audit Committee (Prüfungsausschuss)

The audit committee consists of three to six Supervisory Board members who are elected by the Supervisory Board. At least one independent member of the audit committee must have expertise in the fields of accounting or financial auditing. The chairman of the audit committee should have special knowledge and experience in the application of accounting principles and internal control methods. Moreover, he or she should be independent and should not be a former member of the Company's Management Board whose appointment ended less than two years previously. Further, the chairman of the Supervisory Board should not also act as chair for the audit committee. The members of the audit committee as a group must be familiar with the industry in which the Company operates.

The audit committee monitors the accounting, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance. The audit committee may issue recommendations or proposals for ensuring the integrity of the accounting process.

The audit committee issues recommendations to the Supervisory Board for the latter's proposal to be submitted to the shareholders' meeting of the Company for the election of the statutory auditor. The audit committee resolves, in the place of the Supervisory Board, on the agreements with the statutory auditor (in particular the audit instructions, the determination of focal points of the audit and the fee arrangements). In particular, it is responsible for approving the engagement of the statutory auditor and monitoring the auditor's independence. Semi-annual and quarterly financial reports or quarterly information must be discussed prior to their publication between the audit committee and the Management Board. Finally, the audit committee prepares the Supervisory Board's resolutions on the consolidated and non-consolidated annual financial statements.

As of the date of the Prospectus, the audit committee consists of Sanjay Sharma (chairman), Dr. Tobias Moser, Manfred Menningen and Klaus Lippert.

14.3.2.4 Nomination Committee (Nominierungsausschuss)

The nomination committee consists of three Supervisory Board members who are shareholder representatives.

The nomination committee prepares the Supervisory Board proposals for the election of the Supervisory Board members which are to be submitted to the shareholders' meeting of the Company.

As of the date of the Prospectus, the nomination committee consists of Dr. Tobias Moser (chairman), Dagmar Heuer and Milan Lazovic.

14.3.3 Remuneration and Other Benefits of the Members of the Supervisory Board

The remuneration of the Supervisory Board is determined by the shareholders' meeting of the Company. Each member of the Supervisory Board receives a fixed annual remuneration of € 20,000. The deputy chairman receives twice this amount and the chairman of the Supervisory Board receives 5 times this amount. Each member of a committee of the Company's Supervisory Board receives a fixed remuneration of € 10,000 per annum. The chairman of the respective committee receives twice this amount. The chairman and members of the nomination committee or any ad-hoc committee formed by the Supervisory Board receive a remuneration only if this committee has met at least three times in the course of the respective fiscal year.

In addition, members of the Supervisory Board are reimbursed for their out-of-pocket expenses incurred in connection with the performance of their duties. The Company also reimburses the members of the Supervisory Board for any VAT due on their remuneration. Furthermore, the members of the Supervisory Board are covered by GWI AG's D&O insurance, the terms of which GWI AG believes are in line with market practice.

The above-mentioned principles of the remuneration of the members of the Supervisory Board apply with effect from January 1, 2020.

The members of the Supervisory Board active in the short fiscal years ended December 31, 2019 and March 31, 2019 received the following remuneration in the short fiscal years ended December 31, 2019 and March 31, 2019, respectively.

	Short fiscal year from	
(in € thousand)	**April 1, 2019 to December 31, 2019**	**November 1, 2018 to March 31, 2019**
	(unaudited)	
Supervisory Board members		
Dr Ernst F. Schröder[1]	0	75
Ralph Weber[2]	0	25
Alfred Thomas Bayard[3]	0	25
Ute Gerbaulet[4]	0	25
Charlotte Weber Dresselhaus[5]	0	25
Olaf Dieckmann[6]	2	25
Klaus Lippert[7]	2	25
Andreas Strunk[8]	2	25
Alexander Hardieck[9]	0	25
Rena Marx[10]	2	25
Manfred Menningen (Vice Chairman)[11]	4	38
Hans-Jürgen Wentzlaff[12]	0	25
Alexander Gedat (Chairman)[13]	9	–
Dagmar Heuer[14]	5	–
Dr Tobias Moser[15]	5	–
Milan Lazovic[16]	5	–
Christie Groves[17]	5	–
Sanjib (Sanjay) Sharma[18]	5	–
Barbara Jentgens[19]	2	–
Total	**48**	**363**

(1) Dr Ernst F. Schröder resigned as member from the Supervisory Board as from April 11, 2019.
(2) Ralph Weber resigned as member from the Supervisory Board as from November 30, 2019.
(3) Alfred Thomas Bayard resigned as member from the Supervisory Board as from November 4, 2019.
(4) Ute Gerbaulet resigned as member from the Supervisory Board as from September 24, 2019.
(5) Charlotte Weber Dresselhaus resigned as member from the Supervisory Board as from November 30, 2019.
(6) Olaf Dieckmann was appointed as member from the Management Board as from December 17, 2019.
(7) Klaus Lippert was appointed as member from the Management Board as from December 17, 2019.
(8) Andreas Strunk was appointed as member from the Management Board as from December 17, 2019.
(9) Alexander Hardieck resigned as member from the Supervisory Board as from November 30, 2019.
(10) Rena Marx was appointed as member from the Management Board as from December 17, 2019.
(11) Manfred Menningen was appointed as member from the Management Board as from December 17, 2019.
(12) Hans-Jürgen Wentzlaff resigned as member from the Supervisory Board as from November 30, 2019.
(13) Alexander Gedat was appointed as member from the Management Board as from December 3, 2019.
(14) Dagmar Heuer was appointed as member from the Management Board as from December 3, 2019.
(15) Dr Tobias Moser was appointed as member from the Management Board as from December 3, 2019.
(16) Milan Lazovic was appointed as member from the Management Board as from December 3, 2019.
(17) Christie Groves was appointed as member from the Management Board as from December 3, 2019.
(18) Sanjib (Sanjay) Sharma was appointed as member from the Management Board as from December 3, 2019.
(19) Barbara Jentgens was appointed as member from the Management Board as from December 17, 2019.

As of December 31, 2019 no pension commitments have been made to the current or former members of the Supervisory Board of the Company.

For information on the historical compensation of the members of the Supervisory Board, see "*15.2.2 Certain Relationships and Related-Party Transactions—Relationships with Members of the Management Board and Supervisory Board—Remuneration of the Members of the Management Board and the Supervisory Board*".

14.4 Shareholdings of the Members of the Management Board and the Supervisory Board

As of the date of this Prospectus, the Supervisory Board member Benjamin Noisser, indirectly holds 512,500 shares in the Company. Otherwise, none of the members of the Management Board or the Supervisory Board hold any shares in the Company.

14.5 Certain Information Regarding the Members of the Management Board and the Supervisory Board

By resolution of April 1, 2019, the competent Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*) pursuant to § 270 InsO. In a further resolution of May 1, 2019, the Bielefeld District Court – Insolvency Court – opened insolvency proceedings concerning the assets of GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*). Though these insolvency proceedings have been concluded by resolutions of the competent Bielefeld District Court – Insolvency Court as of December 27, 2019, with effect as of December 31, 2019 with regard to GWI, and as of February 20, 2020 with effect as of February 29, 2020 with regard to GWR, the current member of the Management Board, Florian Frank as well as the members of the Supervisory Board Manfred Menningen, Renate Marx and Klaus Lippert were in their position at that time already. The current member of the Management Board Alexander Gedat was chairman of the Supervisory Board at that time.

In 2019, the school of clothing industry in Aschaffenburg, Germany was closed as the sponsoring association Bekleidungsfachschule e.V., registered with the register of associations of the district court of Aschaffenburg under VR 240, was liquidated due to the permanent shortage of students. At that time Manfred Menningen, the deputy chairman of our Supervisory Board, was member of the management board of the association Bekleidungsfachschule e.V.

Other than mentioned above, in the last five years, no member of the Management Board or the Supervisory Board has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body.

In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences.

In the last five years, no official public incriminations and/or sanctions have been pending or imposed by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board.

No court has ever disqualified any of the members of the Management Board or the Supervisory Board from acting as a member of the administrative, management, or supervisory body of an issuer.

No court has ever disqualified any of the members of the Management Board or the Supervisory Board from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board with respect to their duties to the Company on the one hand and their private interests, membership in governing bodies of companies, or other obligations on the other hand except for Benjamin Noisser who is managing director at Robus Capital Management Ltd. which is in turn the managing entity of our Principal Shareholder Robus. In certain cases, the Company or GERRY WEBER Group may pursue interests that conflict with the interests of the Principal Shareholder. This may potentially lead to conflicts of interest between Mr Noisser's duties towards the Company and Robus Capital Management Ltd.

None of the members of the Management Board or the Supervisory Board has entered into a service agreement with a company of the GERRY WEBER Group that provides for benefits upon termination of employment or office except for Angelika Schindler-Obenhaus who is entitled to a severance payment in the event of early termination of the COO Service Agreement by the Company (except in case of termination by cause). The severance payment shall correspond to a fixed annual remuneration plus short-term variable remuneration (gross) but shall not exceed the remuneration that Mrs Schindler-Obenhaus would have received during the remaining term of the COO Service Agreement.

There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the respective other body.

14.6 Shareholders' Meeting

14.6.1 Convening of Shareholders' Meetings

The annual shareholders' meeting of the Company is held within the first eight months of each financial year. At the choice of the body convening the shareholders' meeting, the meeting is held either at the registered office of the Company, in a German city with more than 50,000 inhabitants within a perimeter of 100km around the registered office of the Company or in a German city with a stock exchange. The Company's shareholders' meeting is generally convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 36 days before the day of the shareholders' meeting. The day of the meeting and the day of the receipt of the notice are disregarded when calculating this 36-day period. This period is extended for the period for registration by the shareholders (see "*—14.6.2. Shareholders' Right to participate in Shareholders' Meetings*").

A shareholders' meeting may also be convened by the Supervisory Board. In addition, shareholders whose aggregate shareholdings amount to 5% or more of the Company's share capital may request that a shareholders' meeting be held. Shareholders or shareholder associations may solicit other shareholders to submit such request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request submitted by shareholders whose aggregate shareholdings amount to 5% or more of the Company's share capital, a shareholders' meeting of the Company is not held in a timely manner, the competent local court (*Amtsgericht*) may authorize the shareholders who have requested such meeting or their representatives to convene a shareholders' meeting of the Company.

14.6.2 Shareholders' Right to participate in Shareholders' Meetings

Pursuant to the Articles of Association, all shareholders who have registered prior to the general shareholders' meeting and furnished evidence of their shareholding are entitled to participate in the general shareholders' meeting and exercise the voting rights. The application for participation must be received by the company or any other body designated in the notice of the respective general shareholders' meeting six days before the general shareholders' meeting in text form (Section 126b BGB) in German or English. The day of the general shareholders' meeting and the day of receipt are to be disregarded when calculating such period. Evidence of shareholdings must be furnished by way of a confirmation issued by a depositary bank or a final intermediary according to section 67c para. 3 AktG in text form in German or English. The confirmation issued by the depositary bank or the final intermediary must relate to the beginning of the twenty-first day prior to the date of the general shareholders' meeting.

Voting rights may be exercised by proxy. As far as statutory regulations or the Company in the convocation do not provide for relief, the authorization as well as its revocation and the evidence of the proxy authorization to be provided to the Company must be made in text form (Section 126b BGB). The Management Board is authorised to allow the audiovisual transmission of the general shareholders' meeting via electronic media in a manner to be further specified by the Management Board or, during the meeting, the chairperson of the general shareholders' meeting, provided that this has been stated in the notice of the general shareholders' meeting. The management board may also stipulate in the convocation to the general shareholders' meeting that shareholders may submit their votes in writing or by means of electronic communication without attending the general shareholders' meeting (vote by mail).

14.6.3 Conduct of Shareholders' Meetings

The Supervisory Board Chairperson or another person appointed by him shall chair the general shareholders' meeting, provided such other person is not pursuant to mandatory law excluded from chairing the general shareholders' meeting.

The chairperson of the shareholders' meeting chairs the proceedings of the meeting and directs the course of the proceedings. In particular, the chairperson may exercise rules of order and make use of assistants. With regard to the right of the shareholders to speak and submit questions, the chairperson may limit the time shareholders have to do so and to stipulate further rules in this regard. In particular, the chairperson may at the beginning or during the general shareholders' meeting set reasonable time frames for the course of the general shareholders' meeting, for the comments on the agenda items and for the specific questions and speeches.

14.6.4 Resolutions of the Shareholders' Meeting

The resolutions of the general shareholders' meeting will be passed by a simple majority vote, unless mandatory regulations of the AktG or other statutory regulations or these articles of association provide for deviating provisions. As far as the AktG additionally prescribes for passing the resolution a majority of the share capital to be represented during the passing of the resolution, the simple majority of the represented capital will be sufficient as far as this is legally admissible. According to the AktG, resolutions of fundamental importance (*grundlegende Bedeutung*) mandatorily require a majority of at least 75% of the share capital represented at the vote. Resolutions of fundamental importance include:

- the approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*);
- amendments to the articles of association;
- amendments to the corporate purpose of the company;
- the creation of conditional or authorized capital;
- the issuance of, or authorization to issue, convertible, warrant and profit-sharing certificates and other profit-sharing rights;
- an exclusion of subscription rights as part of a capital increase by the shareholders' meeting;
- capital reductions;
- a liquidation of the Company or a subsequent continuation of the liquidated Company;
- the approval of contracts within the meaning of Section 179a AktG (transfer of the entire assets of the Company) and management actions of special significance that require the approval of the shareholders' meeting in compliance with legal precedents;
- an integration of the Company into another corporation or a squeeze-out of the Company's minority shareholders; and
- any actions within the meaning of the UmwG.

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares or exercise the voting rights associated therewith.

14.7 Corporate Governance

The corporate governance code, as established on February 26, 2002 and last amended on March 20, 2020 (the "**Code**"), contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to increase the transparency of the German system of corporate governance and supervision for investors. The Code includes recommendations and suggestions for management and supervision with regards to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, pursuant to Section 161 para. 1 AktG, the Management Board and the Supervisory Board are required to declare that GWI AG has either complied or will comply with the recommendations of the Code, or which recommendations have not or will not be complied with, and explain why the Management Board and the Supervisory Board do not or will not comply with certain recommendations. This declaration must be submitted annually and must be made permanently accessible to the shareholders. There is no requirement to disclose any deviations from the suggestions contained in the Code.

As of the date of this Prospectus, the Company complies with all recommendations of the Code, except from the following:

- **B.2 – Age limit for members of the Board of Management and C.2 – Age limit for members of the Supervisory Board and their details in the declaration on corporate governance:** An age limit for members of the Management Board and Supervisory Board was not set since these are the main criteria for the admission to the organs of society skills, qualifications and experience. The company does not want to sacrifice the knowledge and experience of older members of the Management Board and Supervisory Board.

- **C.5 – Mandate limitation for management board members:** In its new version, the Code has tightened the limits for the secondary positions of a board member of a listed stock corporation and in particular recommends that such a board member should not simultaneously act as chairman of the supervisory board of a non-Group listed stock corporation. The chairman of the Management Board, Mr. Alexander Gedat, holds the chairmanship of the supervisory board of a non-Group listed stock corporation. There are no doubts about the proper exercise of office as CEO of the company.

- **E.3 – Comprehensive approval requirement for sideline activities of members of the Management Board:** The Code recommends a comprehensive approval requirement for sideline activities of members of the management board. The Company takes the view that the statutory prohibition on competition is sufficient to safeguard the interests of Company. Therefore, not all service agreements of members of the Management Board provide for a comprehensive approval requirement.

- **F.2 – Accounting:** Due to the special reorganization situation and the short fiscal year 2019 thus formed, the Company did not publish a half-yearly financial report during 2019. However, the half-yearly financial reporting has been resumed in 2020.

- **F.3 – Accounting:** For the short fiscal year ended December 31, 2019 compliance with the recommended deadline for the publication of the annual consolidated financial statements was not possible due to the insolvency proceedings concerning the assets of GWI under self-administration (*Insolvenzverfahren in Eigenverwaltung*).

14.8 Long-term Incentive Programs

14.8.1 Management Incentive Program

Mid October 2020, GWI has commenced to establish a management incentive program ("**MIP**"), a voluntary program under which members of the Management Board and further up to ten employees of the second management level (the "**Beneficiaries**") will be granted shares in GWI in an aggregate volume of up to 122,000 shares (which corresponds to approximately 10% of the share capital as currently registered with the commercial register) as an incentive. It is intended that the shares will be issued to the Beneficiaries against payment of an exercise price of € 1.83 per share. The shares to be issued to the Beneficiaries under the MIP will be issued out of the Company's authorized capital. The shares to be issued under the MIP will be subject to a lock-up, *i.e.* a commitment by the Beneficiaries not to dispose of such shares, until June 30, 2024. The MIP provides for an early termination of such lock-up period in case of a refinancing of GWI before June 30, 2024. Furthermore, a proportion of 20% of the shares received by each Beneficiary (*i.e.*, 2% of the currently registered share capital if 10% of the currently registered share capital are issued under the MIP in total) is subject to a claw back if certain key performance indicators are not achieved. In case of certain good leaver events, the MIP provides for the relevant Beneficiary to return its shares to the Company at the lower of (i) the original acquisition price per share and (ii) the fair market value of the shares, each upon leaving the Company, however, only on a *pro rata temporis* basis, *i.e.*, 100% of the shares when the employment/appointment is terminated in 2020, 2/3 of the shares when the employment/appointment is terminated in 2021 and 1/3 of the shares when the employment/appointment is terminated in 2022. Furthermore, in case of certain bad leaver events, the MIP provides for the relevant Beneficiary to return its shares to the Company at the lower of (i) the nominal value and (ii) the fair market value of the shares, each upon leaving the Company.

14.8.2 Employee Stock Option Program

In September 2020, GWI established an employee stock ownership program ("**ESOP**"), a voluntary program under which German employees (the "**Beneficiaries**") may be granted shares in GWI (i) free of charge in 2020 and (ii) against payment of an exercise price of € 1.00 per share by the Beneficiaries in 2021 to 2023. Under the ESOP, an aggregate volume of up to 12,202 shares in GWI (which corresponds to approximately 1% of the share capital as currently registered with the commercial register) are expected to be allocated to the Beneficiaries in October 2020. Such shares will be sourced from shares to be provided by the Plan Sponsors by way of a buy-back by the Company. Further shares in GWI may be granted in three tranches in 2021 to 2023, each with a volume of up to 12,202 shares (which corresponds to approximately 1% of the share capital as currently registered with the commercial register for each tranche). Such shares will be issued out of the Company's authorized capital. Each employee may be granted at least 40 shares in GWI. The shares are not subject to a vesting period.

15. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Company or that are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Audited Consolidated Financial Statements. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below are transactions with related parties for the short fiscal years ended December 31, 2019 and March 31, 2019, as well as for the fiscal years ended October 31, 2018 and 2017 and up to and including the date of this Prospectus. Further information, including quantitative amounts of related-party transactions, are contained in the notes to the Audited Consolidated Financial Statements, which are included in "16. Financial Information" on pages F-1 et seq. of this Prospectus. Business relationships among Group companies are not included.

15.1 Relationships and Transactions with Related Parties

The table below shows the goods and services received (expenses) and the goods and services provided (income) from and for related parties for the periods indicated.

	Six-month period from		Short fiscal year from		Fiscal year from	
(in € thousand, rounded)	January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	April 1, 2019 to December 31, 2019(1)	November 1, 2018 to March 31, 2019(1)	November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited, unless otherwise indicated)*		
Services provided by the Group						
Goods and services	1,561	2,866	4,313	2,923	5,432	7,164
Rental, lease and leasing agreement	–	–	–	–	–	–
Management and consulting services	0	0	0	72	175	175
Other services	0	0	0	93	1,052	257
Total	**1,561**	**2,866**	**4,313**	**3,088**	**6,659**	**7,596**
Services received by the Group						
Advertising services	0	0	0	0	3,780	3,850
Management and consulting services	0	0	0	0	0	30
Rental, lease and leasing agreements	0	0	0	319	653	653
Hotel services	0	0	0	32	278	244
Other services	300	0	100	89	718	660
Total	**300**	**0**	**100**	**440**	**5,429**	**5,437**

15.1.1 Sponsorship agreement with GERRY WEBER Management & Event oHG

On December 20, 2012, a new sponsorship agreement was signed between the Company and GERRY WEBER Management & Event oHG with effect as of January 1, 2013, to replace the previous sponsorship agreement, as amended (the "**Sponsorship Agreement**"). In the Sponsorship Agreement, GERRY WEBER Management & Event oHG undertakes, among other things, to carry out and market its activities under the "GERRY WEBER WORLD" umbrella brand. These activities include, in particular, all sports and entertainment events related to the GERRY WEBER Stadium, the GERRY WEBER Event & Convention Center, the GERRY WEBER Sportpark and the GERRY WEBER Sportpark Hotel. The Sponsorship Agreement was initially concluded for the period starting January 1, 2013 to December 31, 2017 and included two renewal options, each providing for an extension of the Sponsorship Agreement of five years. Based on an independent valuation, sponsorship amounts totalling € 21.5 million were determined for the right to the name "GERRY WEBER WORLD" and for the sponsorship payments for the "GERRY WEBER OPEN" for the period from January 1 2018 to December 31, 2022. However, the Sponsorship Agreement was terminated during the insolvency proceedings according to § 103 InsO and GERRY WEBER Management & Event oHG registered its outstanding claims for sponsorship payments in the insolvency proceedings.

Weber Holding GmbH & Co. KG, wholly-owned company of the former member of the Supervisory Board Mr Gerhard Weber and Hardieck Invest GmbH & Co. KG, a company owned by the former member of the Supervisory Board Mr Udo Hardieck, his daughter Mrs Nina Lauterbach and the former member of the Supervisory Board Alexander Hardieck, are the general partners of GERRY WEBER Management & Event oHG.

15.1.2 Lease agreement and agency agreement with DALOU Grundstücks GmbH & Co. KG

On June 5, 2014, GWR, which is a fully consolidated company of the GERRY WEBER Group and DALOU Grundstücks GmbH & Co. KG, Halle/Westphalia ("**DALOU**"), wholly-owned company of Mr Ralf Weber concluded a lease agreement (as amended the "**Lease Agreement**") for the outlet store located in Ravenna Park. The agreement commenced on October 1, 2014 and had a fixed term until September 30, 2024. Initially, total obligations in the amount of € 5.3 million arose under the Lease Agreement.

In addition to the Lease Agreement, an agency agreement between GWR and DALOU was concluded on March 1, 2015 according to which GWR provided handling of the daily administrative operations in the rented outlet for DALOU and charged for the costs incurred. The agency agreement was terminated according to Sections 279, 103 InsO with effect as of October 31, 2019.

Former member of the Management Board Mr Ralf Weber is sole limited partner of DALOU and sole managing director of its general partner, DALOU Verwaltungs GmbH, Halle/Westfalen.

15.1.3 Settlement agreement

On December 17, 2019, a settlement agreement between the Company, its subsidiary GWR, Mr Ralf Weber and DALOU was notarised (the "**Settlement Agreement**") due to various mutual claims of the parties in connection with Ravenna Park, the determination of the boundary line between the Ravenna Park property and the neighbouring property owned by DALOU as well as the Lease Agreement. According to the Settlement Agreement, the Company and GWR agreed not to assert any financial claims against DALOU and Mr Ralf Weber who, in turn, refrained from asserting financial claims in the amount of up to € 6.0 million. The balance of € 20,888.80 resulting from the offset was to be paid by GWR to DALOU.

15.1.4 Financing Agreements with the Plan Sponsors

The Group entered into the Financing Agreements with the Plan Sponsors and JPM AG. The Plan Sponsors and JPM are the sole shareholders of the Company. For a detailed description of the Financing Agreements, please see the section "*9.1 Material Contracts—Financing Agreements*").

15.2 Relationships with Members of the Management Board and Supervisory Board

15.2.1 Consultancy services provided by Mr Udo Hardieck

The former member of the Supervisory Board Mr Udo Hardieck provided consulting services in an amount of € 30,000 in the fiscal year ended October 31, 2017.

15.2.2 Remuneration of the Members of the Management Board and the Supervisory Board

We have entered into service agreements with the members of our Management Board, please see "*14.2.2 Description of the Governing Bodies of the Company—Management Board—Management Service Agreements.*"

The following table shows the remuneration paid to members of the Management and the Supervisory Board of GERRY WEBER International AG for the periods indicated:

(in € thousands)	Six-month period from January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019	Short fiscal years from April 1, 2019 to December 31, 2019	November 1, 2018 to March 31, 2019	Fiscal years from November 1, 2017 to October 31, 2018	November 1, 2016 to October 31, 2017
	(unaudited)			*(audited)*		
Management Board remuneration	**3,345**	**1,136**	**1,933**	**945**	**2,069**	**1,795**
Basic Salary.........................	937	1,011	1,571	799	1,894	1,330
Variable Salary....................	2,408[1]	125	362	146	175	465
Supervisory Board remuneration	**204**	**435**	**48**	**363**	**851**	**870**
Total...................................	**3,549**	**1,571**	**1,981**	**1,308**	**2,920**	**2,665**

(1) This includes severance payments paid to Johannes Ehling and Urun Gursu of € 1.275.000 and € 1.050.000 who resigned as members of the Management Board as of February 29, 2020, respectively.

For further details, see Note I. to the Company's Audited Consolidated Financial Statements included on page F-70 in section "*16. Financial Information*".

16. FINANCIAL INFORMATION

The following English-language financial statements of GERRY WEBER International AG are translations of the respective German-language financial statements of GERRY WEBER International AG.

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020 (IFRS)

CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

KEUR	Six-month period from January 1, 2020 to June 30, 2020	January 1, 2019 to June 30, 2019
Consolidated net profit/loss for the year	(34,179)	(245,388)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Currency translation: changes in the amount recognized in equity		
Changes in the adjustment item from currency translation of foreign subsidiaries	(381)	304
Cash flow hedges: changes in the amount recognized in equity		
Changes in the fair value of derivatives used for hedging purposes	0	(358)
Income taxes		
On the components of other comprehensive income applicable income taxes	0	108
	(381)	54
Comprehensive income	**(34,560)**	**(245,334)**

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2020

ASSETS

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

EQUITY AND LIABILITIES

KEUR	**June 30, 2020**	**December 31, 2019**
Equity:		
Subscribed capital	1,220	1,025
Capital reserve	685	10
Retained earnings	122	103
Exchange differences	(2,435)	(2,054)
Accumulated profit/loss	88,159	122,358
	87,751	***121,442***
Non-current liabilities:		
Provisions for personnel	127	163
Other provisions	4,189	4,069
Financial liabilities	107,221	73,622
Lease liabilities	184,105	194,901
Deferred tax liabilities	3,622	4,925
	299,264	***277,680***
Current liabilities:		
Provisions		
Tax provisions	251	64
Provisions for personnel	11,511	7,090
Other provision	20,549	31,552
Liabilities:		
Financial liabilities	30,162	74,187
Trade liabilities	17,867	14,090
Lease liabilities	39,610	42,953
Other liabilities	10,959	11,609
	130,909	***181,545***
	430,173	459,225
Total equity & liabilities	**517,924**	**580,667**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

(in € thousand)	Subscribed capital	Capital reserve	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profit	Equity
Balance as of January 1, 2020	**1,025**	**10**	**103**	**0**	**(2,054)**	**122,358**	**121,442**
Equity of convertible bond............................	0	673	0	0	0	0	673
Capital increase	195	2	19	0	0	(20)	196
Result from continuing operations	0	0	0	0	0	(34,179)	(34,179)
Result from discontinued operations	0	0	0	0	0	0	0
Change in accounting policy due to IAS 19 ...	0	0	0	0	(381)	0	(381)
Overall comprehensive result.........................	**0**	**0**	**0**	**0**	**(381)**	**(34,179)**	**(34,560)**
Balance as of June 30, 2020	**1,220**	**685**	**122**	**0**	**(2,435)**	**88,159**	**87,751**

(in € thousand)	Subscribed capital	Capital reserve	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profit	Equity
Balance as of January 1, 2019	**45,508**	**102,387**	**225,779**	**250**	**(2,357)**	**(125,719)**	**245,848**
Result from continuing operations	0	0	0	0	0	(144,056)	(144,056)
Result from discontinued operations	0	0	0	0	0	(101,332)	(101,332)
Other result from continuing operations ..	0	0	0	(250)	304	0	54
Overall comprehensive result........................	**0**	**0**	**0**	**(250)**	**304**	**(245,388)**	**(245,334)**
Balance as of June 30, 2019	**45,508**	**102,387**	**225,779**	**0**	**(2,053)**	**(371,107)**	**514**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Six-month period from	
KEUR	**January 1, 2020 to June 30, 2020**	**January 1, 2019 to June 30, 2019**
Operating result from continuing operations	(27,336)	(122,869)
Operating result from discontinued operations	0	(111,600)
Depreciation / amortization	26,282	247,213
Non-cash expenses and income	1,625	0
Profit / loss from the disposal of fixed assets and assets held for sale	138	930
Decrease in inventories	1,748	33,488
Increase/ decrease in trade receivables	(5,627)	4,158
Increase / decrease in other assets that do not fall under investing or financing activities	8,407	(27,317)
Decrease in provisions	(6,498)	(11,990)
Increase in trade payables	3,777	41,719
Increase in other liabilities that do not fall under investing or financing activities	741	11,822
Income tax refunds / payments	(264)	(43)
Cash inflows from operating activities	**2,994**	**65,511**
Interest received	0	432
Incidental bank charges	(186)	(432)
Interest paid	(786)	(2,560)
Cash inflows from current operating activities	**2,023**	**62,951**
Cash outflows for investments in property, plant, equipment and intangible assets	(1,979)	(3,251)
Cash inflows / outflows from investing activities	**(1,979)**	**(3,251)**
Proceeds from capital increase	195	0
Repayment from insolvency liabilities	(10,879)	0
Repayment from plan sponsor loans	(11,762)	0
Cash outflows for the repayment of financial liabilities	(21,864)	(21,134)
Cash inflows / outflows from financing activities	**(44,310)**	**(21,134)**
Changes in cash and cash equivalents	(44,266)	38,566
Changes due to exchange rate fluctuations	(381)	304
Cash and cash equivalents at the beginning of the fiscal year	126,929	55,996
Cash and cash equivalents at the end of the fiscal year	**82,282**	**94,866**
Composition of cash and cash equivalents		
Cash and cash equivalents (continuing operations)	90,782	90,881
Cash and cash equivalents (discontinued operations)	0	3,985
Current account liabilities equivalents (continuing operations)	(8,500)	0
Current account liabilities(discontinued operations)	0	0
Cash and cash equivalents at the end of the fiscal year	**82,282**	**94,866**

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

A. GENERAL INFORMATION

Company data

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

The Group is divided into the "Retail" and "Wholesale" segments. The "Retail" segment comprises the company's own retail activities in the national and international Houses of GERRY WEBER and mono-label stores, the concession stores, the factory outlets and the online shops (e-commerce). The "Wholesale" segment comprises the wholesale activities of the Group's brands (GERRY WEBER, TAIFUN and SAMOON). The prior year period additionally includes the "Hallhuber" segment, which is presented as a discontinued operation due to a written call option agreed in February 2019 and exercised in July 2019.

This interim report was prepared as a condensed interim report in accordance with the provisions of the International Financial Reporting Standards (IFRS) applicable as of 30 June 2020 and endorsed by the European Union. The interim report was prepared in accordance with IAS 34 ("Interim Financial Reporting"). Moreover, an interim management report was added to the interim financial statements. The prior year figures were determined using to the same principles. The condensed interim consolidated financial statements and the interim Group management report have neither been reviewed in accordance with section 37w para. 5 of the German Securities Trading Act (WpHG) nor audited pursuant to section 317 of the German Commercial Code (HGB).

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

The income statement has been prepared using the total cost method. In the income statement, the interim reporting period from 1 January 2020 to 30 June 2020 is compared with the period from 1 January 2019 to 30 June 2019. In the balance sheet, the amounts as of 30 June 2020 are compared with the amounts as of 31 December 2019.

Basis of consolidation

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

Accounting principles

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

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

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

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

- Amendments to the IASB Conceptual Framework: No direct amendments of the IFRS; however, the IASB and the IFRS IC will use the revised framework as the basis for the developments of future standards.

- Amendments to IAS 1 (“Presentation of Financial Statements”) and IAS 8 (“Accounting Policies, Changes in Accounting Estimates and Errors”): Clarification regarding the definition of materiality. No amendments to the contents of the materiality concept.

- Amendments to IFRS 3 (“Business Combinations”): Adjustments to the definition and application guidelines for the existence of a business operation.

- Amendments to IFRS 9 (“Financial Instruments”), IAS 39 (“Financial Instruments: Recognition and Measurement”) and IFRS 7 (“Financial Instruments: Disclosures”). Adjustments due to the reform of the reference interest rates; e.g. simplifications regarding the presentation of hedge accounting.

The COVID-19 pandemic generally represents an external impairment indicator according to IAS 36. Our analysis in this regard has shown that no additional impairments are necessary in these interim financial statements, as sufficient impairments were already recognized 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 annual 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 recognized in the reserves for currency differences.

The exchange rates on which the currency translation is based and which influence on the consolidated financial statements have developed as follows:

Currencies		**Closing rate**		**Average rate**	
1 EUR in		**June 30, 2020**	**December 31, 2019**	**1 Jan 2020 – 30 Jun 2020**	**1 Jan 2019 – 30 Jun 2019**
Russia	RUB	79.63	70.28	76.68	73.72
USA	USD	1.11	1.11	1.10	1.13
China	CNY	7.92	7.78	7.75	7.66
Switzerland	CHF	1.07	1.10	1.06	1.13
Norway	NOK	10.91	10.08	10.74	9.73

Sales revenues

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

The COVID-19 pandemic and the resulting almost Europe-wide temporary closures of physical retail stores and the contact restrictions imposed had a significant impact on the fashion industry and the sales revenues generated in the reporting period.

Sales revenues include licensing fees in an amount of KEUR 254 (comparative period: KEUR 482) for the utilization of the name rights.

Revenues are deemed to be realized once the service has been provided in full and control has passed to the buyer.

Sales revenues break down into KEUR 78,809 (comparative period: KEUR 143,232) generated in Germany and KEUR 61,732 (comparative period: KEUR 104,511) generated abroad.

Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net profit/loss for the year after taxes attributable to ordinary shareholders of GERRY WEBER International AG and the average number of shares outstanding during the period. The consolidated net profit/loss attributable exclusively to the shareholders of the parent company amounted to KEUR -34,179 (comparative period: KEUR -245,388).

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights. An average of 1,030,393 shares were outstanding in the period from 1 January to 30 June 2020. The average number of shares outstanding in the comparative period was 45,507,715. As of 31 December 2019, the number of shares was 1,025,000.

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

Earnings per share from continuing operations stand at EUR -33.17 (comparative period: EUR -139.81). Total earnings per share amount to EUR -33.17 (comparative period EUR: -238.15). Diluted and basic earnings are identical.

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

Segment report

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

Reporting period 1 January to 30 June 2020:

KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidation	Total
Sales revenues per segment.........................	65,961	74,580	0	0	140,541
Personnel expenses........	13,900	36,600	0	0	50,500
EBITDA	866	(2,237)	0	318	(1,053)
Depreciation / amortization..................	4,846	21,437	0	0	26,283
EBIT	(3,980)	(23,674)	0	318	(27,335)
Assets............................	254,047	269,316	0	(5,439)	517,925
Liabilities......................	224,166	211,416	0	(5,409)	430,173
Investments in non-current assets	866	1,112	0	0	1,978
Number of employees (annual average)	410	2,217	0	0	2,627

Reporting period 1 January to 30 June 2019:

KEUR	Gerry Weber Core-Wholesale	Gerry Weber Core-Retail	Hallhuber Retail	Consolidation	Total
Sales revenues per segment.........................	97,125	150,618	0	0	247,743
Personnel expenses........	16,166	47,636	0	0	63,802
EBITDA	20,016	14,402	0	27	34,444
Depreciation / amortization..................	47,049	110,264	0	0	157,313
EBIT	(27,034)	(95,862)	0	27	(122,869)
Assets*..........................	253,915	325,252	1,500	0	580,667
Liabilities*....................	174,995	288,516	0	(4,286)	459,225
Investments in non-current assets	1,462	1,789	0	0	3,251
Number of employees (annual average)*	484	2,877	1,703	0	5,063

*As of December 31, 2019 (Number of employees as the average of the short financial year 2019)

Rights of use and liabilities from lease agreements

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

As of 30 June 2020, rights of use under rental and lease agreements for retail stores of KEUR 222,175 (31 December 2019: KEUR 235,349) and leases for motor vehicles of KEUR 444 (31 December 2019: KEUR 675) were recognized.

The liabilities recognized in the balance sheet include the amortized liabilities from rental and lease agreements with a non-current portion of KEUR 184,105 (31 December 2019: KEUR 194,900) and a current portion of KEUR 39,610 (31 December 2019: KEUR 42,953).

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

Inventories

KEUR	**June 30, 2020**	**December 31,2019**
Raw materials and supplies	1,696	2,644
Work in progress	5,327	7,297
Finished goods and merchandise	56,294	55,124
	63,317	**65,065**

Impairments in the amount of KEUR 22,732 (31 December 2019: KEUR 21,297) existed as of 30 June 2020. These primarily cover risks relating to recoverability in the context of the COVID-19 pandemic (30 June 2020) and to the restructuring (31 December 2019). Additional impairment losses may be required if the expectations regarding the marketing of seasonal goods that could not be sold in the context of the COVID-19 pandemic turn out to be much too optimistic.

Other assets (current)

Other assets in an amount of KEUR 23,789 (31 December 2019: KEUR 33,696) have a maturity of less than one year. Other assets comprise:

KEUR	**June 30, 2020**	**December 31,2019**
Financial assets		
Supplier balances	3,879	3,767
Rent receivables	1,534	1,723
Shares in Hallhuber	0	1,500
	5,414	6,990
Non-financial assets		
Advance payments	9,975	14,644
Tax claims	4,206	5,331
Prepaid expenses	3,073	5,258
Other	1,122	1,473
	18,376	26,706
	23,789	**33,696**

The fair value of the shares in Hallhuber reported under other current financial assets in the consolidated financial statements for the period ended 31 December 2019 was assumed to be zero, as a "Schutzschirmverfahren" (a three-month phase of creditor protection) was initiated in April 2020, which led to insolvency proceedings in July 2020.

Equity

Equity comprises the subscribed capital and the capital reserves of the Group. Based on an entry in the Commercial Register on 25 June 2020, the subscribed capital of GERRY WEBER International AG was increased by EUR 195,238.00 from EUR 1,025,000.00 to EUR 1,220,238.00. A premium of EUR 1,952.38 was allocated to the capital reserve. The cost of funding of EUR 612.36 was deducted from the capital reserve.

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

Financial liabilities (non-current)

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

KEUR	**June 30, 2020**	**December 31,2019**
Insolvency creditor liabilities	84,784	39,423
Loans granted by the insolvency plan sponsors	22,437	34,200
	107,221	**73,623**

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

As a consequence of the COVID-19 pandemic, individual agreements were reached with a large number of creditors in April and May 2020 regarding the adjustment of their claims. Essentially, it was agreed that these creditors would defer 35 percent of their claims until 31 December 2023 and may obtain an additional quota. As a result, the non-current portion of liabilities to insolvency creditors increased, while the current portion decreased.

The fair value of the shares in Hallhuber recognized under other financial assets in the amount of KEUR 1,500 as of 31 December 2019 was reduced from KEUR 1,500 to zero as insolvency proceedings were opened in July 2020 against the company's assets. Correspondingly, the "Hallhuber" additional quota was fully derecognized through profit and loss.

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

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

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

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

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

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

KEUR	June 30, 2020	December 31,2019
Transfer company	2,680	1,617
Severance payment obligations (included in current provisions for personnel)	5,897	3,309
Expected dismantling and compensation payments for store closures and redemption of landlord liens	935	935
Litigation costs	5,670	15,576
Miscellaneous	161	516
	15,343	**21,953**

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

KEUR	June 30, 2020	December 31,2019
Insolvency creditor liabilities	21,627	74,187
Plan sponsor liabilities	8,500	0
Other	35	0
	30,162	**74,187**

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

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

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

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

Other liabilities

KEUR	June 30, 2020	December 31,2019
Financial liabilities		
Liabilities to customers	701	877
	701	877
Non-financial liabilities		
Other taxes (especially wage and value added tax)	5,145	4,117
Social security	2,611	2,923
Customer vouchers, bonus cards and goods on return	968	1,104
Liabilities to personnel	17	475
Deferred income	583	532
Other liabilities	934	1,582
	10,258	10,733
	10,959	**11,610**

Notes to the cash flow statement

As of 30 June 2020, cash funds consisted exclusively of cash and cash equivalents less liabilities payable on demand.

Financial instruments

The table below shows the carrying amounts and the fair values by class of financial instrument and the carrying amounts in accordance with IFRS 9 measurement categories as of 30 June 2020 and 31 December 2019.

KEUR	IFRS 9 valuation			
	Amortised cost		**Fair value**	
Financial instruments as of 30 Jun. 2020	**Carrying Amount**	**For information; fair value**	**Recognized in profit or loss (net income/loss for the year)**	**Not recognized in profit or loss (other comprehensive income)**
Non-current financial assets				
Loans	183	183		
Equity Instruments			45	
Current financial assets				
Trade receivables	20,342	20,342		
Other financial assets	5,414	5,414		
Cash and cash equivalents	90,782	90,782		
	116,721		**45**	**0**
Non-current liabilities				
Financial liabilities	107,221	107,221		
Liabilities from rental and lease agreements	184,105	–		
Current liabilities				
Financial liabilities	30,162	30,162		
Liabilities from rental and lease agreements	39,610	–		
Trade liabilities	17,867	17,867		
Other liabilities	701	701		
	319,666		**0**	**0**

KEUR	IFRS 9 valuation			
	Amortised cost		**Fair value**	
Financial instruments as of 31 Dec. 2019	**Carrying Amount**	**For information; fair value**	**Recognized in profit or loss (net income/loss for the year)**	**Not recognized in profit or loss (other comprehensive income)**
Non-current financial assets				
Loans	176	176		
Equity Instruments			45	
Current financial assets				
Trade receivables	14,715	14,715		
Other financial assets	5,490	5,490	1,500	
Cash and cash equivalents	126,929	126,929		
	147,310		**1,545**	**0**
Non-current liabilities				
Financial liabilities	73,622	73,622		
Liabilities from rental and lease agreements	194,901	–		
Current liabilities				

KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 31 Dec. 2019	**Carrying Amount**	**For information; fair value**	**Recognized in profit or loss (net income/loss for the year)**	**Not recognized in profit or loss (other comprehensive income)**
Financial liabilities	47,544	47,544		
Standstill obligation			26,643	
Liabilities from rental and lease agreements	42,953	–		
Trade liabilities	14,090	14,090		
Other liabilities	877	877		
	373,987		**26,643**	**0**

The assignment of the financial instruments measured at fair value to one of the three levels of the fair value hierarchy can be seen from the table “Carrying amounts and fair values by measurement categories”. The fair values of financial assets and liabilities are assigned to level 2 or 3 of the fair value hierarchy.

No reclassifications between levels 1, 2 and 3 were made in the interim reporting period. The measurement method used to determine the fair values of level 2, is the market-to-market method.

Material transactions with related parties

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

Post balance sheet events

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE SHORT FISCAL YEAR ENDED DECEMBER 31, 2019 (IFRS)

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2019

ASSETS

(in € thousand)	Note	December 31, 2019	March 31, 2019
Non-current assets:			
Fixed Assets	(1)		
Intangible assets	(a)	20,136.2	23,368.8
Rights of use	(b)	236,024.0	0.0
Property, plant and equipment	(c)	80,474.2	90,151.9
Financial assets	(d)	221.2	339.9
Deferred tax assets	**(2)**	**2,082.6**	**2,512.2**
		338,938.2	**116,372.8**
Current assets:			
Inventories	(3)	65,065.2	87,977.7
Receivables and other assets			
Trade receivables	(4)	14,714.9	37,784.7
Other assets	(5)	33,696.6	24,168.9
Income tax receivables	(6)	1,323.6	1,795.2
Cash and cash equivalents	***(7)***	***126,928.8***	***70,579.8***
		241,729.1	**222,306.3**
Assets classified as held for sale	***(8)***	***0.0***	***36,210.8***
		241,729.1	***258,517.1***
		580,667.3	**374,889.9**

EQUITY AND LIABILITIES

(in € thousand)	Note	December 31, 2019	March 31, 2019
Equity	(9)		
Subscribed capital	(a)	1,025.0	45,507.7
Capital reserve	(b)	10.2	102,386.9
Retained earnings	(c)	102.5	225,778.9
Exchange differences	(d)	–2,054.0	–2,082.4
Accumulated profit/loss	(e)	122,358.3	–370,525.9
		121,442.0	***1,065.2***
Non-current liabilities			
Provisions for personnel	(10)	162.9	151.9
Other provisions	(11)	4,069.0	5,930.0
Financial liabilities	(12)	73,622.5	0.0
Lease liabilities	(13)	194,900.7	0.0
Other liabilities	(14)	0.0	3,259.1
Deferred tax liabilities	(2)	4,925.2	3,827.2
		277,680.3	***13,168.2***
Current liabilities			
Provisions			
Tax provisions	(15)	63.8	531.1
Provisions for personnel	(16)	7,089.9	12,335.2
Other provision	(17)	31,551.8	36,915.3
Liabilities			
Financial liabilities	(18)	74,187.2	221,105.1
Trade liabilities	(19)	14,090.3	33,722.4
Lease liabilities	(13)	42,952.5	0.0
Other liabilities	(20)	11,609.5	21,836.6
		181,545.0	***326,445.7***
Liabilities directly associated with assets classified as held for sale	(8)	0.0	34,210.8
		459,225.3	***373,824.7***
		580,667.3	**374,889.9**

CONSOLIDATED INCOME STATEMENT FOR THE SHORT FISCAL YEAR FROM APRIL 1, 2019 TO DECEMBER 31, 2019

(in € thousand)	Note	Short fiscal year from April 1, 2019 to December 31, 2019	Short fiscal year from November 1, 2018 to March 31, 2019
Continuing operations:			
Sales revenues	(21)	330,511.9	215,566.4
Other operating income	(22)	176,548.8	50,691.8
Change in inventories	(23)	–19,754.8	–25,952.2
Cost of materials	(24)	–117,241.5	–83,828.2
Personnel expenses	(25)	–83,044.0	–55,049.4
Depreciation/amortization	(26)	–46,769.8	–137,743.3
Other operating expenses	(27)	–110,078.8	–93,486.6
Other taxes	(28)	–210.2	–294.2
Operating result		**129,961.6**	**–130,095.7**
Financial result:	**(29)**		
Income from fair value measurement of financial liabilities		0.8	1.0
Interest income		448.0	212.0
Depreciation on financial assets		0.0	0.0
Incidental bank charges		–459.0	–398.7
Financial expenses		–8,450.6	–1,853.0
		–8,460.8	–2,038.7
Results from ordinary activities		**121,500.8**	**–132,134.4**
Income taxes:	**(30)**		
Taxes of the fiscal years		–651.6	–846.2
Deferred taxes		–1,527.6	–15,245.8
		–2,179.2	**–16,092.0**
Results from continuing operations		**119,321.6**	**–148,226.4**
Result from discontinued operations attributable to the owners of the parent company	**(8)**	**0.0**	**–96,274.4**
Consolidated net profit/loss for the year		**119.321.6**	**–244.500.8**
		(in €)	(in €)
Earnings per share from continuing operations attributable to the owners of the parent company			
Earnings per share (basic)	(31)	3.35	–3.26
Earnings per share (diluted)	(31)	3.35	–3.26
Earnings per share attributable to the owners of the parent company			
Earnings per share (basic)	(31)	3.35	–5.37
Earnings per share (diluted)	(31)	3.35	–5.37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SHORT FISCAL YEAR FROM APRIL 1, 2019 TO DECEMBER 31, 2019

(in € thousand)	**Short fiscal year from April 1, 2019 to December 31, 2019**	**Short fiscal year from November 1, 2018 to March 31, 2019**
Consolidated net profit/loss for the year	119,321.6	-244,500.8
Other comprehensive income		
Items that may be reclassified to profit and loss		
Currency translation: changes in the amount recognized in equity		
Changes in the adjustment item from currency translation of foreign subsidiaries	28.4	375.9
Cash flow hedges: changes in the amount recognized in equity		
Changes in the fair value of derivatives used for hedging purposes	0.0	–635.9
Income taxes		
On the components of other comprehensive income applicable income taxes	0.0	190.8
	28.4	–69.2
Comprehensive income	**119,350.0**	**–244,570.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SHORT FISCAL YEAR FROM APRIL 1, 2019 TO DECEMBER 31, 2019

(in € thousand)	Note	Subscribed capital	Capital reserves	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profit	Equity
Balance as of April 1, 2019		**45,507.7**	**102,386.9**	**225,778.9**	**0.0**	**–2,082.4**	**–370,525.9**	**1,065.2**
Capital reduction		–45,499.3	–102,386.9	–225,778.9			–373,665.1	0.0
Capital release		1,016.6	10.2					1,026.8
Result from continuing operations				102.5			119,219.1	119,321.6
Result from discontinued operations							0.0	0.0
Other result from continuing operations						28.4		28.4
Overall comprehensive result		**0.0**	**0.0**	**102.5**	**0.0**	**28.4**	**119,219.1**	**119,350.0**
Balance as of December 31, 2019	**(10)**	**1,025.0**	**10.2**	**102.5**	**0.0**	**–2,054.0**	**122,358.3**	**121.442.0**

(in € thousand)	Note	Subscribed capital	Capital reserves	Retained earnings	Cumulative changes in equity not stated through profit or loss according to IFRS 9	Exchange differences	Accumulated profit	Equity
Balance as of November 1, 2018		**45,507.7**	**102,386.9**	**225,778.9**	**445.1**	**–2,458.3**	**–126,025.1**	**245,635.2**
Result from continuing operations							–148,226.4	–148,226.4
Result from discontinued operations							–96,274.4	–96,274.4
Other result from continuing operations					–445.1	375.9		–69.2
Overall comprehensive result		**0.0**	**0.0**	**0.0**	**–445.1**	**375.9**	**–244,500.8**	**–244,570.0**
Balance as of March 31, 2019	**(10)**	**45,507.7**	**102,386.9**	**225,778.9**	**0.0**	**–2,082.4**	**–370,525.9**	**1,065.2**

CONSOLIDATED CASH FLOW STATEMENT FOR THE SHORT FISCAL YEAR FROM APRIL 1, 2019 TO DECEMBER 31, 2019 (SECTION F IN THE NOTES)

(in € thousand)	Short fiscal year from April 1, 2019 to December 31, 2019	Short fiscal year from November 1, 2018 to March 31, 2019
Operating result from continuing operations	129,961.6	–130,095.7
Operating result from discontinued operations	79.0	–105,350.9
Depreciation/amortization	48,469.8	227,690.8
Non-cash restructuring gains	–167,579.4	0.0
Profit/loss from the disposal of fixed assets and assets held for sale `	1,419.0	–12,501.9
Decrease in inventories	22,912.5	46,800.4
Decrease/increase in trade receivables	23,069.8	–3,180.6
Decrease in other assets not attributable to investment and financing activities	–7,945.8	–9,329.9
Decrease in provisions	–3,861.6	–19,437.7
Increase in trade payables	14,942.6	4,798.9
Increase in other liabilities not attributable to investing and financing activities	2,678.9	15,742.3
Income tax refunds/payments	–647.3	–111.1
Cash inflows from operating activities	**63,499.1**	**15,024.6**
Income from borrowings	0.8	1.0
Interest received	448.0	221.7
Incidental bank charges	–459.0	–607.1
Interest paid	–7,968.6	–1,201.8
Cash inflows from current operating activities	**55,520.3**	**13,438.4**
Proceeds from the disposal of property, plant, equipment and intangible assets	500.0	36,000.0
Cash outflows for investments in property, plant, equipment and intangible assets	–8,349.0	–4,107.0
Proceeds from the disposal of financial assets	180.0	136.2
Cash outflows for investments in financial assets	–61.3	–60.7
Cash inflows/outflows from investing activities	**–7,730.3**	**31,968.5**
Proceeds from borrowings	34,200.0	0.0
Proceeds from capital increase	1,026.8	0.0
Repayment of liabilities relating to rights of use	–28,980.2	0.0
Cash inflows from financing activities	**6,246.6**	**0.0**
Net change in cash and cash equivalents	54,036.6	45,406.9
Changes in cash and cash equivalents due to consolidation	–1,676.2	0.0
Cash and cash equivalents at the beginning of the fiscal year	74,568.4	29,161.5
Cash and cash equivalents at the end of the fiscal year	**126,928.8**	**74,568.4**
Composition of cash and cash equivalents		
Cash and cash equivalents (continuing operations)	126,928.8	70,579.8
Cash and cash equivalents (discontinued operations)	0.0	8,250.0
Current account liabilities (continuing operations)	0.0	–151.4
Current account liabilities (discontinued operations)	0.0	–4,110.0
	126,928.8	**74,568.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SHORT FISCAL YEAR 2019

A. GENERAL INFORMATION

Company data

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

The main activities of the Group are described in the segment report.

The fiscal year began on 1 April 2019 and ended on 31 December 2019 (previous year: 1 November 2018 to 31 March 2019).

Accounting principles

Pursuant to EU Directive (EC) No. 1606/2002 in conjunction with section 315a para. 1 of the German Commercial Code (HGB), the consolidated financial statements of GERRY WEBER International AG, the parent company, for the year ending 31 December 2019 were prepared in accordance with the International Financial Reporting Standards (IFRS) as they are applicable in the European Union. The term "IFRS" also includes the applicable International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). All IFRS that were mandatory for the fiscal year 2019 were applied to the extent that they had been endorsed by the European Union.

The consolidated financial statements are denominated in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR).

The income statement has been prepared using the total cost method.

Accounting on the basis of the going concern principle

The insolvency proceedings opened on 1 April 2019 for the assets of GERRY WEBER International AG were terminated with effect as of 31 December 2019. For more information, please refer to the section "Post balance sheet events" in the notes to the consolidated financial statements.

Accounting is based on the going concern principle.

Limited comparability with previous year

There is limited comparability, as a short fiscal year was formed from 1 April 2019 to 31 December 2019 due to insolvency proceedings, which is compared with a different short fiscal year from November 1, 2018 to March 31, 2019.

New IASB regulations for first-time application in the short fiscal year 2019

The following accounting standards and supplements to existing regulations became mandatory for the fiscal year from 1 April 2019 to 31 December 2019:

New regulations			**Impacts**
Amendments to IFRS 9	Financial Instruments	Classification of certain financial instruments with prepayment features	No impact
IFRS 16	Leases	The lessee must recognize longer-term leases in the form of a right of use and a liability in the balance sheet	The effects are described in section B as well as 1.
Amendments to IAS 19	Employee Benefits	Plan amendments, curtailments or settlements	No impact
Amendments to IAS 28	Investments in Associates and Joint Ventures	Obligation to apply IFRS 9 to long-term interests in associates or joint ventures	No impact

New regulations			Impacts
Improvement project 2017	Improvement of IFRS (2015-2017) IFRS 3, IFRS 11, IAS 12, IAS 23	Collective standard for amendments or supplements to the corresponding regulations	No impact
IFRIC 23	Uncertainty over Income Tax Treatments	Clarifies uncertainties over income tax treatments under IAS 12	No impact

New IASB regulations not applicable in the short fiscal year 2019:

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact
Amendments to IFRS 3	Business combinations	Amendments to the definition of a business	October 22, 2018	January 1, 2020	Not yet	No impact
IFRS 17	Insurance Contracts	Principles for the accounting of insurance contracts: replaces the former transitional standard IFRS 4	May 05, 2017	January 1, 2021	Not yet	No impact
Amendments to the IFRS framework	Amendments to various standards	Revised definitions of assets and liabilities and new guidance on measurement and de-recognition, presentation and disclosures	March 29, 2018	January 1, 2020	November 29, 2019	The impact that would result from application is still being reviewed
Amendments to IAS 1 and IAS 8	Definition of "material"	Clarification of the definition of materiality	October 31, 2018	January 1, 2020	November 29, 2019	The impact that would result from application is still being reviewed
Amendments to IFRS 9, IAS 39 and IFRS 7	Financial instruments	Interest Rate Benchmark Reform, published in September 2019, transposition into EU law still pending, first time adoption expected in the fiscal year 2020/2021	September 26, 2019	January 1, 2020	November 15, 2020	The impact that would result from application is still being reviewed

The company plans to adopt the new or amended standards for the first time in the year in which they come into force

Basis of consolidation

The consolidated financial statements comprise GERRY WEBER International AG as the parent company and the subsidiaries listed below:

- Life-Style Fashion GmbH, Halle/Westphalia,
- Gerry Weber Retail GmbH & Co KG, Halle/Westphalia,
- Gerry Weber Retail Verwaltungs GmbH, Halle/Westphalia
- E-Gerry Weber Digital GmbH, Halle/Westphalia,
- Gerry Weber Iberica S.L. U., Palma de Mallorca, Spain,

- GERRY WEBER FAR EAST Ltd., Hong Kong, China,
- GERRY WEBER France s.a.r.l., Paris, France,
- GERRY WEBER Denmark ApS, Albertslund, Denmark,
- GERRY WEBER Dis Ticaret Ltd. Sirkuti, Istanbul, Turkey,
- GERRY WEBER Ireland Ltd., Dublin, Ireland,
- GERRY WEBER GmbH, Vienna, Austria,
- GERRY WEBER Italia GmbH
- GERRY WEBER UK Ltd., London, United Kingdom,
- GERRY WEBER GmbH, Raeren, Belgium,
- GERRY WEBER ASIA Ltd., Hong Kong, China,
- GERRY WEBER Shanghai Co. Ltd., Shanghai, China,
- GERRY WEBER Trading (Shanghai) Co. Ltd.
- GERRY WEBER Polska Sp. z o.o., Warsaw, Poland,
- GERRY WEBER Logistics GmbH, Halle/Westphalia,
- GW Media GmbH, Halle/Westphalia,
- GERRY WEBER Incompany B.V., Amsterdam, Netherlands,
- GERRY WEBER Retail B.V., Amsterdam, Netherlands,
- GERRY WEBER Sweden AB, Malmo, Sweden,
- GERRY WEBER CZ s.r.o., Prague, Czechia,
- GERRY WEBER Belux BVBA, Brussels, Belgium,
- GERRY WEBER Retail NV, Brussels, Belgium,
- GERRY WEBER Coast NV, Brussels, Belgium,
- GERRY WEBER SK S.R.O., Bratislava, Slovakia,
- GERRY WEBER Finland OY, Helsinki, Finland,
- GERRY WEBER Wholesale Fashion GmbH, Glattpark, Switzerland,
- GERRY WEBER Canada Ltd., Moncton, Canada,
- GERRY WEBER Outlet BVBA, Brussels, Belgium,
- GERRY WEBER Norge AS, Trondheim, Norway,
- TB Fashion GERRY WEBER GmbH, Halle/Westphalia,
- Brentrup Sp. z o.o., Lodz, Poland,
- 000 GERRY WEBER RUS, Moscow, Russia,

- GERRY WEBER 000, Moscow, Russia.

All companies are wholly owned.

With the exception of Life-Style Fashion GmbH and GERRY WEBER Retail GmbH &Co. KG, the major subsidiaries have changed their financial statements to 31 December 2019-the new fiscal year of the parent company after the conclusion of the insolvency proceedings. The subsidiaries reporting as of a different balance sheet date than the parent company were therefore included in the consolidated financial statements on the basis of interim financial statements.

Consolidation principles

Subsidiaries are all companies controlled by the Group. Pursuant to IFRS 10, the GERRY WEBER Group has control over an investee if it has power over the latter's material activities, is exposed to variable returns and has the ability to affect those returns through its power over the investee. This is generally the case where the voting rights exceeds 50%. When assessing whether the Group has control, the existence and the effect of potential voting rights which are currently exercisable or convertible are taken into account.

Subsidiaries are consolidated (full consolidation) from the time at which control is transferred to the Group. They are deconsolidated at the time when control ends.

The effects of intra-group transactions are eliminated. Receivables and liabilities between the consolidated entities are netted, intercompany profits and losses are eliminated and intra-group income is offset against the corresponding expenses. Deferred taxes as required pursuant to IAS 12 are established for temporary differences on consolidation.

Business combinations

Subsidiaries are accounted for using the acquisition method. The cost of acquisition is equivalent to the fair value of the assets surrendered, the equity instruments issued and the liabilities incurred and/ or assumed at the time of the transaction. It also includes the fair values of all assets or liabilities resulting from contingent consideration agreements. Assets, liabilities and contingent liabilities which are identifiable in the context of a business combination are initially recognized at their fair value at the time of acquisition.

Acquisition-related costs are recognized as an expense at the time they are incurred. Any contingent consideration is measured at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are measured in accordance with IFRS 9 and any resulting gain or loss is recognized in profit or loss. A contingent consideration classified as equity will not be remeasured and its subsequent settlement will be recognized in equity.

Goodwill

Goodwill is recognized at the value that arises from the surplus of the acquisition costs, the amount of the non-controlling interests in the company acquired as well as the fair value of any previously held equity interests as of the acquisition date above the equity interest of the Group in the net assets measured at fair value. If the costs of acquisition are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognized directly in the income statement.

Business combinations pursuant to IFRS 3

The GERRY WEBER Group made no such acquisition in the past fiscal year.

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 annual 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. Exchange differences are recognized in profit or loss.

Given that the consolidated foreign companies mainly operate in their currency area, t heir financial statements are prepared in the local currency according to the concept of the functional currency and translated into euros as at the balance sheet date. Assets and liabilities with the exception of equity are translated at the closing rate. Effects from the currency translation of the equity are recognized in equity without affecting income. The items of the income statement are translated at average annual exchange rates. Exchange differences resulting from different translation rates in the balance sheet and the income statement are recognized in equity without effecting income.

The exchange rates on which the currency translation is based and which influence the consolidated financial statements have developed as follows:

Currencies		**Closing Rate**		**Average annual exchange rate**	
1 EUR in		**31 Dec 2019**	**31 March 2019`**	**1 Apr 2019-31 Dec 2019**	**1 Nov 2018-31 Mar 2019**
Denmark	DKK	7.47	7.47	7.47	7.46
United Kingdom	GBP	0.85	0.86	0.85	0.88
Hong Kong	HKD	8.66	8.82	8.75	8.91
Canada	CAD	1.46	1.50	1.46	1.51
Romania	RON	4.77	4.76	4.78	4.70
Russia	RUB	70.28	72.86	69.96	75.38
Turkey	TRY	6.42	6.34	6.68	6.10
USA	USD	1.11	1.12	1.12	1.14
China	CNY	7.78	7.54	7.82	7.74
Switzerland	CHF	1.10	1.12	1.09	1.13
Poland	PLN	4.28	4.30	4.26	4.30
Sweden	SEK	10.57	10.40	10.45	10.37
Czech Republic	CZK	25.51	25.80	25.41	25.76
Norway	NOK	10.08	9.66	9.86	9.73

B. ACCOUNTING AND VALUATION PRINCIPLES

With the exception of certain items such as derivative financial instruments, the GERRY WEBER Group prepares its balance sheet using the cost method. The accounting and valuation methods used for the individual items are explained in greater detail below.

Changes in accounting and valuation principles with a significant impact on the net worth, financial and earnings position of the GERRY WEBER Group arose in the fiscal year ended 31 December 2019 due to the first-time adoption of IFRS 16 "Leases". The adjusted accounting and valuation principles and their effects are presented in the corresponding sections of this chapter.

Goodwill

Goodwill arising on consolidation and representing the amount by which the cost of an acquisition exceeds the Group's share in the fair value of the subsidiary's net assets is recognized in accordance with IFRS 3 and tested for impairment annually as at the balance sheet date and whenever there are indications of impairment. Impairment losses are immediately recognized as an expense and not reversed in subsequent periods.

Other intangible assets

Purchased intangible assets are recognized at cost for each category, taking ancillary costs and cost reductions into account, and amortized using the straight-line method.

Development expenditure is recognized as an expense as the capitalization requirements of IAS 38 do not apply due to a lack of separability. This expenditure mainly comprises the cost of the development of the collections and is mostly of a short-term nature.

The amortization calculated pro rata temporis in the year of acquisition, is mainly based on the following ordinary useful lives:

	Useful life
Software and other rights	3-5 years
Customer bases	5-10 years

Property, plant and equipment

Property, plant and equipment is recognized at cost for each category, less scheduled straight-line depreciation. The acquisition cost comprises the purchase price, ancillary costs and cost reductions. The cost of internally generated assets includes direct costs as well as directly attributable portions of the overheads. Borrowing costs are taken into account for qualifying assets. Leasehold improvements dismantling costs were capitalized at their present value. An average interest rate of 1.1% (previous year: 2.5%) p.a. was applied.

No investment-related government grants were received.

Determined pro rata temporis in the year of acquisition, the depreciation amounts are mainly based on the following useful lives:

	Useful life
Building components and leasehold improvements	10-50 years
Plant and machinery	3-15 years
Other plant, furniture and fixtures	1-15 years

Property, plant and equipment are written down for impairment in accordance with IAS 36 where required.

Gains or losses from the derecognition of an item of property, plant and equipment are determined as the difference between the proceeds from the sale and the carrying amounts of the item of property, plant and equipment and recognized under other operating income or other operating expenses in the income statement.

Impairment of non-financial assets

Non-financial assets (property, plant and equipment, intangible assets including goodwill) are tested for impairment triggering events on every balance sheet date. If such triggering events are identified, an estimate of the recoverable amount of the respective asset is made. Regardless of whether a triggering event is identified, intangible assets with infinite useful lives and goodwill acquired in a business combination are tested for impairment on an annual basis. The recoverable amount is the higher of the fair value of an asset less costs of disposal and its value in use. The value in use is equivalent to the present value of the expected cash flows. To discount the expected cash flows, a weighted average cost of capital is used, which reflects the risks of the asset. If no recoverable amount can be determined for an asset, the recoverable amount for the smallest identifiable group of assets (cash-generating unit or CGU) is determined which can be assigned to the respective asset. If the carrying amount of an asset or a CGU or group of CGUs exceeds the recoverable amount, the asset is immediately written down through profit/loss. If there is an impairment loss in a CGU or group of CGUs, any existing goodwill is first written off. The remaining impairment loss proportionally reduces the remaining non-current assets of the CGU or group of CGUs.

Impairment losses were recognized in each case to the recoverable amount determined as the value in use.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until substantially all activities necessary to prepare the asset for its intended use are complete. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

When determining the amount of the borrowing costs eligible for capitalization in a period, all investment income from the temporary investment of the borrowings is deducted from the borrowing costs.

Other borrowing costs are expensed in the period in which they are incurred.

Financial Instruments

IAS 32 defines a financial instrument as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets comprise cash and cash equivalents, trade receivables as well as loans and receivables originated by the enterprise and derivative financial assets.

Financial liabilities include trade payables, liabilities to banks, derivative financial liabilities and other financial liabilities.

In accordance with IFRS 9, the GERRY WEBER Group divides financial assets and financial liabilities into the following categories:

- financial assets and liabilities recognized at amortized cost,
- financial assets and liabilities recognized at fair value in other comprehensive income or at fair value in profit or loss.

The classification of financial instruments in accordance with IFRS 9 is generally dependent on an entity's business model for managing its financial assets and liabilities and contractual cash flows, and is determined at the time of initial recognition.

GERRY WEBER Group's policy with regard to its financial instruments is to hold them until maturity and to receive and make interest and principal payments at the designated times.

Financial assets

Financial assets are generally measured at fair value upon initial recognition. Fair value usually corresponds to the market prices of the financial assets. Where these are not available, they are calculated using accepted measurement models and current market parameters.

Cash and cash equivalents recognized in the balance sheet comprise cash, bank balances as well as current deposits and are initially measured at amortized cost.

After initial recognition, trade receivables as well as other loans and receivables are also measured at amortized cost, less potential impairment losses, if they are of a long-term nature, also using the effective interest rate method. Gains and losses on derecognition or impairment are recognized in the result for the period.

The GERRY WEBER Group uses derivative financial instruments exclusively in the form of cash flow hedges to hedge exchange rate risks in the procurement of sale of merchandise (cash flow hedge). As a general rule, the Group uses currency forwards and currency options. Derivative financial instruments qualifying for hedge accounting pursuant to IFRS 9 are recognized at fair value in the statement of comprehensive income under other comprehensive income. In this context, fluctuations in fair value are recognized in the respective equity item. The value accumulated in equity is recognized in profit or loss for the period upon maturity of the hedged cash flow. Where an ineffective portion of the value changes of the hedges exists, it is recognized in profit or loss. Derivative financial instruments that do not qualify for hedge accounting pursuant to IFRS 9, even if they are held for hedging purposes in economic terms, are measured at fair value through profit or loss in the income statement.

The carrying amounts of financial assets not recognized at fair value through profit or loss are tested for objective evidence of impairment at each balance sheet date. There is objective evidence of impairment in the following cases: evidence of financial difficulty of a customer or customer group, default or delinquency in interest or principal payments, the probability of bankruptcy as well as facts indicating a measurable reduction in estimated future cash flows such as unfavorable changes in the payment situation of the borrower or the economic situation which are consistent with the default. The impairment loss for financial assets recognized at amortized cost is equivalent to the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate of the financial asset. If, in a subsequent period, an increase in the fair value is determined, the impairment is reversed up to an amount no higher than amortized cost.

A financial asset is derecognized when the contractual rights to cash flows from the financial asset expire or are transferred. In the context of such a transfer, substantially all rewards and risks associated with ownership of the financial asset or control of the financial asset must be transferred.

Financial liabilities

Financial liabilities are measured at fair value upon initial recognition.

After initial recognition, trade payables and interest-bearing loans are measured at amortized cost using the effective interest rate method. Gains and losses arising in this process are recognized in profit or loss upon derecognition or repayment of the liabilities. A financial liability is derecognized when the underlying obligation is settled, is cancelled or expires.

Derivative financial instruments with a negative market value used in effective hedging relationships pursuant to IFRS 9 (for derivative financial instruments in the GERRY WEBER Group, see the comments in the section "Financial assets") are measured at fair value through other comprehensive income. Derivative financial instruments with a negative fair value are measured as liabilities to be recognized at fair value through profit or loss, unless they are used in an effective hedging relationship pursuant to IFRS 9. Conditional purchase price obligations from company acquisitions also fall in this category. Gains and losses from subsequent measurement are recognized through profit or loss.

Determination of fair values

A number of accounting methods and disclosures of the GERRY WEBER Group require the determination of the fair values of financial and non-financial assets and liabilities.

To the extent possible, the GERRY WEBER Group uses available market data to determine the fair value of an asset or a liability. Based on the input factors used for the measurement methods, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1 fair value measurements result from quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

- Level 2 fair value measurements are based on parameters that correspond to unquoted prices for assets and liabilities as in Level 1 (data), either directly derived (i.e. as prices) or indirectly derived.

- Level 3 fair value measurements result from models which use parameters that are not based on observable market data to measure assets or liabilities (non-observable parameters, assumptions).

The Group has a hedging policy of only using effective derivatives to hedge currency risks.

Current tax

Actual tax is the expected tax liability or tax asset on the taxable income or tax loss for the fiscal year based on tax rates that apply for the taxation period as well as all adjustments of tax liabilities of previous years. Discernible tax risks for pending tax audits were taken into account.

Deferred Tax

Deferred tax is recognized for all temporary differences between the tax base of the assets and liabilities and their carrying amounts in the IFRS statements ("liability method"). Deferred tax is measured at the respective tax rates (and tax regulations) valid or about to be adopted in law as of the balance sheet date and which are expected to be valid at the time of the recognition of the tax claim or the settlement of the deferred tax liability.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet elate and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In accordance with IAS 1.70, deferred tax assets and deferred tax liabilities are recognized as non-current and are not discounted.

Inventories

In accordance with IAS 2, inventories are measured at average purchase and conversion costs. Conversion costs include direct costs as well as adequate indirect materials and labor costs. No borrowing costs are capitalized.

Where required, inventories were written down to lower net realizable values. When the circumstances which previously caused inventories to be written down no longer exist, the amount of the write-down is reversed.

Intercompany profits resulting from sales within the Group are eliminated.

Assets classified as held for sale

This item includes assets for which a sales contract had already been signed as at the balance sheet date and/ or assets attributable to a discontinued operation. In accordance with IFRS, these assets are recognized at the lower of the carrying amount and the fair value less costs of disposal.

Other provisions

Provisions are recognized in accordance with the relevant regulations (especially IAS 19 and IAS 37). They are established when legal or constructive obligations exist as a result of a past event and a reliable estimate can be made of the amount of the outflow of resources required to settle the obligation. In the case of individual risks, the provision is valued as the most probable settlement amount taking into account all discernible risks. As a result, the calculation of the provisions was not subject to major uncertainties.

Non-current provisions are discounted and recognized at their present value on the basis of a pre-tax rate. As of 31 December 2019, non-current provisions were discounted at an average rate of 1.1 % (previous year: 2.5%). Increases in provisions resulting purely from interest compounding are recognized as interest expenses through profit or loss in the income statement.

Rental and lease agreements

IFRS 16 ("Leases"), which was initially adopted in the GERRY WEBER Group's financial statements for the period ended 31 December 2019, replaces the existing standards IAS 17 ("Leases"), IFRIC 4 ("Determining Whether an Arrangement Contains a Lease"), SIC-15 ("Operating Leases" – Incentives") and SIC-27 ("Evaluating the Substance of Transactions in the Legal Form of a Lease").

The GERRY WEBER Group adopted the new lease accounting standard by applying the modified retrospective transitional approach. According to the new standard, comparative information is not restated but continues to be stated in accordance with IAS 17. In the GERRY WEBER Group, first-time adoption primarily relates to the lease agreements for retail stores previously recognized as operating leases.

IFRS 16 requires that, all assets and liabilities from leases, with the exception of short-term leases or leases in which the underlying asset has a low value, be recognized in the balance sheet. The distinction made in IAS 17 between finance and operating leases, with only the former to be recognized in the lessee's balance sheet, no longer applies under IFRS 16. The lessor's accounting treatment has not changed materially compared with IAS 17.

Lease agreements that were previously classified as operating leases in accordance with IAS 17 and thus recognized off-balance are recognized in the GERRY WEBER Group's balance sheet as assets and liabilities from rights of use in accordance with IFRS 16. They are initially measured at the present value of future lease payments. As part of subsequent measurement, depreciation on the capitalized rights of use and interest on liabilities are recorded in the income statement. Recognized liabilities are subsequently divided into a principal portion (shown under financing activities) and an interest portion (shown under operating activities).

The GERRY WEBER Group uses the incremental borrowing rate to calculate the interest portion of the lease payments on the date of transition to the new accounting treatment and subsequently every time a newly concluded lease agreement is recognized. Depending on the respective term, the incremental borrowing rate is assumed at 2.75% to 3.25% at the time of transit ion to the new accounting treatment in accordance with the simplification rule in the transitional terms and conditions for contracts with similar characteristics.

The table below shows the reconciliation of the off-balance sheet lease obligations in the financial statements as of 31 March 2019 with the liabilities in the balance sheet as of 1 April 2019:

Off-balance sheet lease liabilities	**KEUR**
As of 1 March 2019*	**150,715**
Obligation from operating leases as of 31 March 2019 discounted at the time of first-time adoption in the GERRY WEBER Group	142,392

Short-term and low-value leases recognized as expenses on a straight-line basis	–3,433
Adjustments due to different estimates of renewal and termination options	126,270
Lease liabilities recognized as at 1 April 2019	**265,229**

* adjusted value, financial obligations in the previous year's financial statements presented at KEUR 127,969

In the case of short-term leases (up to 12 months) and leases where the underlying asset has a low value (e.g. PCs), the Group has elected to account for lease payments as an expense on a straight-line basis in accordance with IFRS 16. This expense is reported in the consolidated income statement under other expenses. The GERRY WEBER Group has defined an amount of KEUR 5 for this lower value.

Realization of income and expenses

Sales revenues are measured at the fair value of the consideration received or to be received. Sales revenues comprise the consideration from the sale of goods and are recognized net of turnover tax, returns, rebates and price discounts. The Group recognizes sales revenues when the amount of the revenues can be reliably measured, when it is probable that economic benefit will flow to the company and when the specific criteria for each type of activity described below are met. The Group makes estimates based on historical figures – taking customer-specific, transaction-specific and contract-specific features into account.

(a) Sale of goods - Wholesale

The Group produces and sells a range of ladieswear to wholesalers. As a general rule, revenues from the sale of goods are recognized when a Group entity has transferred control over products to a wholesaler, especially when the sales channel and the sales price of the product are at the discretion of the wholesaler and when there are no unmet obligations which could affect the wholesaler's acceptance of the goods. Delivery will be deemed to have occurred only after all goods have been sent to the stipulated p lace, the risk of obsolescence and loss has passed to the wholesaler and either the wholesaler has accepted the goods in accordance with the provisions of the purchase contract or the, Group has objective indications that all conditions of acceptance have been met. In addition, partnership schemes have been agreed with some customers. Partnership schemes help to improve the presentation of the GERRY WEBER collections at the point of sale and to generate higher income for both parties through a better pricing policy. In this context, possibilities to return merchandise within a limited time-frame and value range were granted. Provisions for anticipated reimbursement liabilities from returns have been established for this purpose with an impact on sales revenues. This calculation is based on expected return rates. Moreover, consignment contracts have been signed with selected partners, under which the merchandise remains the property of GERRY WEBER until it is sold to the final consumer. Sales revenues are therefore recognized only after the merchandise has been sold to the final customer. Up to that time, no control is transferred by the GERRY WEBER Group to the consignment customer.

(b) Sale of goods - Retail

The Group operates a chain of retail stores selling ladieswear. Revenues from the sale of goods are recognized when a Group entity has sold products to an end consumer. Retail sales are usually settled in cash or by EC/credit card.

Historical information is used as the basis to estimate the rate of returns and the creation of an appropriate provision for the reimbursement liability at the time of sale.

(c) Internet revenues

Revenues from the web-based sale of goods are recognized at the time when control over these goods passes to the customer. Provisions for internet credit items to cover the expected reimbursement liabilities from returns are calculated on the basis of historical return rates.

Assumptions, estimates and discretionary decisions

Accounting based on the going concern principle

The consolidated financial statements of the GERRY WEBER Group were prepared on a going concern basis. For more information, please refer to the section "Post balance sheet events" in the notes to the consolidated financial statements.

Impairment of non-financial assets

When testing intangible assets, especially of goodwill and property, plant and equipment of the company managed retail stores that existed as of 31 March 2019 (comparative period), certain basic assumptions were made with regard to the recoverable amount. Within this framework, the expected cash flows for the impairment tests are derived from planned budgets for the cash-generating units or groups of cash-generating units and discounted. Management assumes that the assumptions and estimates on which the discounted cash flows are based are adequate. Changes in the economic conditions and the sector-specific growth assumptions may, however, have an impact on the impairment tests that may lead to impairment in future. The basic assumptions made to determine the recoverable amount for the different cash-generating units as of 31 March 2019 (comparative period) are explained in greater detail in section C. under "Intangible assets/goodwill".

Provisions

GERRY WEBER operates in numerous countries, where the company is exposed to the most diverse conditions. Due to the complexity of the international rules and regulations, it is possible that deviations between the actual events and the assumptions made and/or changes in such assumptions require future adjustments of the provisions recognized in the balance sheet. Provisions are established for the potential effects of individual facts based on reasonable estimates. Potential differences between the original estimate and the actual outcome may have an impact on the net assets, financial and earnings position of the GERRY WEBER Group in the respective period.

Inventories

To account for inventory risks, inventories are written down to the expected lower selling price. The costs of conversion of finished goods are calculated retrospectively, based on the realizable selling price.

Write-downs of receivables

The recoverability of trade receivables is assessed on the basis of the estimated probability of default. Overdue receivables are written down using individually determined percentage rates. If the financial situation of a customer deteriorates, the amount of the actually required derecognition may exceed the write-downs, which may have an adverse impact on the earnings position.

C. RESTRUCTURING AND OTHER NON-OPERATING EXPENSES AND INCOME

In the course of the fiscal year 2017/18, the GERRY WEBER Group faced a growing number of internal and external crisis factors. These ultimately resulted in a comprehensive strategic, operational and financial restructuring exercise, which was initiated in the fourth quarter of the fiscal year 2017/18 on the basis of a detailed restructuring report ("Sanierungsgutachten") prepared by an independent accounting firm. The restructuring exercise initiated by the company as of 31 October 2018 resulted in impairment of non-current non-financial assets, provisions for restructuring and other expenses, increased inventory write-downs as well as legal and consulting costs, which were reflected in the consolidated financial statement for the period ended 31 October 2018.

Caused by the surprising failure of the talks between GERRY WEBER Group and its financing partners, GERRY WEBER International AG applied for the opening of insolvency proceedings with debtor-in-possession status on 25 January 2019, which were opened on 1 April 2019. Insolvency proceedings with debtor-in-possession status for GERRY WEBER Retail GmbH & Co. KG were filed on 7 February 2019. The proceedings were opened on 1 May 2019. The effects of the opening of insolvency proceedings on the assets of GERRY WEBER International AG were reflected in the balance sheet in the financial statement for the period ended 31 of March 2019.

In total, the following non-operating expenses and income had an impact on the result of the GERRY WEBBER Group in the short fiscal year 2018/19:

KEUR	Cost of materials	Personnel expenses	Depreciation/ amortization	Other operating expenses	Other operating income	Total
Impairment losses (IAS 36)						
Goodwill......................................			23,665			23,665
Other intangible assets			8,906			8,906
Property, plant and equipment......			90,860			90,860
Impairment of inventories	15,956					15,956

KEUR	Cost of materials	Personnel expenses	Depreciation/ amortization	Other operating expenses	Other operating income	Total
Severance payments/interim employment company		603		387		990
Proceedings-related expenses.......				18,082		18,082
Legal and consulting costs				6,771		6,771
Result from sale of Hall 29...........					–17,377	–17,377
Release of provisions					–29,828	–29,828
Continuing operations	**15,956**	**603**	**123,431**	**25,240**	–47,205	**118,025**
Impairment losses (IAS 36)						
Goodwill......................................			20,725			20,725
Other intangible assets			53,729			53,729
Property, plant and equipment......			12,629			12,629
Impairment of inventories	10,699					10,699
Write-downs of receivables..........				750		750
Discontinued operations...............	**10,699**	**0**	**87,083**	**750**	**0**	**98,532**
Total..	**26,655**	**603**	**210,514**	**25,990**	**–47,205**	**216,557**

The insolvency proceedings resulted in an adjustment of the plans under the updated restructuring report ("Sanierungsgutachten"). This led to further impairments of non-current non-financial assets, increased depreciation of inventories and process-related expenses as well as other legal and consulting fees in the financial statements for the short fiscal year 2018/19. On the other hand, the insolvency proceedings made it possible to close unprofitable sales spaces at a lower cost, which resulted in the release of provisions for restructuring costs. In addition, there were corresponding expenses from the discontinued HALLHUBER business segment.

As the insolvency plans of GERRY WEBER International AG and GERRY WEBER Retail GmbH &Co. KG became legally effective in October and November 2019, respectively, the capital and debt cut was implemented. As a result of the debt cut, insolvency liabilities were derecognized taking into account the quotas described in the insolvency plan, with a corresponding effect on income. In addition, further non-operating expenses were incurred in the course of the insolvency proceedings.

In total, the following non-operating expenses and income had an impact on the result of the GERRY WEBER Group in the short fiscal year 2019:

KEUR	Cost of materials	Personnel expenses	Depreciation/ amortization	Other operating expenses	Other operating income	Total
Impairment of inventories	**843**					**843**
Severance payments/interim employment companies................		1,966				1,966
Proceedings-related expenses.......				4,813		4,813
Legal and consulting costs				19,621		19,621
Restructuring gains......................					–167,579	–167,579
Release of provisions					–4,691	–4,691
Continuing operations................	**843**	**1,966**	**0**	**24,434**	**–172,270**	**–145,027**
Discontinued operations	**0**	**0**	**0**	**0**	**0**	**0**
Total..	**843**	**1,966**	**0**	**24,434**	**–172,270**	**–145,027**

Under the insolvency plan of GERRY WEBER International AG, the insolvency creditors were granted various options for satisfying their insolvency claims (immediate cash quotas, subscription of bearer bonds and/or convertible bonds for certain creditors). The creditors of GERRY WEBER International AG were able to exercise their options in the course of January 2020. By contrast, the insolvency plan of GERRY WEBER Retail GmbH &Co. KG does not provide for such options. On the basis of and taking into account the decision of the insolvency creditors of GERRY WEBER International AG expected as of the balance sheet date, the company has determined amounts and payment dates for satisfying the insolvency creditors and has calculated the nominal values of the remaining payments and, taking into account payment dates, corresponding present values for these. This has resulted in a reduction in the obligations in the balance sheet. This reduction has been recognized as a restructuring gain. The obligations reported in the balance sheet mainly included note loans and liabilities to banks (EUR 218 million) and trade payables (EUR 25 million) as well as other liabilities and provisions.

In addition, further payments are to be made to the insolvency creditors in the form of additional quotas. Additional quotas are to be created for the insolvency creditors, of GERRY WEBER International AG, e.g. in the form of the future sale of the Ravenna Park logistics centre and the 12% remaining interest in HALLHUBER held by GERRY WEBER International AG.

The legal effectiveness of the insolvency plans led to a disposal of the financial and non-financial liabilities previously recognized in the balance sheet and an addition of new financial liabilities from the various forms of satisfaction of the insolvency plans. Where the convertible and bearer bonds are concerned, embedded derivatives also had to be taken into account. The restructuring gain is calculated as follows from the difference between the disposals and additions:

KEUR	
Disposal of previously recognized financial and non-financial liabilities	280,484
Addition of new financial liabilities	112,905
Restructuring gain	**167,579**

The individual components for satisfying the creditors were taken into account with their expected values as follows:

Values at the time the insolvency plans became effective

Composition	Undiscounted value in KEUR	Covered by	Expected outflow in	Cost in KEUR
Cash option, cash option PLC, small creditors	18,082	Trust account	April 2020	17,711
Excess liquidity quota GWI	11,751	Own liquidity	April 2020	11,510
Excess liquidity quota GWR	1,530	Own liquidity	February 2021	1,443
Cash option PLC (2nd instalment)	1,955	Trust account	June 2021	1,816
Cash option PLC (3rd instalment)	1,629	Trust account	December 2022	1,417
Additional quota 2 (extraordinary assets)	6,681	Trust account	December 2023	5,561
Additional quota 3	147	Trust account	April 2020	144
Additional quota Ravenna Park	24,431	Sales proceeds	January 2022	22,121
Additional quota HALLHUBER	1,466	Sales proceeds	December 2022	1,275
Bearer bonds	38,703	Debt restructuring	December 2023*	38,012
Convertible bonds	1,832	Debt restructuring	December 2023*	1,795
Creditors GWR	5,831	Debt restructuring	February 2021	5,499
Other risks	4,611	Trust account	indefinite	4,611
	118,649			**112,915**

* end of exercise period (January 2020) relevant for maturity

Values at the time the insolvency plans became effective

	Undiscounted value in KEUR	Covered by	Expected outflow in	Cost in KEUR
Due within 1 year	75,126			73,782
Due after more than 1 and less than 5 years	43,523			39,132

	Undiscounted value in KEUR	Covered by	Expected outflow in	Cost in KEUR
	118,649			**112,915**
Covered by				
Trust account	34,325			32,148
Own liquidity	13,281			12,953
Debt restructuring	40,535			39,807
Sales proceeds	25,897			23,396
Debt collection	4,611			4,611
	118,649			**112,915**

The fair values shown in the table at the time the insolvency plan became effective changed as follows as of the balance sheet date:

Values as of 31 December 2019

KEUR	Amortised cost	Interest effect in 2019	Interest effects as of 2020
Cash option, cash option PLC, small creditors	17,842	131	240
Excess liquidity quota GWI	11,595	85	156
Excess liquidity quota GWR	1,454	11	76
Cash option PLC (2nd instalment)	1,830	14	125
Cash option PLC (3rd instalment)	1,427	10	202
Additional quota 2 (extraordinary assets)	5,602	41	1.079
Additional quota 3	145	1	2
Additional quota Ravenna Park	22,286	165	2,145
Additional quota HALLHUBER	1,284	9	182
Bearer bonds	38,186*	–1,516	517
Convertible bonds	1,808*	13	24
Creditors GWR	5,540	41	291
Other risks	4,611	0	0
	113,610	**–995**	**5,039**
Due within 1 year	74,187		
Due after more than 1 and less than 5 years	39,423		
	113,610		

* end of exercise period (January 2020) relevant for maturity, embedded derivatives are measured at fair value.

D. NOTES TO THE BALANCE SHEET

(1) Fixed Assets

Land charges have been created for certain fixed assets of the Group (HQ property) to cover Group liabilities. With regard to the liquidation of the "Ravenna Park" logistics centre provided for in the insolvency plan, please refer to section C.

(a) Intangible assets/goodwill

KEUR	Concessions, industrial rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
1 April 2019	***144,694***	***34,900***	***2,578***	***182,173***
Exchange differences	–2	0	0	–2
Additions	373	0	2,946	3,319

KEUR	Concessions, industrial rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Reclassifications	1,256	0	–1,239	17
Disposals	–18,938	0	0	–18,938
31 December 2019	***127,383***	***34,900***	***4,285***	***166,569***
Depreciation/amortization				
1 April 2019	***123,903***	***34,900***	***0***	***158,804***
Exchange differences	–2	0	0	–2
Additions	5,697	0	0	5,697
Reclassifications	0	0	0	0
Disposals	–18,066	0	0	–18,066
31 December 2019	***111,532***	***34,900***	***0***	***146,433***
Carrying amount 31 March 2019	**20,791**	**0**	**2,578**	**23,369**
Carrying amount 31 December 2019	**15,851**	**0**	**4,285**	**20,136**

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
November 1, 2018	***235,245***	***87,125***	***2,572***	***324,942***
Exchange differences	0	0	0	0
Additions	1,322	0	1,123	2,445
Reclassifications	77	0	–99	–22
Disposals	–3,441	0	0	–3,441
Reclassifications according to IFRS 5	–88,509	–52,225	–1,018	–141,752
March 31, 2019	***144,694***	***34,900***	***2,578***	***182,172***
Depreciation/amortization				
November 1, 2018	***133,586***	***42,736***	***0***	***176,322***
Exchange differences	0	0	0	0
Additions	21,497	23,665	0	45,162
Reclassifications	0	0	0	0
Disposals	–3,100	0	0	–3,100
Reclassifications according to IFRS 5	–28,080	–31,501	0	–59,581
March 31, 2019	***123,903***	***34,900***	***0***	***158,803***
Carrying amount October 31, 2018	**101,659**	**44,389**	**2,572**	**148,620**
Carrying amount March 31, 2019	**20,791**	**0**	**2,578**	**23,369**

The reclassifications according to IFRS 5 include the discontinued HALLHUBER operations as of 1 November 2018.

Concessions, industrial rights and similar rights and assets as well as licenses to such rights and assets

As of the balance sheet date, this item mainly included software·. In the previous period, it also included the following items:

Lease agreements

The advantageous lease agreements recognized as depreciable intangible assets were the result of business combinations and were written off over the remaining term of the leases using the straight-line method. The resulting expenses are recognized in the income statement under" Depreciation/amortization". The residual carrying amounts as of 31 March 2019 were written off in full in the context of an impairment test. The amortization in the comparative period also included impairment losses of KEUR 3,490 caused by the restructuring.

Customer relationships

Customer relationships were identified and capitalized at their present value in the context of business combinations in previous fiscal years. The present value was determined based on an assumed useful life of five to eight years using a duration-specific discount rate. The customer relationships recognized as depreciable intangible assets were written off using the straight-line method. The resulting expenses are recognized in the income statement under Depreciation/amortization". The residual carrying amounts as of 31 March 2019 were written off in full in the context of an impairment test. The depreciation and amortization for the comparative period thus included impairment losses of KEUR 5,416 caused by the restructuring and relating to Norway and Finland.

"HALLHUBER" brand name

In the context of the takeover of HALLHUBER, the "HALLHUBER" brand name was acquired and shown under intangible assets valued at KEUR 54,000. The brand, which is recognized as an amortizable intangible asset, was written off over a period of 30 years using the straight-line method. The resulting expense was recognized as depreciation and amortization in the result from discontinued operations in the previous period of the consolidated income statement. The residual carrying amounts as of 31 March 2019 were written off in full in the context of an impairment test. The expense was reported in the previous year's result from discontinued operations attributable to the owners of the·parent company.

Goodwill

Goodwill resulted from positive differences·from business combinations.

Goodwill was primarily attributable to the "GERRY WEBER Retail" segment, except for the HALLHUBER goodwill, which was attributable to the "HALLHUBER Retail" segment. In these segments, the individual sales spaces are defined as cash-generating units.

For the purpose of impairment tests, goodwill is assigned to groups of cash-generating units. These groups of cash-generating units represent the lowest corporate level at which goodwill is monitored for internal management purposes.

In the context of the impairment test, the carrying amount of the respective group of cash-generating units is compared with its recoverable amount. The recoverable amount is determined as the value in use on the basis of the future cash flows, which are based on internal planning. Sensitive planning premises include sales growth, net profit expectations, estimates of replacement investments in the store network as well as personnel expenses as a percentage of sales for the individual stores. The projections refer to the fixed term of the respective lease agreements. The planning period ranges from one to seven years.

In the context of the restructuring of the GERRY WEBER Group's business activities, impairment tests were carried out as of 31 March 2019 on the basis of the multi-year budgets underlying the restructuring concept valid as of that balance sheet date. This resulted in impairment losses on all goodwill.

Due to consistent risk structures (e.g. economic outlook, interest rates), the cash flows determined in connection with the impairment tests as of .31 March 2019 were discounted using a weighted average cost of capital (WACC) of 10.33% before taxes and of 7.71% after taxes based on market data. GERRY WEBER used constant growth rates of 1% (as in the previous year) to extrapolate the cash flows beyond the detailed planning period of five years. In view of the restructuring of the GERRY WEBER Group, the factors influencing the discount rate had been adjusted with respect to the peer group as well as the debt capital interest rate already as of 31 October 2018. As the insolvency proceedings were filed, the WACC was not adjusted. Besides the inability to derive the cost of capital in the context of the insolvency-related special situation, this was mainly due to the fact that the insolvency proceedings had already been concluded at the time of preparation and that this rapid conclusion was already foreseeable at the beginning of the proceedings. A higher interest rate within the expected range would not have resulted in further impairment losses in other, non-impaired cash-generating units as of 31 March 2019. Besides new store openings and closures of individual points of sale, like-for-like revenue growth of up to 2%, depending on the location, is assumed for the detailed planning period.

No further impairment test was required as of 31 December 2019, as all non-depreciable intangible assets were already fully impaired as of 31 March 20 19. There were no indications of impairment tests for cash-generating units with exclusively depreciable assets as of 31 December 2019.

Advance payments

In connection with the Group's IT project costs to be capitalized, payments in advance of KEUR 2,578 were recognized as of 31 March 2019. Additional payments in advance of KEUR 2,946 were made in the fiscal year 2019. An amount of KEUR 1,239 was reclassified to "Concessions, industrial rights and similar rights and assets as well as licenses to such rights and assets" in the fiscal year.

Additions to other intangible assets mainly relate to purchased software.

(b) Rights of use from lease agreements

The new accounting standard IFRS 16 for lease agreements had to be adopted for the first time in the short fiscal year from April 1 to December 31, 2019. Due to the application of the modified retrospective transitional approach, the information of the comparative period was not restated. Information on the accounting treatment of agreements in the GERRY WEBER Group is presented in section 1.

Rights of use from lease agreements	**KEUR**
Acquisition / Production Costs	
31 March 2019	***0***
Adjustment on first-time adoption of IFRS 16	265,229
1 April 2019	***265,229***
Exchange differences	0
Additions	1,604
Disposals	0
31 December 2019	***266,833***
Depreciation/amortization	
1 April 2019	***0***
Exchange differences	0
Additions	30,809
Disposals	0
31 December 2019	***30,809***
Carrying amount 31 March 2019	**0**
Carrying amount 31 December 2019	**236,024**

As of 31 December 2019, the capitalized rights of use under lease agreements included leases primarily for retail stores of KEUR 235,349 (1 April 2019: KEUR 264,032) and lease agreements for motor vehicles of KEUR 675 (1 April 2019: KEUR 1, 198).

(c) Property, plant and equipment

KEUR	**Land, leasehold rights and buildings including buildings on third-party land**	**Technical equipment and machinery**	**Furniture, Fixtures and other equipment**	**Advance payments and construction in progress**	**Total**
Acquisition / Production Costs					
1 April 2019	***180,063***	***68,262***	***79,981***	***715***	***329,021***

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, Fixtures and other equipment	Advance payments and construction in progress	Total
Exchange differences	36	0	–18	0	18
Additions	311	101	735	57	1,204
Reclassifications	648	0	77	–742	–17
Disposals	–20,836	–68	–15,780	0	–36,684
31 December 2019	***160,222***	***68,295***	***64,994***	***31***	***293,542***
Depreciation/amortization					
1 April 2019	***106,433***	***67,910***	***64,527***	***0***	***238,869***
Exchange differences	60	0	11	0	72
Additions	5,894	183	4,186	0	10,263
Reclassifications	0	0	0	0	0
Disposals	–20,813	–67	–15,257	0	–36,136
31 December 2019	***91,574***	***68,027***	***53,467***	***0***	***213,068***
Carrying amount 31 March 2019	**73,631**	**352**	**15,454**	**715**	**90,152**
Carrying amount 31 December 2019	**68,648**	**269**	**11,527**	**31**	**80,474**

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, Fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
1 November 2018	***206,521***	***68,267***	***99,628***	***884***	***375,300***
Exchange differences	–4	–1	–32	0	–37
Additions	72	33	525	122	752
Reclassifications	–53	0	64	11	22
Disposals	–831	–37	–166	0	–1,034
Reclassification in accordance with IFRS 5	–25,642	0	–20,038	–302	–45,982
31 March 2019	***180,063***	***68,262***	***79,981***	***715***	***329,021***
Depreciation/amortization					
1 November 2018	***86,092***	***12,447***	***71,589***	***0***	***170,128***
Exchange differences	1	0	–18	0	–17
Additions	33,764	55,480	3,337	0	92,581
Reclassifications	0	0	0	0	0
Disposals	–754	–17	–63	0	–834
Reclassification in accordance with IFRS 5	–12,871	0	–10,318	0	–22,989
31 March 2019	***106,432***	***67,910***	***64,527***	***0***	***238,869***
Carrying amount 31 October 2018	**120,429**	**55,820**	**28,039**	**884**	**205,172**
Carrying amount 31 March 2019	**73,631**	**352**	**15,454**	**715**	**90,152**

The reclassifications according to IFRS 5 include the discontinued HALLHUBER operations as of 1 November 2018.

This item mainly comprises corporate real estate in Halle/Westphalia.

Leasehold improvements and furniture and fixtures for rented retail properties are shown under "Land, leasehold rights and buildings including buildings on third-party land" as well as "Furniture, fixtures and other equipment".

Besides straight-line depreciation and amortization, impairment losses of KEUR 90,860 were recognized in the previous year as part of the **restructuring**, mainly relating to, the revaluation of technical equipment and machinery and building components of the logistics centre. The reason for the impairment was that the insolvency plan provides for the sale of the logistics centre. The insolvency creditors are entitled to any proceeds from the sale. No further impairments occurred in the short fiscal year from 1 April to 31 December 2019.

(d) Financial assets

KEUR	**Investments**	**Other loans**	**Total**
Acquisition / Production Costs			
1 April 2019	***310***	***1,095***	***1,404***
Exchange differences	0	0	0
Additions	0	62	62
Reclassifications	0	0	0
Disposals	–1	–180	–181
31 December 2019	***309***	***976***	***1,285***
Depreciation/amortization			
1 April 2019	***264***	***800***	***1,064***
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	1	0	1
31 December 2019	***265***	***800***	***1,065***
Carrying amount 31 March 2018	**45**	**295**	**340**
Carrying amount 31 December 2019	**45**	**176**	**221**

KEUR	**Investments**	**Other loans**	**Total**
Acquisition / Production Costs			
1 November 2018	***310***	***1,170***	***1,480***
Exchange differences	0	0	0
Additions	3	61	61
Reclassifications	0	0	0
Disposals	0	–136	–136
31 March 2019	***310***	***1,095***	***1,404***
Depreciation/amortization			
1 November 2018	***264***	***800***	***1,064***
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
31 March 2019	***264***	***800***	***1,064***
Carrying amount 31 October 2018	**45**	**370**	**415**
Carrying amount 31 March 2019	**45**	**295**	**340**

Itemized breakdown:

KEUR	31 December 2019	31 March 2019
Lon-term loans	0	120
Long-term deposits	82	80
Rent deposits	94	94
Shares in limited partnerships	38	38
Shares in foreign corporations	7	7
	221	**339**

Financial assets were recognized at amortized cost, which is equivalent to the fair value taking potential impairments into account. As a general rule, the shares in limited partnerships and the shares in foreign corporations are recognized at cost as the fair value cannot be reliably determined. There is no active market for these shares.

(2) Deferred taxes

The following deferred tax assets and liabilities were stated to reflect recognition and valuation differences of the individual balance sheet items:

KEUR	Deferred tax assets		Deferred tax liabilities	
	31 December 2019	31 March 2019	31 December 2019	31 March 2019
Non-current assets	0	0	2,096	2,291
Current assets	661	1,378	1,108	1,212
Non-current provisions	1,024	1,134	378	324
Non-current liabilities	398	0	1,343	0
	2,083	**2,512**	**4,925**	**3,827**

Nettings in the amount of EUR 70.8 million were made. These relate to non-current assets from rights of use under lease agreements (deferred tax liabilities) and corresponding non-current and current liabilities (deferred tax assets). There remains an asset surplus of EUR 0.4 million.

The expenses or income from temporary differences stated in, the income statement are equivalent to the change in the respective balance sheet items unless they were offset against equity.

Tax loss carry forwards amount to clearly over EUR 100 million (previous year: EUR 150 million). They mainly refer to the companies in Germany, Spain, Ireland, Belgium and Norway. The resulting deferred tax assets were written off in full as the realization of the respective tax advantages is unlikely in the medium term.

Of the unrecognized deferred tax assets on tax loss carryforwards, amounts to EUR 3.1 million (previous year: EUR 3.6 million) will expire in one to thirteen years.

If deferred taxes arise at Group companies which posted losses in the current period or the previous years, these are capitalized only if management assumes that the company will generate profits in the future which justify the recoverability of the deferred tax assets.

Deferred tax assets and liabilities of EUR 70.8 million were netted in the financial statements as of 31 December 2019. The netting mainly relates to the deferred tax effects on rights of use for lease agreements and the corresponding liabilities. In the financial statements for the comparative period (31 March 2019), there were no material amounts to be netted.

(3) Inventories

KEUR	31 December 2019	31 March 2019
Raw materials and supplies	2,644	5,802
Work in progress	7,297	5,105
Finished goods and merchandise	55,124	77,071
	65,065	**87,978**

The usual reservations of ownership apply.

KEUR 853 (previous year: KEUR 15,956) was written off for sales measures planned in connection with the restructuring.

(4) Trade receivables

Trade receivables in an amount of KEUR 14,715 (previous year: KEUR 37,785) have a maturity of less than one year, with the vast majority being due in less than three months.

Allowances for doubtful accounts amounted to KEUR 3,994 (previous year: KEUR 3,615). Any existing trade credit insurance is taken into account in the calculation of the allowances.

Expenses and income for trade receivables are recognized in other operating expenses and income.

(5) Other assets (current)

Other assets in an amount of KEUR 33,697 (previous year: KEUR 24,169) have a maturity of less than one year.

Other assets comprise:

KEUR	**31 December 2019**	**31 March 2019**
Financial assets		
Supplier balances	3,767	3,399
Rent receivables	1,723	1,502
Shares in HALLHUBER	1,500	0
	6,990	***4,901***
Non-financial assets		
Advance payments	14,644	10,274
Tax claims	5,331	4,792
Prepaid expenses	5,258	3,626
Collateral	276	0
HR receivables	210	385
Other	987	191
	26,706	***19,268***
	33,696	**24,169**

For information on the shares in HALLHUBER, please refer to section D (8).

The advance payments essentially relate to inventories. Advance payments on account became necessary as part of the insolvency proceedings.

(6) Claims for income tax refunds

Tax refund claims of KEUR 1,323 (previous year: KEUR 1,795) relate to domestic corporate income tax and trade tax as well as to the solidarity surcharge associated with corporate income tax.

(7) Cash and cash equivalents

Apart from current accounts with banks, this item comprises cheques, payments in transit and cash.

Current accounts are held with various banks in different currencies.

Cash and cash equivalents reported as of 31 December2019 also include trust accounts with a balance of KEUR 61,652. These are subject to restrictions on disposal and serve to settle liabilities to be met in the insolvency proceedings.

(8) Assets classified as held for sale/liabilities directly associated with assets classified as held for sale

(a) Description

The items were exclusively related to HALLHUBER. In the context of the ongoing financial restructuring, bridge financing in the form of a liquidity line of EUR 10 million was agreed with an investor, Robus Capital Management Ltd. for the HALLHUBER GmbH subsidiary on 7 February 2019. In addition, Robus acquired receivables of GERRY WEBER Group member companies towards HALLHUBER, for most of which a subordinated status had already been agreed, at a purchase price of EUR 1 million. At the same time, a call option for HALLHUBER was granted; in this context, it was agreed that, if the option were exercised by Robus, GERRY WEBER would either retain a 14% stake in HALLHUBER or a 12% stake plus a cash purchase price of EUR 500,000. The call option for HALLHUBER was to be exercisable only after various conditions had been met, which was assumed to be the case in May 2019.

The liquidity line made available was used to ensure the ongoing business operations of HALLHUBER for the time being. The HALLHUBER segment was ready for sale when the purchase option was granted on 7 February 2019. As a result, the HALLHUBER segment became a discontinued operation pursuant to IFRS 5.

On 8 July 2019, a fund managed by Robus Capital Management Ltd. finally acquired the majority shareholding in HALLHUBER GmbH from GERRY WEBER International AG. In accordance with the agreement, GERRY WEBER continues to hold a 12% stake in HALLHUBER. In addition, GERRY WEBER received EUR 500,000 in cash from Robus. As Robus Capital Management exercised the option, HALLHUBER is no longer fully consolidated and therefore no longer included in the consolidated financial statements as a discontinued operation but merely as an investment and is to be sold in the context of the insolvency plan.

As part of the accounting treatment as a discontinued operation, all income and expense items are reported in the income statement as income from discontinued operations. The balance sheet items attributable to the discontinued operation are recognized as assets classified as held for sale and liabilities directly associated with assets classified as held for sale.

(b) Financial performance and cash flow information

KEUR	**1 Apr. 2019-31 Dec. 2019**	**1 Nov. 2018-31 Mar. 2019**
Sales revenues	48,713	88,972
Other operating income	137	596
Change in inventories	*-3,497*	-1,978
Cost of materials	-12,127	-52,338
Personnel expenses	-9,717	-15,448
Depreciation/ amortization	-1,700	-89,948
Other operating expenses	-21,730	-35,207
Financial result	-265	-1,347
Profit before taxes on income	**-186**	**-106,698**
Income taxes	186	10,424
Result from discontinued operations	**0**	**-96,274**
Other result from discontinued operations	0	0
Cash flow from operating activities	3,671	4,569
Cash flow from investing activities	-3,826	-910
Cash flow from financing activities	0	0
Net decrease/ increase in cash generated by the subsidiary	**-155**	**3,659**

(c) Assets and liabilities of the disposal group classified as held for sale

The table below shows the assets and liabilities reclassified to the "held for sale" category in connection with the discontinued operation as of 31 March 2019:

KEUR	31 Dec. 2019	31 Mar. 2019
Intangible assets	0	886
Property, plant and equipment	0	10,777
Inventories	0	12,387
Trade receivables	0	2,519
Cash and cash equivalents	0	8,250
Remaining assets	0	1,392
Total assets of the disposal group classified as held for sale	**0**	**36,211**

KEUR	31 Dec. 2019	31 Mar. 2019
Provisions	0	7,378
Trade liabilities	0	10,988
Liabilities to banks	0	4,110
Other liabilities	0	11,735
Total liabilities of the disposal group classified ,as held for sale	**0**	**34,211**

Based on updated plans and budgets of HALLHUBER, a value of EUR 1.5 million was determined for the remaining 12% stake (fair value level 3). The latter was reported under other financial assets as of 31 December2019.

Taking into account the purchase price paid in July 2019, the, total remaining value (assets less liabilities) for the discontinued HALLHUBER operation amounted to EUR 2.0 million as of 31 March 2019.

(9) Equity

Changes in equity are shown in the consolidated statement of changes in equity.

As a general rule, the Group manages its capital with the aim of maximizing the income for the stakeholders by optimizing the debt-to-equity ratio. In this context, the company aims to ensure that all Group companies can operate as a going concern. The capital structure is managed centrally by the parent company. Regular reporting processes have been established to monitor targets and the achievement of objectives. As the insolvency proceedings were filed on 25 January 2019, opened on 1 April 2019 and concluded on 31 December 2019, the satisfaction of creditors' interests took priority.

Equity and total assets amounted to:

KEUR	31 December 2019	31 March 2019	Change
Equity in KEUR	121,442	1,065	105,635
Equity in % of total capital	21%	0%	0
Debt in KEUR	459,225	373,825	100,142
Debt in % of total capital	79%	100%	0
Total capital (equity and debt) in KEUR	**580,667**	**374,890**	**205,777**

Equity comprises the subscribed capital and the reserves of the Group. Debt is defined as current and non-current financial liabilities, provisions and other liabilities.

(a) Subscribed capital

Upon entry in the Commercial Register on 31 October 2019,, the subscribed capital of GERRY WEBER International AG was reduced from EUR 45,905,960 (previous year: EUR 45,905,960) to EUR 8,377 by way of a simplified capital reduction (section 229 AktG) and increased by EUR 1,016,623 to EUR 1,025,000.

The authorization of the Managing Board to increase the share capital by up to EUR 18,362,384 from authorised capital (resolution of the Annual General Meeting of 26 April 2018) was revoked. The conditional capital increase by

EUR 4,590,590 approved by the same Annual General Meeting was also cancelled. New conditional capital of EUR 2,091,600.00 was created at the end of October 2019, however, and in December 2019 the Managing Board was authorised to increase the share, capital of GERRY WEBER International AG by up to EUR 400,000.00 from authorised capital. At the time the present report was completed, this authorization had not yet been entered in the Commercial Register.

In the period from March to June 2017, 398,245 bearer shares had been repurchased at a total cost of EUR 4,999,958. As of the prior year reporting date (31 March 2019), the subscribed capital, reduced by the nominal value of the repurchased shares of EUR 398,245 was stated at EUR 45,507,715. The amount of EUR 4,601,713 that exceeded the nominal amount had been deducted from retained earnings.

The own shares were also included in the capital reduction.

(b) Capital reserve

The capital reserve includes the premiums on the shares issued plus the premiums paid in the sale of own shares exceeding the amount recognized in retained earnings as well as the nominal value of the shares. In accordance with section 229 para. 2 of the German Stock Corporation Act (AktG), the capital reserve was released in full as a prerequisite for implementing the simplified share capital reduction. A premium of EUR 0.01 per bearer share was charged in the context of the EUR 1,016,623 increase in the share capital. This resulted in a corresponding allocation of EUR 10,166.23 to the capital reserve.

(c) Retained earnings

Retained earnings comprised the profits generated by the consolidated companies in the past which were not distributed or converted into share capital as well as earnings effects resulting from consolidation measures in the previous years less the pro-rate share premiums paid for the acquisition of own shares. In accordance with section 229 of the German Stock Corporation Act (AktG), retained earnings were released, save for statutory retained earnings pursuant to section 150 para. 2a AktG, as a prerequisite for implementing the simplified share capital reduction. In the current fiscal year, an allocation in the amount of KEUR 103 was made in accordance with the statutory requirements and in line with the treatment in the financial statements of the parent company.

(d) Exchange differences

This item comprises the differences arising from the currency translation of the financial statements of foreign subsidiaries which are not prepared in EUR.

(e) Accumulated profit/loss

The table below shows the changes in accumulated profit (previous year: accumulated loss):

KEUR	
Carried forward 11 April 2019	-370,526
Dividend payment in 2019	0
Capital reduction	373,665
Net income for the stub fiscal year 2019	119,322
Allocation to retained earnings	***-103***
Accumulated profits as of 31 December 2019	**122,358**

(10) Provisions for personnel (non-current)

An amount of KEUR 163 (previous year: KEUR 152) resulted from offsetting the assets used to secure the old age part-time obligations against the corresponding provisions as of 31 December 2019, which is shown under "Provisions for personnel (non-current)".

(11) Other provisions (non-current)

This item includes an amount of KEUR 4,069 (previous year: KEUR 5,930) resulting from the company's obligation to remove leasehold improvements.

These provisions are established on the basis of the expected settlement amounts as well as the agreed lease terms. Uncertainties exist with regard to the cost estimates and the actual time at which the provisions will be used. An amount of KEUR 1.916 was released (previous year: KEUR 148 added).

Interest expenses in the amount of KEU R 55 (previous year: KEUR 148) from unaccrued interest on provisions were recognized. Expected cash outflows accrue within a period of 5 to 10 years.

(12) Financial liabilities (non-current)

As a result of the insolvency proceedings filed in January 2019, all liabilities to banks were recognized as current in the financial statements for the period ended 31 March 2019 due to the extraordinary termination rights of the lending banks.

As at 31 December 2019, this item includes, on the one hand, those portions of the insolvency liabilities which are to be settled from the "Hallhuber" and "Ravenna Park" additional quotas. On the other hand, it includes loans from the insolvency plan sponsors. The latter bear interest at 12% and have a final maturity of 31 December 2023.

Please refer to the information in section C for the accounting treatment of the insolvency plan.

KEUR	**31 Dec. 2019**	**31 Mar. 2019**
Liabilities of insolvency creditors	39,423	0
Loans granted by the insolvency plan sponsors	34,200	0
	73,623	**0**

To secure the loans of the insolvency plan sponsors, security interests in financial and non-financial assets have been provided (parts of inventories, trade receivables as well as cash and cash equivalents) and in a property (Group HQ).

(13) Liabilities from lease agreements

This item includes the non-current portion of the liabilities from lease agreements of KEUR 194,900 (previous year: KEUR 0). For information on the accounting treatment of lease agreements, please refer to the information in section I.

(14) Other liabilities (non-current)

As of 31 March 2019, other financial liabilities included the remaining purchase price payment of KEUR 3,259 from an acquisition made in previous years. The reason for the commitment was a multi-year service agreement, which had been concluded in connection with the acquisition of the remaining shares and was economically attributable to the acquisition of the remaining shares. As this service agreement was terminated as part of the insolvency proceedings, the liability was derecognized in the financial statements for the period ended 31 December 2019.

Provisions 31 Dec. 2019 and 31 Mar. 2019 (current)

The table below shows the changes in, and the composition of, the provisions:

Type of provision in KEUR	**Carried forward 1 Apr. 2019**	**Utilization**	**Reversal**	**Additions**	**As of 31 Dec. 2019**
(15) Tax provisions	**531**	**531**	**0**	**64**	64
(16) Provisions for personnel					
Bonuses	1,723	1,076	647	908	908
Vacation	3,561	3,507	54	2,722	2,722
Partial retirement (current)	76	0	0	5	81
Special annual payment	2,108	2,108	0	69	69
Severance payments	4,023	3,534	0	1,934	2,422
Other	844	844	0	887	887
	12,335	***11,069***	***701***	***6,525***	***7,090***

Type of provision in KEUR	Carried forward 1 Apr. 2019	Utilization	Reversal	Additions	As of 31 Dec. 2019
(17) Other provisions					
Guarantees	174	174	0	407	407
Outstanding invoices	3,664	3,377	287	4,159	4,159
Audit fees	666	666	0	890	890
Restructuring	24,033	7,352	1,786	3,750	18,644
Supervisory Board compensation	1,233	1,233	0	30	30
Other	7,146	7,146	0	7,422	7,422
	36,915	***19,947***	***2,074***	***16,658***	***31,552***
	49,782	***31,547***	***2,775***	***23,246***	***38,706***

Type of provision in KEUR	Carried forward 1 Nov. 2018	Utilization /Reclassifi-cation pursuant to IFRS 5	Reversal	Additions	As of 31 Mar. 2019
(15) Tax provisions	**1,755**	**1,223**	**0**	**0**	**531**
(16) Provisions for personnel					
Bonuses	2,070	1,628	443	1,723	1,723
Vacation	3,696	3,696	0	3,561	3,561
Partial retirement (current)	125	49	0	0	76
Special annual payment	3,294	1,677	0	491	2,108
Severance payments	5,452	1,408	160	139	4,023
Other	871	291	0	265	844
	15,509	***8,749***	***602***	***6,178***	***12,335***
(17) Other provisions					
Guarantees	505	331	0	0	174
Outstanding invoices	3,874	2,551	0	2,341	3,664
Audit fees	661	420	0	424	666
Restructuring	47,687	9,265	29,225	14,836	24,033
Supervisory Board compensation	870	0	0	363	1,233
Other	6,659	6,659	0	7,146	7,146
	60,256	***19,225***	***29,225***	***25,110***	***36,915***
	77,519	***29,198***	***29,828***	***31,288***	***49,782***

In the context of the restructuring, provisions of KEUR 18,644 (previous year: KEUR 24,033) were recognized as of 31 December 2019. These are composed as follows:

KEUR	31 Dec. 2019	31 Mar. 2019
Social plan and severance payment obligations	1,617	4,815
Expected dismantling and compensation payments for store closures and redemption of landlord liens	935	9,906
Litigation costs	15,576	6,564
Other	516	2,748
	18,644	**24,033**

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

The table below shows the main current financial liabilities that existed as of the balance sheet date of the short fiscal year 2019.

KEUR	Carrying amount 31 Dec. 2019	Carrying amount 31 Mar. 2019
Insolvency creditor liabilities	74,187	0
Banks	0	218,250
Other	0	2,855
	74,187	**221,105**

As of 31 December 2019, this item included the liabilities to insolvency creditors expected to be payable in the short term. These are essentially those portions of the insolvency liabilities for which it is expected that they will be satisfied by means of the cash option quota as well as amounts from the excess liquidity quota. Please refer to the information in section C for the accounting treatment of the insolvency plan.

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

Due to the financing creditors' termination rights in the event of insolvency, liabilities to note loan holders as well as bank loans (bilateral loans) were reported under current liabilities to banks in the financial statements for the period ended 31 March 2019. Other current financial liabilities essentially included accrued interest.

(13) Liabilities from lease agreements (current)

This item includes the current portion of the liabilities from lease agreements of KEUR 42,953 (previous year: KEUR 0). For information on the accounting treatment of lease agreements, please refer to the information in section I.

(19) Trade payables

Liabilities from the delivery of goods are subject to the usual reservations of ownership.

(20) Other liabilities

KEUR	31 Dec. 2019	31 Mar. 2019
Financial liabilities		
Liabilities to customers	877	1,665
Payment of remaining purchase price for acquisitions	0	1,183
	877	***2,847***
Non-financial liabilities		
Other taxes (especially wage and turnover tax)	4,117	8,844
Social security	2,923	2,837
Customer vouchers, bonus cards and goods on return	1,104	1,962
Assumptions of liability, guarantees	0	1,311
Liabilities to personnel	475	1,282
Deferred income	532	618
Other liabilities	1,582	2,136
	10,733	***18,990***
	11,610	**21,837**

E. NOTES TO THE INCOME STATEMENT

(21) 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.

Sales revenues include licensing fees in an amount of KEUR 703 (previous year: KEUR 259) for the utilization of the name rights.

Revenues are deemed to be realized once the sentice has been provided in full and control has passed to the buyer.

(22) Other operating income

Other operating income comprises the following:

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Restructuring gain	167,579	0
Income from the release of current/non-current provisions	4,691	29,893
Rental income	2,769	1,626
Income from the provision of motor vehicles	522	337
Exchange gains	507	50
Income from asset disposal	29	17,377
Other	452	1,410
	176,549	**50,692**

For the restructuring gains, see section C "Restructuring and other non-operating expenses".

The rental income primarily results from leased investment property as well as income from the sub-letting of rented stores not used by the company.

(23) Changes in inventories and (24) cost of materials

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Change in inventories	19,755	25,952
Expenses for raw materials and supplies and purchased goods	19,930	9,831
Expenses for services purchased	97,312	73.997
	117,241	***83,828***
	136,996	**109,780**

Expenses for services purchased include expenses for cut-make-trim (intermediate contractors) as well as expenses for the procurement of goods manufactured by third parties according to our specifications ("full package services").

After arrival of the goods in our shipping centre, it is no longer possible to distinguish between CMT goods and FPS goods. As a result, all finished goods added to our inventories must be shown under inventory changes in the income statement.

(25) Personnel expenses

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Wages and salaries	68,797	46,230
Social security contributions	14,247	8,820
	83,044	**55,049**

The GERRY WEBER Group concludes partial retirement agreements according to the "block model". In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 2.40% (previous year: 2.40%) based on a salary t rend of 1.00% p.a. (previous year: 1.00% p.a.). The computations are based on the Heubeck mortality tables 2018 G. Discount on staff turnover is not required.

No provisions were established in the fiscal year for potential future obligations of the GERRY WEBER Group arising from the use of old-age part-time options, as this probability was estimated at zero.

Personnel expenses of the fiscal year included restructuring-related expenses in the amount of KEUR 1,966 (previous year: KEUR 603).

	1 April 2019-31 December 2019		**November 2018- 31 March 2019**	
	Total	**Germany**	**Total**	**Germany**
White-collar workers....................................	3,328	2,290	3,830	2,714
Trainees/apprentices.....................................	33	33	32	32
	3,361	**2,323**	**3,862**	**2,746**

(26) Depreciation/amortization

The composition of depreciation and amortization can be seen from the changes in the individual fixed asset components. In the short fiscal year from 1 April 2019 to 31 December 2019, no increased impairment losses were recognized in connection with the restructuring (previous year: KEUR 123,431). To determine the impairments of the previous year, primarily also the full remaining carrying amounts relating to closed stores were used.

(27) Other operating expenses

Other operating expenses comprise the following:

KEUR	**1 Apr. 2019-31 Dec. 2019**	**1 Nov. 2018- 31 Mar. 2019**
Restructuring expenses..	24,433	25,240
Rent, space costs	22,285	32,871
Advertising, trade fairs..	17,642	6,751
Freight, packaging, logistics..	9,894	5,096
IT costs...	8,723	5,324
Commissions..	4,751	2,980
Insurance, contributions, fees..	3,276	1,664
Legal, consulting and real estate agent costs...............................	2,921	4,692
Collection development...	2,317	1,291
Losses on receivables/ allowances	2,171	971
Loss from asset disposal..	1,896	578
Maintenance	1,834	630
Other personnel expenses..	1,563	1,079
Travelling expenses...	1,339	584
Del credere and credit card commissions....................................	1,111	586
Office and communications...	1,086	693
Vehicles...	1,075	967
Other..	871	46
General administration	842	569
Supervisory Board compensation..	49	363
Exchange rate fluctuations	0	510
	110,079	**93,486**

For the restructuring costs, see section C "Restructuring and other non-operating expenses".

(28) Other taxes

This item mainly comprises property and motor vehicle taxes as well as council taxes in the United Kingdom.

(29) Financial result

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Interest income	448	212
Income from financial assets loaned	1	1
Incidental bank charges	-459	-399
Interest expenses	-8,451	-1,853
	-8,461	**-2,039**

Interest expenses mainly result from the compounding of interest on insolvency liabilities from 31 October 2019 (coming into effect of the insolvency plan), interest on liabilities from lease agreements (IFRS 16) and loans granted by plan sponsors.

Incidental bank charges essentially comprise fees for letters of credit.

(30) Income taxes

Taxes on income comprise the following main components:

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Tax expenses of the fiscal year	601	586
Tax expenses of prior years	50	260
Deferred Tax	1,528	15,246
	2,179	**16,092**

Deferred taxes were generally calculated on the basis of the applicable tax rates of each company. A standard tax rate of 30% (previous year: 30%) was applied to calculate deferred taxes on consolidation measures shown in profit and loss.

The reconciliation of expected tax expenses with reported tax expenses is as follows:

KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Profit before taxes on income	121,315	-238,833
Group tax rate	30.00%	30.00%
Expected tax income	36,395	-71,650
Tax effect on the tax-free restructuring gain	-50,307	0
Tax effect on non-taxable amortization of goodwill	0	13,317
Tax losses for which no deferred taxes were formed	14,741	55,926
Value adjustment of deferred tax assets formed in previous years, in particular on loss carryforwards	0	7,060
Taxes on trade tax additions	977	788
Taxes on non-deductible operating expenses	35	40
Off-period tax expenses/ income	50	0
Other	102	187
Actual tax expenses 1.9% (previous year: -2.4%)	**1,993**	**5,668**
thereof continuing operations	**2,179**	**16,092**
thereof discontinued operations	**-186**	**-10,424**

(31) Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net income/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 amounts on which the calculation is based were determined as follows

Consolidated net income/ loss for the year in KEUR	1 Apr. 2019-31 Dec. 2019	1 Nov. 2018-31 Mar. 2019
Consolidated net loss attributable to ordinary shareholders of the parent company	119,322	-244,501

Number of ordinary shares	Shares
Voting shares on 1 November 2016	45,905,960
Purchase of own shares in fiscal year 2016/17	398,245
Voting shares in fiscal year 2017/18 and in short fiscal year 2018/ 19	45,507,715
Capital reduction (section 229 AktG) with subsequent capital increase (Commercial Register entry of 31 October 2019)	-44,482,715
Voting shares on 31 December 2019	1,025,000

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights.

An average of 35,622,667 shares were outstanding in the short fiscal year from 1 April to 31 December 2019 (short fiscal year 2018/19: 45,507,715 shares).

Earnings per share amount to EUR 3.35 (previous year: EUR -5.37). Basic earnings per share are identical with diluted earnings per share.

No dividend was paid for either the short fiscal year 2019 or the comparative period.

F. ADDITIONAL DISCLOSURES AND EXPLANATIONS REGARDING FINANCIAL INSTRUMENTS

Maturity analysis of financial assets

KEUR	Neither written down nor due as of the reporting date	Not written down as of the reporting date but due since:					Gross value of the written-down receivables
		< 1 month	1 to 3 months	3 to 6 months	6 to 12 months	> 12 months	
Loans	0	0	0	0	0	0	0
Trade receivables	12,453	1,676	0	0	0	0	4,581
Other assets	6,990	0	0	0	0	0	0
Carrying amount 31 Dec. 2019	***19,443***	***1,676***	***0***	***0***	***0***	***0***	***4,581***
Loans	120	0	0	0	0	0	0
Trade receivables	34,643	2,044	361	0	0	0	4,351
Other assets	4,901	0	0	0	0	0	0
Carrying amount 31 Mar. 2019	***39,664***	***2,044***	***361***	***0***	***0***	***0***	***4,351***

Write-down schedule

As in the comparable period, no write-downs for loans and other assets were required. The table below shows the write-down schedule for trade receivables as of 31 December 2019:

31 Dec. 2019 in KEUR	**Expected impairment**	**Itemized allowance**	**Total write-downs**
As of 31 Mar. 2019	***516***	***3,099***	***3,615***
Additions	0	1,799	1,799
Drawings	0	-1,026	-1,026
Reversals	-331	-61	-393
As of 31 Dec. 2019	**185**	**3,811**	**3,995**

31 Dec. 2019 in KEUR	**Expected impairment**	**Itemized allowance**	**Total write-downs**
As of 31 Oct. 2018	***168***	***2,327***	***2,495***
Additions	348	837	1,185
Drawings	0	65	65
Reversals	0	0	0
As of 31 Mar. 2019	**516**	**3,099**	**3,615**

Trade credit insurance is taken out for the trade receivables, which cover about 77% (previous year: 74%) of the respective total receivables. In addition, the creditworthiness of the counterparties is examined. In the other cases, the default risks are equivalent to the carrying amounts.

Contractual remaining terms of financial liabilities

The table below shows the contractual remaining maturities of the financial liabilities as of the balance sheet date of the short fiscal year 2019.

As a result of the insolvency proceedings filed in January 2019, all liabilities to banks are recognized as current in the financial statements for the period ended 31 March 2019 due to the extraordinary termination rights of the lending banks. The undiscounted cash outflows of these liabilities are consequently classified as liabilities with a remaining term of "up to 1 year". Undiscounted cash outflows with a remaining maturity of up to one year include convertible and bearer bonds in the amount of KEUR 40,535 which will have a maturity of one to five years only when the option is exercised in January 2020.

KEUR		**Undiscounted cash flows**			
	Carrying amount	**up to 1 year**	**1 to 5 years**	**more than 5 years**	**Total**
Insolvency liabilities	113,610	75,126	43,523	0	118,649
Loans from the plan sponsors	34,200	0	34,200	0	34,200
Liabilities from rental and lease agreements	237,853	43,577	124,563	101,760	269,900
Other financial liabilities	880	880	0	0	880
Financial liabilities (total)	***386,543***	***119,583***	***202,286***	***101,760***	***423,629***
Trade liabilities	14,090	14,090	0	0	14,090
Carrying amount 31 Dec. 2019	***400,633***	***133,673***	***202,286***	***101,760***	***437,719***

KEUR		**Undiscounted cash flows**			
	Carrying amount	**up to 1 year**	**1 to 5 years**	**more than 5 years**	**Total**
Note loan	195,000	195,000	0	0	195,000
Loans	23,250	23,250	0	0	23,250

KEUR	Carrying amount	Undiscounted cash flows up to 1 year	1 to 5 years	more than 5 years	Total
Liabilities from company acquisitions	4,442	1,183	3,259	0	4,442
Other financial liabilities	2,855	2,855	0	0	2,855
Financial liabilities (total)	***225,547***	***222,288***	***3,259***	***0***	***225,547***
Trade liabilities	33,722	33,722	0	0	33,722
Carrying amount 31 Mar. 2019	***259,269***	***256,010***	***3,259***	***0***	***259,269***

The short-term cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets.

The contractually agreed remaining maturities of the financial liabilities as of the reporting date result in the following future interest payments for the GERRY WEBER Group.

Future interest payments

The table below shows the contractual undiscounted interest payments as of the reporting date of 31 December 2019.

KEUR	Undiscounted cash flows up to 1 year	1 to 5 years	more than 5 years	Total
Expected interest payments from non-current debt instruments	6,115	20,085	0	26,200
Other financial liabilities	363	0	0	363
As of 31 Dec. 2019	**6,478**	**20,085**	**0**	**26,563**

Expected interest payments from non-current debt instruments comprise interest payments from bearer and convertible bonds based on the assumed use of these debt instruments by the insolvency creditors at the time the insolvency plan became effective (31 October 2019).

Due to the filing of insolvency proceedings and the .resulting interest rate uncertainties (including contractually agreed interest rate adjustment clauses with extraordinary termination rights), interest payments from financial liabilities were not determined and classified according to their maturity as of the reporting date of 31 March 2019.

Financial risk management

As a result of its international activities, the GERRY WEBER Group is exposed to a number of financial risks. These include, in particular, the effects of changes in exchange rates and interest rates. The risk management system of GERRY WEBER is geared to reducing risks.

The Managing Board defines the general risk management guidelines and thus determines the general approach to hedging exchange rate and interest rate risks and the use of derivative financial instruments. For further information on financial market risks and financial risk management, please refer to the Group management report.

Exchange rate risk

The GERRY WEBER Group is exposed to exchange rate risks relating to different foreign currencies, especially the US dollar and the British pound.

Sensitivity analyses were performed to quantify the exchange rate risk. This is done on the basis of a hypothetical 5% change in the exchange rate.

The tables below show the pre-tax effect including the exchange rate hedges as of 31 December 2019:

31 Dec. 2019 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	937	-6,673	-5,737	-273
GBP	360	0	360	-17

31 March 2019 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	1,677	-4,412	-2,735	-130
GBP	-278	0	-278	13

Counterparty risk

The GERRY WEBER Group is exposed to default risks on financial assets (loans, receivables and other assets), invested cash and cash equivalents and positive fair values of derivatives. The creditworthiness of counterparties to financial assets is monitored by the accounting system. In addition, del credere cover is provided by insurers and other parties such as central regulators. As a general rule, money transactions and financial instruments are signed only with a defined group of banks of excellent credit standing. The creditworthiness of these banks is monitored continuously and classified using quantitative and qualitative factors.

Liquidity risk

Liquidity risks may arise from the lack of available follow-up financing (liquidity risk in the narrower sense) as well as from delays in planned cash inflows and unplanned payments (plan risk). The liquidity risk is monitored continuously on the basis of the budget prepared for the budget year and the following years. New and unplanned business transactions (e.g. acquisitions) are incorporated continuously. In addition, the maturity profiles of financial assets and liabilities are matched regularly. Plan risks are managed through constant monitoring of projected and actual cash flows.

In the course of the insolvency proceedings with debtor-in-possession status, the liquidity situation was intensively monitored. This is continued after the conclusion of the insolvency proceedings. The conclusion of the insolvency proceedings moreover led to a reduction in debt. The debt of GERRY WEBER International AG restructured as a result of the insolvency plan will mainly have to be refinanced as of 31 December 2023. As of the balance sheet date of 31 December 2019, there were uncertainties regarding the exercise of the settlement options granted to the insolvency creditors (cash quota or bonds). These options were exercised during the preparation of the consolidated financial statements.

Interest rate risk

Interest rate risks relate to interest-bearing financial liabilities. There were no such liabilities as of the balance sheet date of 31 December 2019.

Sensitivity analyses are generally performed to quantify the interest rate risk. As of the previous year's reporting date of 31 March 2019, a + 100/-30 bp shift in the yield curve was assumed to ensure that realistic scenarios are used for the analysis of the interest rate sensitivities.

Variable interest rate liabilities of KEUR 23,750 were included in the analysis as of the previous year's reporting date. The pre-tax effect on consolidated net income for the year is shown:

KEUR	1 Apr. 2019-31 Dec. 2019		1 Nov. 2018-31 Mar. 2019	
	+ 100 bp	-30 bp	+ 100 bp	- 30 bp
Cash flow risks..	0	0	405	-149

Earnings effect of financial instruments

KEUR	Loans and receivables	Financial liabilities
From interest rates	448	-8,559
From losses of receivables and write-downs	-2,171	0
31 Dec. 2019	**-1,723**	**-8,559**
From interest rates	212	-1,853
From losses of receivables and write-downs	-971	0
31 Mar. 2019	**-759**	**-1,853**

Carrying amount and fair values by measurement categories

The table below shows the carrying amounts and the fair values of the individual financial assets and liabilities for each category of financial instruments in accordance with IFRS 9.

KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 31 Dec. 2019	**Carrying Amount**	**For information; fair value**	**Recognized in profit or loss (net income/loss for the year)**	**Not recognized in profit or loss (other comprehensive income)**
Continuing operations				
Non-current financial assets				
Loans	176	176		
Equity Instruments			45	
Current financial assets				
Trade receivables	14,715	14,715		
Other financial assets	5,490	5,490	1,500	
Cash and cash equivalents	126,929	126,929		
	147,310	**147,310**	**1,545**	**0**
Non-current liabilities				
Financial liabilities	73,623	73,623		
Liabilities from rental and lease agreements	194,901	194,901		
Current liabilities				
Financial liabilities	47,544	47,544		
Standstill obligation			26,643	
Liabilities from rental and lease agreements	42,953	42,953		
Trade liabilities	14,090	14,090		
Other liabilities	877	877		
	373,988	**373,988**	**26,643**	**0**

After conclusion of the insolvency proceedings, the fair value of the liabilities corresponds to the respective carrying amount.

As of the previous year's reporting date of 31 March 2019, the financial instruments were classified as follows. The table also shows the classification made in accordance with IAS 39 in the previous year's financial statements:

KEUR	IFRS 9 valuation			
	Amortised cost		Fair value	
Financial instruments as of 31 Mar. 2019	Carrying Amount	For information; fair value	Recognized in profit or loss (net income/loss for the year)	Not recognized in profit or loss (other comprehensive income)
Continuing operations				
Non-current financial assets				
Loans	295	295		
Equity Instruments			45	
Current financial assets				
Trade receivables....................................	37,785	37,785		
Other financial assets	4,901	4,901		
Cash and cash equivalents	70,580	70,580		
	113,561	**113,561**	**45**	**0**
Non-current liabilities				
Other liabilities	3,259	587		
Current liabilities				
Financial liabilities	221,105	39,799		
Trade liabilities.......................................	33,722	16,819		
Other liabilities	2,847	1,878		
	260,933	**59,083**	**0**	**0**
Held for sale (HALLHUBER)				
Current financial assets				
Trade receivables....................................	2,519	2,519		
Cash and cash equivalents	8,250	8,250		
	10,769	**10,769**	**0**	**0**
Current liabilities				
Trade receivables....................................	10,988	10,988		
Financial assets.......................................	4,610	4,610		
	15,598	**15,598**	**0**	**0**

A uniform rate of 18% was assumed for all insolvency liabilities to calculate the fair values indicated for information purposes. The fair value corresponds to the carrying amount for all debts of the insolvency assets.

Fair values of financial assets and liabilities by measurement categories

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

The fair values of financial assets and liabilities are assigned to level 2 or 3 of the fair value hierarchy.

As in the previous year, no reclassifications between levels 1, 2 and 3 were made in the short fiscal year 1 April 2019 to 31 December 2019.

Market comparison methods are used to, determine the fair values of level 2. The fair values of currency forwards and currency options are based on valuations by banks. Given that similar contracts are traded in an active market, these valuations reflect the actual transactions for similar instruments. The fair value adjustments (level 3) due to the insolvency were made on the basis of expected rates.

G. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents comprise current liquid funds (KEUR: 126,929; previous year: KEUR 78,830) less current liabilities to banks (KEUR 0; previous year: KEUR 4,261).

The cash flow statement describes the cash flows in the short fiscal year 1 April 2019 to 31 December 2019 and the previous year, divided into cash inflows and outflows from operating activities, from investing activities and from financing activities. Changes in the basis of consolidation and in exchange rates had no effect on cash and cash equivalents.

Cash outflow from investing activities comprises additions to property, plant and equipment and financial assets as well as income from fixed asset disposals. Financing activities comprise changes in other financial liabilities.

In the short fiscal year from 1 April 2019 to 31 December 2019, cash inflow from operating activities includes payments for interest received in an amount of KEUR 448 (previous year: KEUR 221) and for interest paid in an amount of KEUR 7,969 (previous year: KEUR 1,202). Income tax payments of KEUR 647 were made (previous year: refunds of KEUR 111).

The table below shows the changes in non-current and current financial liabilities.

		Financing Activities		
KEUR	**31 Mar. 2019**	**Cash-repayments**	**Non-cash Reclassifi-cations/ accrued interest**	**31 Dec. 2019**
Non-current financial assets				
Insolvency liabilities	0	0	39,422	39,422
Loans from the plan sponsors..................	0	34,200	0	34,200
Liabilities from rental and lease agreements...	0	0	194,901	194,901
	0	**34,200**	**234,323**	**268,523**
Current financial assets				
Insolvency liabilities	0		74,187	74,187
Liabilities from rental and lease agreements...	0	-28,980	71,933	42,953
Other loans	221,105		-221,105	0
	221,105	***-28,980***	***-74,985***	***117,140***
Total liabilities from financing activities	**221,105**	**5,220**	**159,338**	**385,663**

		Financing Activities		
KEUR	**31 Oct. 2018**	**Cash Repayments**	**Non-cash Reclassification s/ accrued interest**	**31 Marc. 2019**
Non-current financial liabilities				
Note loan 1	140,000	0	-140,000	0
Note loan 2	24,000	0	-24,000	0
Other loans	5,250	0	-5,250	0
	169,250	***0***	***-169,250***	***0***
Current financial liabilities				
Note loan 1	0	0	140,000	140,000
Note loan 2	31,000	0	24,000	55,000
Other loans	20,852	0	5,253	26,105
	51,852	***0***	***169,253***	***221,105***
Total liabilities from financing activities	**221,102**	**0**	**3**	**221,105**

Current account liabilities in the amount of KEUR 0 (previous year: KEUR 4,261), which are shown in the balance sheet under current liabilities to banks, are offset under cash and cash equivalents for the purposes of the cash flow statement.

Due to terminations in connection with the insolvency proceedings, the GERRY WEBER Group does not have any unused credit lines.

H. SEGMENT REPORTING

Fiscal year from 1 Apr. 2019 to 31 Dec. 2019

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Consolidation	Total
Sales revenues by **segments**	**125,100**	**211,708**	**48,713**	**-6,296**	**379,225**
sales with external third parties	120,108	210,404	48,713	0	379,225
Intersegment revenues	4,992	1,304	0	-6,296	0
EBIT	**37,352**	**91,778**	**79**	**832**	130,041
Depreciation/ amortization	5,002	41,768	1,700	0	**48,470**
EBITDA	**42,353**	**133,546**	**1,779**	**832**	178,510
Personnel expenses	17,245	65,799	9,717	0	92,761
Interest income	163	285	0	0	448
Interest expenses	2,962	5,488	265	0	8,716
Assets	253,915	326,752	1,500	0	582,167
Liabilities	174,995	288,516	0	-4,286	459,225
Investments in non-current assets	1,981	2,604	3,826	0	8,411
Number of employees (annual average)	484	2,877	1,703	0	5,064
Impairments recognized in profit/ loss					
of inventories	-5,090	-3,187	0	0	-8,277
of trade receivables	-609	9	0	0	-600

Fiscal year from 31 Oct. 2018 to 31 Mar. 2019

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Consolidation	Total
Sales revenues by **segments**	**96,837**	**122,616**	**88,972**	**-3,886**	**304.539**
sales with external third parties	94,014	121,552	88,972	0	304.538
Intersegment revenues	2,822	1,063	0	-3,886	-1
EBIT	**-36,710**	**-91,084**	**-105,351**	**-2,302**	**-235,447**
Depreciation / amortization	43,540	94,203	89,947	0	227,690
EBITDA	**6,830**	**3,120**	**-15,403**	**-2,302**	**-7,755**
Personnel expenses	12,592	42,457	15,448	0	70,497
Interest income	93	119	10	0	222
Interest expenses	811	1,042	1,357	0	3,210
Assets	177,825	167,428	36,211	-6,573	374,891
Liabilities	167,180	179,496	34,211	-7,063	373,824
Investments in non-current assets	1,548	1,710	910	0	4,168
Number of employees (annual average)	552	3,310	1,633	0	5,495
Impairments recognized in profit / loss					
of inventories	-12	264	0	0	252
of trade receivables	-412	-641	0	0	-1,053

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). In contrast to the income statement, the key figures of the HALLHUBER segment are still included in segment reporting. The HALLHUBER segment is presented as discontinued operations in the consolidated balance sheet and income statement; however, its financial performance is continued to be reported to the Managing Board in the short fiscal year.

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

The "HALLHUBER" segment comprises the income and expenses as well as assets and liabilities of the HALLHUBER brand.

The segment information is based on the same recognition and valuation measures as the consolidated financial statements.

Transfer prices between the segments are fixed on terms equivalent to those that prevail in arm's length transactions.

In the reporting year, earnings before interest and taxes (EBIT) and sales revenues were used by the Managing Board of GERRY WEBER International AG as performance indicators for controlling and reporting.

Net interest income and tax expenses are viewed by management only at a Group-wide level.

Geographic information:

1 Apr. 2019 – 31 Dec. 2019 **KEUR**	**Germany**	**Abroad**	**Total**
Sales revenues by regions	**223,743**	**155,482**	**379,225**
Non-current assets	295,846	43,092	338,938
Investments in non-current assets	4,789	-204	4,585
Number of employees	3,579	1,484	5,063

1 Nov. 2018 – 31 Mar. 2019 **KEUR**	**Germany**	**Abroad**	**Total**
Sales by regions	**193,960**	**110,578**	**304,538**
Non-current assets	97,242	19,131	116,373
Investments in non-current assets	3,600	568	4,168
Number of employees	4,378	1,116	5,494

For purposes of segment reporting by geographical segments, external sales are defined by customers' head offices. A regional distinction is made between "Germany" and "Abroad".

I. OTHER INFORMATION

Research and development

Research and development expenses recognized under expenses amount to KEUR 2,427 (previous year: KEUR 1,291) and refer to the development of the collections.

Leases

The GERRY WEBER Group has a significant number of lease agreements for retail stores. Office space is also rented to a low extent. Lease agreements for retail stores are often concluded with a minimum lease period of between ten and fifteen years. In addition, renewal options are agreed, for which the GERRY WEBER Group assumes maximum exercise with regard to the portfolio of retail stores remaining after the adjustment measures in connection with the insolvency proceedings.

Moreover, lease expenses for retail stores generally include additional variable, especially turn over-based components. The leases contain price adjustment clauses that are typical of the industry and are linked to general inflation.

In general, the renewal and termination options exist unilaterally for the GERRY WEBER Group as the tenant of the stores.

In addition, the GERRY WEBER Group has motor vehicle and IT leases, which usually have a term of three to five years and do not include any renewal options. There are no price adjustment clauses.

The table below shows the composition of the rights of use from rental and lease agreements reported under fixed assets:

KEUR	**Leased retail stores**	**Leased furniture and fixtures**	**Total**
As of 31 Mar. 2019	**0**	**0**	**0**
Adjustments upon first-time adoption of IFRS 16	264,032	1,198	265,229
Additions	1,604	0	1,604
Depreciation/amortization	30,286	523	30,809
As of 31 Dec. 2019	**235,349**	**675**	**236,024**

The rights of use are measured at amortized cost.

Liabilities from rental/lease agreements

The GERRY WEBER Group reports interest expenses for lease liabilities as part of the financial result in the income statement. The cash flow statement shows outflows for interest and redemption payments of rental and lease liabilities in the amount of KEUR 34,282.

There are not rental and lease agreements under which the GERRY WEBER Group bears residual value risks; neither are there any sale-and-lease-back agreements.

The following lease liabilities are recognized in the balance sheet of the GERRY WEBER Group as of 31 December 2019:

KEUR	**31 Dec. 2019**
Within 1 year	42,953
Between 1 and 5 years	115,194
After 5 years	79,706
	237,853

The following amounts from rental/lease agreements were recognized in the income statement of the GERRY WEBER Group in the period from 1 April to 31 December 2019:

KEUR	**1 Apr. 2019 – 31 Dec. 2019**
Interest expenses for rental and lease liabilities	5,302
Variable rental/lease payments not included in the valuation of rental/lease liabilities	7,770
Income from the sub-letting of rights of use	-2,223
Expenses from current lease agreements as well as from lease agreements for low-value assets	163
	11,012

The variable rental/lease payments are revenue-based rents for retail stores.

The table below shows the undiscounted as well as discounted minimum rental/lease payments, which were determined without taking renewal options into account.

KEUR	31 Dec. 2019	31 Mar. 2019
Within 1 year	40,654	52,398
Between 1 and 5 years	76,227	98,246
After 5 years	1,274	1,676
	118,155	**152,319**

Breakdown of the present values of the minimum lease payments:

KEUR	31 Dec. 2019	31 Mar. 2019
Within 1 year	39,308	50,669
Between 1 and 5 years	69,781	89,895
After 5 years	1,002	1,317
Future financing costs from finance leases	8,064	10,439
	118,155	**152,319**

In conjunction with the store leases, the company frequently agrees to make contributions to the communal advertising expenses, which break down as follows:

KEUR	31 Dec. 2019	31 Mar. 2019
Within 1 year	639	1,099
Between 1 and 5 years	1,463	2,659
After 5 years	186	478
	2,288	**4,236**

The GERRY WEBER Group also acts as landlord/lessor. These are mainly sub-letting agreements of existing rental agreements.

In the short fiscal year 1 April 2019 to 31 December 2019, the Group generated KEUR 2,223 (previous year: KEUR 1,322) from subleases. The table below shows the minimum lease payments from subleases:

KEUR	31 Dec. 2019	31 Mar. 2019
Within 1 year	1,393	3,716
Between 1 and 5 years	3,031	7,583
After 5 years	541	868
	4,965	**12,167**

Purchase commitment for investments

As of 31 December 2019, the purchase commitment for investments and projects amounted to EUR 1.6 million (previous year: EUR 3.0 million), of which EUR 1.3 million (previous year: EUR 1.3 million) related to intangible assets.

Litigations

Adequate provisions have been established in the balance sheet for potential risks from pending court or arbitration proceedings. As of the balance sheet date, GERRY WEBER International AG or its subsidiaries were not involved in court or arbitration proceedings that have a major impact on the situation of the Group.

Related party disclosures

Related parties within the meaning of IAS 24 are legal or natural persons that may exert influence over GERRY WEBER International AG and its subsidiaries or are subject to control or material influence by GERRY WEBER

International AG. These include, in particular, the members of the executive bodies of GERRY WEBER International AG. There are no unconsolidated entities as well as associates and joint ventures.

In the short fiscal year 1 April 2019 to 31 December 2019 as well as in the previous year, transactions were made only with members of the executive bodies and/or with companies that are controlled by such members. The table below shows the goods and services received (expenses) and the goods and services provided (income) from and for these companies:

KEUR	1 Apr. 2019- 31 Dec. 2019	1 Nov. 2018- 31 Mar. 2019
Services provided by the Group		
Goods and services	4,313	2,923
Management and consulting services	0	72
Other services	0	93
Total	**4,313**	**3,088**
Services received by the Group		
Advertising services	0	0
Management and consulting services	0	0
Rental, leaseholds and leasing agreements	0	319
Hotel services	0	32
Other services	100	89
Total	**100**	**440**

The transactions listed above relate to companies that are controlled by members of the executive bodies.

In addition, the Group had the following receivables and liabilities towards these related parties as at the balance sheet date, with the trade balances relating exclusively to companies controlled by members of the executive bodies:

KEUR	31 Dec. 2019	31 Mar. 2019
Trade receivables	454	1,410

KEUR	31 Dec. 2019	31 Mar. 2019
Financial liabilities (non-current)		
Loans from the insolvency plan sponsors	34,200	0
Trade payables	0	41

All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions based on international price comparison methods. This also applies to the terms and conditions for trade receivables and trade payables as well as the loans.

No allowances or derecognitions relating to receivables from related parties were required.

To secure the loans of the insolvency plan sponsors, security interests in financial and non-financial assets have been provided (parts of inventories, trade receivables as well as cash and cash equivalents) and in a property (Group HQ).

There are no financial obligations from purchase commitments towards related parties.

Lease agreement with DALOU Grundstucks-GmbH & Co. KG

On 5 June 2014, a lease agreement was signed between GERRY WEBER Retail GmbH & Co. KG, which is a fully consolidated company of the Group, and DALOU Grundstücks-GmbH & Co. KG, Halle/Westphalia. The object of the agreement is the outlet store in "Ravenna Park". The space to be let was handed over at the end of 2015.

The agreement commenced on 1 October 2014 and has been firmly concluded until 30 September 2024. The agreement includes an option right for the tenant of five years. Obligations in the amount of KEUR 5,300 arise under this agreement.

Mr Ralf Weber is sole limited partner of DALOU Grundstücks-GmbH and sole Managing Director of its general partner, DALOU Verwaltungs GmbH, Halle/Westphalia.

Managing Board

- Alexander Gedat, Rosenheim, from 20 February 2020 (Chief Executive Officer and Chairman of the Managing Board)
- Johannes Ehling, Feldafing, from 20 April 2018 to 20 February 2020 (Chief Sales and Chief Digital Officer, Spokesman of the Managing Board)
- Florian Frank, Hamburg, from 2 October 2018 (Chief Restructuring Officer)
- Urun Gursu, Bielefeld, from 1 March 2019 to 20 February 2021D (Chief Product Officer)

For details of the other memberships of Mr. Alexander Gedat, please refer to the information on the Supervisory Board. None of the Managing Board members was a member of other supervisory boards or control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Supervisory Board

- Alexander Gedat, Rosenheim, from 3 December 2019 to 20 February 2020 (Chairman from 19 December 2019 to 20 February 2020)
- Dr Ernst F. Schröder, Bielefeld, until 11 April 2019 (Chairman until 11 April 2019)
- Manfred Menningen, Frankfurt am Main (Vice Chairman from 23 August 2018 to 30 November 2019) until 30 November 2019 and from 17 December 2019 (Vice Chairman from 19 December 2019) (trade union representative)
- Alfred Thomas Bayard, Bern, Switzerland, until 4 November 2019
- Ute Gerbaulet, Düsseldorf, until 24 September 2019
- Christina Käßhofer, Tutzing, from 11 February 2020
- Christie Groves, London, United Kingdom, from 3 December to 9 February 2020
- Alexander Hardieck, Halle/Westphalia, from 3 September 2018 to 30 November 2019
- Dagmar Heuer, Billerbeck, from 3 December 2019
- Milan Lazovic, London, United Kingdom, from 3 December 2019
- Dr Tobias Moser, Munich, from 3 December 2019 (Chairman from 20 February 2020)
- Sanjay Shama, London, United Kingdom, from 3 December 2019
- Ralf Weber, Halle/Westphalia, until 30 November 2019
- Charlotte Weber-Dresselhaus, Halle/Westphalia, until 30 November 2019
- Olaf Dieckmann, Halle/Westphalia, until 30 November 2019 and from 17 December 2019 (staff representative)
- Mrs Barbara Jentgens, Frankfurt am Main, from 17 December 2019 (staff representative)

- Klaus Lippert, Halle/Westphalia, until 30 November 2019 and from 17 December 2019 (staff representative)
- Rena Marx, Herzebrock-Clarholz, until 30 November 2019 and from 17 December 2019 (staff representative)
- Andreas Strunk, Bad Salzuflen, until 30 November 2019 and from 17 December 2019 (staff representative)
- Hans-Jűrgen Wentzlaff, Bielefeld, until 30 November 2019 (staff representative)
- Benjamin Noisser, Munich, from 5 March 2020

The Supervisory Board members also sit on the following supervisory boards and controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Mr Alexander Gedat, businessman and former member of the Management Board of Marc O' Polo AG, Rosenheim

Chairman of the Supervisory Board:

- Ahlers AG, Herford

Member of the advisory council:

- Fynch-Hatton GmbH, Mönchengladbach
- Sportalm GmbH, Kitzbühel, Austria

Dr Ernst F. Schröder, former personally liable partner of August Oetker KG, Bielefeld

Chairman of the Supervisory Board:

- L. Possehl GmbH & Co., Lübeck
- S.A.S. Hötel LeBristol, Paris, France (until 29 June 2018)
- S.A.S. Hötel du Cap-Eden-Roe, Antibes, France (until 29 June 2018)
- S.A.S. Chäteau du Demaine St. Martin, Vence, France (until 29 June 2018).

Member of the Supervisory Board:

- S.A. Damm, Barcelona.

Chairman of the advisory council:

- Bankhaus Lampe KG, Düsseldorf, (until 311 July 2018)

Mr Manfred Menningen, Secretary of the Board Chairman of IG Metall, Frankfurt

- Member of the Supervisory Board of Hella KGaA. Lippstadt
- Member of the Audit Committee of Hella KGaA. Lippstadt

Mr Alfred Thomas Bayard, entrepreneur, Bern, Switzerland

President of the Supervisory Board:

- SPN Invest AG, Visp, Switzerland
- Bayard Immobilien & Handels AG, Visp, Switzerland
- Rotten Verlags-AG, Brig, Switzerland
- Walliser Note AG, Visp, Switzerland

Member of the Supervisory Board:

- Mode Bayard AG, Bern, Switzerland
- Bayard & Co. AG, Bern, Switzerland
- Soladis Krankenkasse, Visp, Switzerland
- Tennis & Sportcenter AG, Visp, Switzerland
- Menigs Druck und Verlag AG, Visp, Switzerland
- Menigs Medien AG, Visp, Switzerland
- Alpmedia AG, Visp, Switzerland
- Radio Rottu Oberwallis AG, Visp, Switzerland
- Valmedia AG, Visp, Switzerland
- S+Z Print AG, Visp, Switzerland
- IED Gruppe AG, Hagendorf, Switzerland
- GERRY WEBER Switzerland AG
- Mode Bayard Holding AG

Mrs Ute Gerbaulet, personally liable partner of Bankhaus Lampe KG, Düsseldorf

- Member of the Supervisory Board of REWE AG, Essen
- Member of the Supervisory Board of NRW Bank, Düsseldorf
- Member of the Audit Committee of NRW Bank, Düsseldorf
- Member of the Promotional Committee of NRW Bank, Düsseldorf

None of the other Managing Board members was a member of other supervisory boards or control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Total compensation of the Managing Board

The table below shows the compensation paid to the individu.al members of the Managing Board by the parent company:

KEUR	2019 Basic salary	2019 Bonus	2019 Total	2018/19 bonus	2018/19 Variable	2018/19 Total
Johannes Ehling[1]	499	175	674	301	125	426
Florian Frank[2]	828	0	828	460	0	460
Urun Gursu[3]	244	187	431	38	21	59
Total	**1,571**	**362**	**1,933**	**799**	**146**	**945**

1 From 1 April 2018 to 29 February 2020
2. From 2 October 2018, settled through a management company
3. From 1 March 2019 to 29 February 2020

As a general rule, the bonuses are performance-linked. There are no stock option plans or other compensation models based on the share price.

Total compensation of the Supervisory Board

In accordance with the statutes, the Supervisory Board exclusively receives fixed compensation of KEUR 48 (previous year: KEUR 363) for its work for the parent company and the Group, which was provisioned for in the fiscal year. No variable compensation is granted.

The table below shows the compensation paid to the individual members of the Supervisory Board, which are short-term benefits in accordance with IAS 24.17 (a).

Total compensation of the Supervisory Board

KEUR	2019 Basic Salary	2019 Total	2018/19 Basic salary	2018/19 Total
Supervisory Board				
Dr Ernst F. Schröder Chairman (until 11 April 2019)	0	0	75	75
Alexander Hardieck (until 30 November 2019)	0	0	25	25
Charlotte Weber Dresselhaus (until 30 November 2019)	0	0	25	25
Alfred Thomas Bayard (until 4 November 2019)	0	0	25	25
Ute Gerbaulet (until 24 September 2019)	0	0	25	25
Olaf Dieckmann (until 30 November 2019 and from 17 December 2019) Staff representative	2	2	25	25
Klaus Lippert (until 30 November2019 and from 17 December 2019) Staff representative	2	2	25	25
Rena Marx (until 30 November 2019 and from 17 December 2019) Staff representative	2	2	25	25
Andreas Strunk (until 30 November 2019 and from 17 December 2019) Staff representative	2	2	25	25
Hans-Jürgen Wentzlaff (until 30 November 2019) IG Metall	0	0	25	25
Manfred Menningen (until 30 November 2019 and from 17 December 2019) Vice Chairman from 19 December 2019 IG Metall	4	4	38	38
Alexander Gedat (from 3 December 2019) Chairman (from 19 December 2019)	9	9	-	-
Dagmar Heuer (from 3 December 2019)	5	5	-	-
Dr Tobias Moser (from 3 December 2019)	5	5	-	-
Milan Lazovic (from 3 December 2019)	5	5	-	-

KEUR	2019 Basic Salary	2019 Total	2018/19 Basic salary	2018/19 Total
Christie Groves (from 3 December 2019 to 9 February 2020)	5	5	-	-
Sanjib (Sanjay) Sharma (from 3 December 2019)	5	5	-	-
Barbara Jentgens (from 17 December 2019) IG Metall	2	2	-	-
Ralph Weber (until 30 November 2019)	0	0	25	25
Summe	**48**	**48**	**363**	**363**

The staff representatives on the Supervisory Board remain entitled to a regular salary under their employment contracts.

Shares held by the Managing Board

As at the balance sheet date, the Managing Board directly and indirectly held 0 shares (previous year: 0 shares).

Shares held by the Supervisory Board

As at the balance sheet date, members of the Supervisory Board directly and indirectly held 0 shares (previous year: 726,153 shares).

Shareholdings

Whitebox General Partner LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by WBOX 2018-3 Ltd., Cayman Islands, and Robus SCSP SICAV-FIAR, Luxembourg, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it both due to the acquisition of shares with voting rights and due to coordinated exercise of voting rights (acting in concert) through the conclusion of a shareholders' agreement.

Whitebox Advisors LLC, Minneapolis, Minnesota, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by WBOX 2018-3 Ltd., Cay man Islands, and Robus SCSP SIC AV-FIAR, Luxembourg, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it due to coordinated exercise of voting rights (acting in concert).

Robus Capital Management Limited, London, United Kingdom, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by Robus SCSP SICAV-FIAR, Luxembourg, and WBOX 2018-3 Ltd., Cayman Islands, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it both due to the acquisition of shares with voting rights and due to coordinated exercise of voting rights (acting in concert) through the conclusion of a shareholders' agreement as well as the sub-authorization to exercise voting rights.

Mr Wolfgang Stolz, born on 26 March 1963, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by Robus SCSP SIC AV-FIAR, Luxembourg, are attributed to him due to a sub-authorization to exercise voting rights.

Mr Gerhard Weber, Halle / Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 25% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Mr Alexander Hardieck, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, notified us pursuant to section 33 para.1 WpHG on 25 November 2019 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Directors' dealings

Mr. Ralf Weber, member of the Supervisory Board, sold 432,000 shares at prices between EUR 0.29 per share and EUR 0.38 per share in the short fiscal year 2019.

Mr. Alexander Hardieck, member of the Supervisory Board, sold 666,673 shares at prices between EUR 0.35 per share and EUR 0.57 per share in the short fiscal year 2019.

Auditor's fees

The following ` fees were recognized as Group expenses:

KEUR	1 Apr. 2019- 31 Dec. 2019	1 Nov. 2018- 31 Mar. 2019
Audit services	320	325
Tax consulting services	95	103
Other services	40	20
	455	**448**

Audit services primarily comprise the fees for the audit of the consolidated financial statements as well as the statutory audits of GERRY WEBER International AG and the consolidated subsidiaries. Other certification services provided to GERRY WEBER International AG and the entities controlled by it essentially comprise landlord confirmation. In addition, tax consulting services were provided, which primarily related to the preparation of tax returns as well as assistance in tax audits by the competent tax authorities. Other services essentially comprise fees for consultation services in company law matters.

German Corporate Governance Code / Statement required under section 161 AktG

The statement required under section 161 of the German Stock Corporation Act was issued by the Managing Board and the Supervisory Board on 3 April 2020 and published on the website of GERRY WEBER International AG at www.gerryweber.com under Investors/Corporate Governance.

Post balance sheet events

With the outbreak and worldwide spread of the coronavirus and its profound impact on economic and social life worldwide, GERRY WEBER, too, is facing a situation which has an existential impact on its business activities at the time of the preparation of this report and which is therefore essential for its forecast. With effect from 16 March 2020, all GERRY WEBER points of sale in Germany were closed to the public because of the official orders. In addition, the Group's retail stores in most other countries outside Germany were closed to customer traffic as of mid-March 2020. The same applied to most physical points of sale of our retail partners in Germany and abroad.

Immediately since the beginning of the coronavirus crisis in March 2020, the management of GERRY WEBER-, in close cooperation with the company's Supervisory Board, has implemented all possible measures to protect the company. We have applied for short-time work and put it into effect. This applies to all employees of our Retail segment as well as to numerous employees at the headquarters. Our Ravenna Park logistics centre is working short-time according to capacity utilization. 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 are in talks with all landlords in order to obtain relief for the rents we have to pay in Germany and other European countries. Where appropriate, we also make use of legal aid in this respect, e.g. the provisions put into force by the German legislator in March 2020 in favor of tenants. Wherever possible, we have negotiated and partly already agreed price reductions and cancellations with our suppliers. We have considerably reduced the planned volumes for merchandise not yet ordered. Finally, a complete investment freeze was put in force for the entire company on 16 March.

To secure liquidity, the Managing Board immediately started intensive negotiations with all of the company's financing partners. At the time this management report was prepared, on 7 April 2020, these negotiations had not yet been concluded. In addition, management has once again drafted a far-reaching corporate and financing plan that has been adapted to the current situation and aims to achieve substantial cost reductions in all areas of the company. At this point in time, the Managing Board is convinced that this new concept for the future will secure GERRY WEBER's business activities until into 2021. The prerequisite for this assumption and the premise of our planning is that shop opening hours and economic life as a whole will gradually return to normal again from the end of April 2020, at least in our German core market. It is also crucial that the cost-cutting measures can be implemented as planned and that the negotiations that have been initiated with regard to the financing measures have a positive outcome, which will provide us with an additional financing volume in a low two-digit million amount.

Under the insolvency plan of GERRY WEBER International AG, the insolvency creditors were granted various options for satisfying their insolvency claims (immediate cash quotas, subscription of bearer bonds and/or convertible bonds for certain creditors). The creditors of GERRY WEBER International AG were able to exercise their options in the course of January 2020. By contrast, the insolvency plan of GERRY WEBER Retail GmbH & Co. KG does not provide for such options. Based on and taking into account the decision of the insolvency creditors of GERRY WEBER International AG expected as at the balance sheet date, we have determined amounts and payment dates for the satisfaction of the insolvency creditors. These assumptions served as the basis for our accounting. For details, please refer to section C. The actual exercise of the options in January 2020 did not deviate significantly from the assumptions on which our accounting was based.

The insolvency proceedings with debtor-in-possession status of GERRY WEBER International AG were concluded at the end of December 2019. The insolvency proceedings with debtor-in-possession status of GERRY WEBER Retail GmbH & Co. KG were concluded at the end of February 2020.

Ms Christie Groves resigned from her office as member of the Supervisory Board of GERRY WEBER International AG by declaration to the Managing Board with effect from the end of 9 February 2020. As a purely precautionary measure, the Extraordinary General Meeting on 11 February 2020 also resolved to dismiss Ms Groves. In addition, this General Meeting elected Ms Christina Käßhöfer to replace Ms Christie Groves as a member of the Supervisory Board for the remaining term of office of Ms Christie Groves.

Mr Alexander Gedat resigned from his office as member of the Supervisory Board and thus also as Chairman of the Supervisory Board with immediate effect on 20 February 2020. He was replaced by Dr Tobias Moser, who was elected Chairman by the Supervisory Board on the same day. At the Extraordinary General Meeting on 5 March 2020, Mr Benjamin Noisser was elected member of the Supervisory Board to replace Mr Alexander Gedat.

Mr Johannes Ehling and Mr Urun Gursu resigned from the company's Managing Board at the end of February 2020. On 20 February 2020, the Supervisory Board appointed Mr Alexander Gedat as member and Chairman of the Managing Board with immediate effect.

A resolution of the Annual General Meeting dated 11 February 2020 cancelled the resolution passed by the Extraordinary General Meeting on 3 December 2019 to increase the share capital of the company in an ex-rights issue by EUR 195,238.00 from EUR 1,025,000.00 to EUR 1,220,238.00 in exchange for cash contributions by issuing 195,238 new bearer shares with a pro-rata share of EUR 1.00 each in the share capital. The capital increase had not yet been registered in the Commercial Register and no subscription for the new shares had been made.

To nevertheless increase the share capital of GERRY WEBER International AG by the amount of EUR 195,238.00, the same Annual General Meeting held on 11 February 2020 resolved to increase the share capital of the company against cash contributions by EUR 195,238.00 from EUR 1,025,000.00 to EUR 1,220,238.00 by issuing 195,238 new no-par value bearer shares with a pro-rata share of EUR 1.00 each in the share capital. To the extent permitted by law, the new shares, just like the existing shares of the company, are entitled to profit from the beginning of the fiscal year for which, at the time of their issue, no resolution of the Annual General Meeting on the appropriation of the accumulated profits has been passed yet, i.e. from today's perspective, as of the beginning of the fiscal year that commenced on 1 November 2017. They will be issued at a price of EUR 1.01 per share, i.e. a total issue price of EUR 197,190.38. Shareholders' statutory subscription right has been excluded. J.P. Morgan Securities plc, London, United Kingdom, has exclusively been admitted to subscribe for the new shares. The Managing Board was authorised to stipulate the further details of the capital increase and its execution with the consent of the Supervisory Board. At the time the present report was completed, this authorization had not yet been entered in the Commercial Register.

On 9 March 2020, the company concluded a controlling and profit transfer agreement with a wholly-owned subsidiary, Life-Style Fashion GmbH, based in Halle (Westphalia), as a dependent entity or entity obliged to transfer profits. Following the approval of this agreement by the shareholders' meeting on 9 March 2020 and the Annual General Meeting of GERRY WEBER International AG on 10 March 2020, the agreement was entered in the Commercial Register of Life-Style Fashion GmbH on 23 March 2020.

On 7 April 2020, the Managing Board resolved that the consolidated financial statements and the Group management report of GERRY WEBER International AG be submitted to the Supervisory Board.

The consolidated financial statements will be published on 9 April 2020.

Exemption from disclosures pursuant to section 264 para. 3 of the German Commercial Code (HGB)

The following fully consolidated domestic subsidiaries took advantage of the options provided under section 264 para. 3 or 264b of the German Commercial Code (HGB) with regard to the disclosure of their annual accounts and the preparation of the management report:

- GERRY WEBER Retail GmbH & Co. KG, Halle/Westphalia,
- GERRY WEBER Logistics GmbH, Halle/Westphalia.

Publication of the consolidated financial statements

The consolidated financial statements in the legally required form will be examined and endorsed by the Supervisory Board of GERRY WEBER International AG at its meeting on 8 April 2020 and will thus be approved for electronic publication in the Federal Gazette.

Halle/Westphalia, 7 April 2020

Managing Board

Alexander Gedat Florian Frank

INDEPENDENT AUDITOR'S REPORT (ENGLISH-LANGUAGE TRANSLATION)

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the combined group management report (zusammengefasster Konzernlagebericht) of Gerry Weber International AG as of and for the fiscal year ended December 31, 2019. The group management report is, except for the excerpt from Section "VII. Prognose-, Chancen- und Risikobericht" ("VII. Forecast, opportunity and risk report"), which can be found on page F-82, neither included nor incorporated by reference in this Prospectus.

To GERRY WEBER International AG, Halle/Westphalia

Report on the audit of the Consolidated Financial Statements and the Group Management Report

Audit opinions

We have audited the consolidated financial statements of GERRY WEBER International AG, Halle/Westfalen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the short financial year from April 1 to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of GERRY WEBER International AG, which is combined with the Company's management report, for the short financial year from April 1 to December 31, 2019. We have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report in accordance with the German legal requirements.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315e Abs. (paragraph) 1 HGB (Handelsgesetzbuch: German Commercial Code) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2019, and of its financial performance for the short financial year from April 1 to December 31, 2019, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Material uncertainties in connection with the going concern

We refer to the disclosures made in the section entitled "Post-balance sheet events" of the notes to the consolidated financial statements and in section "VII. Forecast, opportunity and risk report" of the group management report, in which the executive directors state that, given the unforeseeable effects of the coronavirus crisis, the Group's ability to continue as a going concern will be jeopardized if the cost cutting measures cannot be implemented as planned and the ongoing negotiations with respect to financing measures do not reach a positive conclusion. As presented in the section entitled "Post-balance sheet events" and section "VII. Forecast, opportunity and risk report", these events and circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and that constitutes a risk jeopardizing its existence as a going concern within the meaning of § 322 Abs. 2 Satz 3 HGB. As part of our audit, among other things we assessed the Company's new Group-wide corporate and financial planning and its underlying assumptions and evaluated whether the corporate and financial planning was properly derived on the basis of those assumptions. We also held discussions with the executive directors and inspected the underlying documents to assess the progress made in negotiating the financing measures. Our audit opinions were not modified with respect to this matter.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the short financial year from April 1, 2019 to December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters. In addition to the matter described in the section "Material Uncertainties Related to Going Concern", we have identified the matters described below as the key audit matters to be disclosed in our audit report.

In our view, the matters of most significance in our audit were as follows:

❶ Effect of the insolvency proceedings on accounting

❷ Measurement of inventories

❸ Impact of the initial application of IFRS 16 on the accounting treatment of leases

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Effect of the insolvency proceedings on accounting

① In 2018, GERRY WEBER International AG prepared a restructuring plan and engaged a different audit firm to draw up a restructuring report in accordance with IDW S 6. That report arrived at a positive going concern forecast on condition that an agreement with major creditors would be reached on an amended overall financing plan, which was expected at the end of January 2019. However, the agreement unexpectedly fell through at the end of January 2019 and on January 25, 2019, GERRY WEBER International AG filed for the instigation of insolvency proceedings under self-administration. On February 7, 2019, a motion was also filed for the instigation of insolvency proceedings under self-administration for fully consolidated entity Gerry Weber Retail GmbH & Co. KG. The proceedings were opened on April 1, 2019 and May 1, 2019, respectively. Coordinated insolvency plans were subsequently drawn up for both companies to ensure their continued existence as a going concern. The insolvency plans entered into legal force on October 25, 2019 (GERRY WEBER International AG) and November 22, 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings were suspended in respect of GERRY WEBER International AG on December 31, 2019, and in respect of Gerry Weber Retail GmbH & Co. KG on February 29, 2020. As of the October 31, 2018 reporting date, the Company's executive directors considered it highly likely that an agreement would be reached with major creditors on an amended overall financing plan, and as such assessed the unexpected rejection of the amended overall financing plan and the filing for insolvency proceedings as an unforeseeable event after the reporting period. The accounting effects of the insolvency proceedings were taken into consideration in the consolidated financial statements as of March 31, 2019. In particular, the insolvency proceedings caused the planning to change and necessitated an updated restructuring plan and a new restructuring report, which was prepared in November 2019. In the consolidated financial statements as of March 31, 2019, this entailed write-downs on non-current non-financial assets, increased write-downs on inventories, and expenses and further legal and consulting costs associated with the proceedings. The GERRY WEBER International AG insolvency plan gives the insolvency creditors various options to satisfy their insolvency claims (immediate cash quotas, subscription of bearer bonds and/or convertible bonds for certain creditors). The creditors of GERRY WEBER International AG were able to exercise their options during the course of January 2020. By contrast, the insolvency plan of GERRY WEBER Retail GmbH & Co KG does not provide for such options. On the basis of and taking into account the decision of GERRY WEBER International AG's insolvency creditors expected as of the end of the reporting period, the Company determined amounts and payments dates for satisfying the insolvency creditors, which it used to calculate the nominal values of the remaining payments and, taking into account the payment dates, their corresponding present values. In addition, further payments are to be made to the insolvency creditors in the form of "additional quotas". The additional quotas for the insolvency creditors of GERRY WEBER International AG are to be created for example by the future sale of the Ravenna Park logistics center and the remaining 12% interest in HALLHUBER still held by GERRY WEBER International AG. The entry into legal force of the insolvency plans resulted in the disposal of financial and non-financial liabilities previously recognized in the balance sheet and the addition of new financial liabilities due to the various forms of satisfaction provided for in the insolvency plans. The options provided for in the insolvency plan to subscribe convertible and bearer bonds were accounted for as embedded derivatives. The restructuring gain is calculated as the difference between the disposals and the additions. In our view, this matter was of particular significance in the context of our audit given that preparing the consolidated financial statements in consideration of the effects of the insolvency proceedings is complex and is based to a large degree on estimates and assumptions made by the executive directors.

② As part of our audit, we used appropriate evidence to verify the timing of the insolvency proceedings relating to GERRY WEBER International AG and Gerry Weber Retail GmbH & Co. KG and their conclusion. In addition, as part of our audit we examined the amended planning, the updated restructuring plan and the restructuring report prepared in November 2019. In this connection, we assessed the appropriateness of the assumptions made in the updated restructuring plan and verified whether the measures presented in the updated restructuring plan were properly derived on the basis of those assumptions. Among other things we interviewed employees from Corporate Controlling and the executive directors, obtained explanations of the assumptions made and measures derived form them, and assessed these on the basis of appropriate evidence. We also assessed the expertise and objectivity of the audit firm preparing the new restructuring report and the proper preparation of that restructuring report. In auditing the measurement of assets and liabilities, in particular of the fixed assets, inventories and provisions, we concluded by verifying whether the underlying carrying amounts and write-downs to be recognized were consistent with the assumptions and measures specified in the updated restructuring plan underlying the new IDW S 6 restructuring report. We evaluated and assessed the accounting treatment of the insolvency plans in consideration of the satisfaction rates specified therein and the calculation of the restructuring gain derived from them. We were able to satisfy ourselves on the basis of these and other audit procedures that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated and that, as a whole, the effects of the insolvency proceedings were properly presented in the consolidated financial statements, taking into consideration the information available.

③ The Company's disclosures on applying the going concern basis of accounting, the carrying amounts recognized due to the restructuring plans, the accounting treatment of the restructuring plan and the calculation to derive the restructuring gain are contained in sections A. "General information: Accounting based on the going concern principle", C. "Restructuring and other non-operating expenses", and I. "Miscellaneous information: Post-balance sheet events" of the notes to the consolidated financial statements.

❷ Measurement of inventories

① Inventories totaling EUR 65 million (11.2% of total assets) are reported in the consolidated financial statements of GERRY WEBER International AG. These are textiles for womenswear that are subject to fashion-related and seasonal effects. In calculating the net realizable value of inventories, the Company applies discounts based on the collections in which the items are included. These are subject to collective write-down rates that reflect realization risks based on past experience. The realization risks are determined in the consolidated financial statements as of December 31, 2019 against the background of the restructuring plan updated in the second half of 2019 as a result of the insolvency proceedings and the progress of the insolvency proceedings. The measurement of inventories is based on estimates and assumptions made by the executive directors. Against this background and due to the amount of these material items, we consider these matters to be of particular significance in the context of our audit.

② As part of our audit, we began by verifying the Group's procedure for measuring inventories and assessed it for appropriateness. Among other things, we then used historical data to verify the write-down rates applied and assessed their consistent application over time. We also addressed the impact of the updated restructuring plan on the opportunities for realizing inventories, and for that purpose verified the appropriateness of the assumptions and estimates on the basis of interviews with the executive directors and other Group employees, and by inspecting the underlying documents and analytical assessments. Based on our audit procedures, we were able to satisfy ourselves overall that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure the proper measurement of inventories.

③ The Company's disclosures relating to the measurement methods applied with respect to the "Inventories" balance sheet item and the write-downs recognized are contained in sections B. "Accounting policies", C. "Restructuring and other non-operating expenses", and D.4 "Notes to the balance sheet: Inventories" of the notes to the consolidated financial statements.

❸ Impact of the initial application of IFRS 16 on the accounting treatment of leases

① In the consolidated financial statements of GERRY WEBER International AG, right-of-use assets from rental and lease agreements amounting to EUR 236.0 million and liabilities under right-of-use assets amounting to EUR 237.9 million were reported as of the end of the reporting period. The liabilities under right-of-use assets therefore represent 41.0% of total assets. The initial application of the new accounting standard on leases (IFRS 16) had material effects on the carrying amounts in the opening balance sheet and subsequent measurement in the short financial year from April 1 to December 31, 2019. The Company transitioned to IFRS 16 using the modified retrospective approach. The comparative information for prior-year periods was not restated. The Company has established processes and controls for the complete and accurate recording of rental and lease agreements. The new IFRS 16 requires that the executive directors make estimates and judgments for certain areas, which were assessed for appropriateness in the context of our audit. This applies in particular to estimates regarding the exercise of options impacting the term of the respective rental/lease agreement. Against this background and due to the complexity of the new requirements of IFRS 16, the accounting treatment of rental and lease agreements was of particular significance in the context of our audit.

② As part of our audit, we assessed, among other things, the appropriateness and effectiveness of the processes and controls established by the Group to record rental and lease agreements. We also assessed the impact of the first-time application of IFRS 16. We inspected the rental and lease agreements on a test basis, verified the identification of performance obligations and assessed whether these were fully and accurately recorded. In particular, we interviewed Company employees and inspected the appropriate evidence to assess the estimates regarding the exercise of options impacting the term of the rental/lease agreement. We were able to satisfy ourselves that the processes and controls in place are appropriate. Furthermore, we verified that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure that leases are properly accounted for in accordance with IFRS 16 as applied for the first time.

③ The Company's disclosures on lease accounting as well as the impact of the initial application of IFRS 16 are contained in sections B. "Accounting and valuation principles: Rental and lease agreements" and I. "Miscellaneous information: Leases" of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in the "Corporate Governance Statement" section of the group management report
- the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB included in the "Non-financial Group Statement" section of the group management report

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to Article 10 of the EU Audit Regulation

We were appointed as auditor by resolution of the Local Court (Amtsgericht) of Gütersloh dated January 8, 2020. We were engaged by the supervisory board on January 20, 2020. We have been the auditor of GERRY WEBER International AG, Halle/Westfalen, since the financial year 2012/2013.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Accountant responsible, for the audit is Prof. Dr. Gregor Solfrian.

Bielefeld, 7 April 2020

PricewaterhouseCoopers GmbH
Wirtschaftsprűfungsgesellschaft

Prof. Dr. Gregor Solfrian	Burkhard Peters
Wirtschaftsprűfer	Wirtschaftsprűfer

The following English-language sections are translations of the respective sections of the German-language group management report (zusammengefasster Konzernlagebericht) prepared in accordance with HGB.

EXCERPT FROM SECTION "VII. PROGNOSE-, CHANCEN- UND RISIKOBERICHT" ("VII. FORECAST, OPPORTUNITY AND RISK REPORT") OF THE GROUP MANAGEMENT REPORT OF GERRY WEBER INTERNATIONAL AG, HALLE/WESTPHALIA AS OF AND FOR THE SHORT FISCAL YEAR ENDED DECEMBER 31, 2019, AS REFERRED TO IN THE SECTION "WESENTLICHE UNSICHERHEITEN IM ZUSAMMENHANG MIT DER FORTFÜHRUNG DER UNTERNEHMERTÄTIGKEIT" ("MATERIAL UNCERTAINTIES IN CONNECTION WITH THE GOING CONCERN") OF THE INDEPENDENT AUDITOR'S REPORT

CORONAVIRUS-CRISIS

With the outbreak and worldwide spread of the coronavirus and its profound impact on economic and social life worldwide, GERRY WEBER, too, is facing a situation which has an existential impact on its business activities at the time of the preparation of this report and which is therefore essential for its forecast. With effect from 16 March 2020, all GERRY WEBER points of sale in Germany were closed to the public because of the official orders. In addition, the Group’s retail stores in most other countries outside Germany were closed to customer traffic as of mid-March 2020. The same applied to most physical points of sale of our retail partners in Germany and abroad. At the time of publication of this report, in early April 2020, the official orders imposed by the authorities in most countries according to which physical stores must remain closed continue to apply. In Germany, it has been decreed that stores will have to remain closed until at least 20 April 2020. It is uncertain when and in what way opening hours and business modes will return to normal.

Immediately since the beginning of the coronavirus crisis in March 2020, the management of GERRY WEBER, in close cooperation with the company’s Supervisory Board, has implemented all possible measures to protect the company. We have applied for short-time work and put it into effect. This applies to all employees of our Retail segment as well as to numerous employees at the headquarters. Our Ravenna Park logistics centre is working short-time according to 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 are in talks with all landlords in order to obtain relief for the rents we have to pay in Germany and other European countries. Where appropriate, we also make use of legal aid in this respect, e.g. the provisions put into force by the German legislator in March 2020 in favour of tenants.

Wherever possible, we have negotiated and partly already agreed price reductions and cancellations with our suppliers. We have considerably reduced the planned volumes for merchandise not yet ordered. Finally, a complete investment freeze was put in force for the entire company on 16 March.

To secure liquidity, the Managing Board immediately started intensive negotiations with all of the company’s financing partners. At the time this management report was prepared, on 7 April 2020, these negotiations had not yet been concluded. In addition, management has once again drafted a far-reaching corporate and financing plan that has been adapted to the current situation and aims to achieve substantial cost reductions in all areas of the company. At this point in time, the Managing Board is convinced that this new concept for the future will secure GERRY WEBER’s business activities until into 2021. The prerequisite for this assumption and the premise of our planning is that shop opening hours and economic life as a whole will gradually return to normal again from the end of April 2020, at least in our German core market. It is also crucial that the costcutting measures can be implemented as planned and that the negotiations that have been initiated with regard to the financing measures have a positive outcome, which will provide us with an additional financing volume in a low double-digit million amount. Against this background, there is material uncertainty which may cast significant doubt on the company’s ability to continue as a going concern. The company may therefore not be in a position to realise its assets or settle its liabilities in the normal course of business (risk threatening the existence as a going concern).

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE SHORT FISCAL YEAR ENDED MARCH 31, 2019 (IFRS)

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2019

ASSETS

(in € thousand)	Note	March 31, 2019	October 31, 2018
Non-current assets:			
Fixed Assets	(1)		
Intangible assets	(a)	23,368.8	148,620.3
Property, plant and equipment	(b)	90,151.9	205,172.0
Financial assets	(c)	339.9	415.4
Other non-current assets			
Other assets	(2)	0.0	96.5
Deferred tax assets	**(3)**	**2,512.2**	**29,558.2**
		116,372.8	**383,862.4**
Current assets:			
Inventories	(4)	87,977.7	147,164.9
Receivables and other assets			
Trade receivables	(5)	37,784.7	37,123.1
Other assets	(6)	24,168.9	16,394.5
Income receivables	(7)	1,795.2	3,407.0
Cash and cash equivalents	***(8)***	***70,579.8***	***35,064.9***
		222,306.3	**239,154.4**
Assets classified as held for sale	***(9)***	***36,210.8***	***18,473.3***
		258,517.1	***257,627.7***
Total assets		**374,889.9**	**641,490.1**

EQUITY AND LIABILITIES

(in € thousand)	Note	March 31, 2019	October 31, 2018
Equity	***(10)***		
Subscribed capital	(a)	45,507.7	45,507.7
Capital reserve	(b)	102,386.9	102,386.9
Retained earnings	(c)	225,778.9	225,778.9
Accumulated other comprehensive income / loss according to IAS 39	(d)	0.0	445.1
Exchange differences	(e)	–2,082.4	–2,458.3
Accumulated profit / loss	(f)	–370,525.9	–126,025.1
		1,065.2	***245,635.2***
Non-current liabilities			
Provisions for personnel	(11)	151.9	250.4
Other provisions	(12)	5,930.0	6,133.0
Financial liabilities	(13)	0.0	169,250.0
Other liabilities	(14)	3,259.1	3,453.8
Deferred tax liabilities	(3)	3,827.2	25,895.5
		13,168.2	***204,982.7***
Current liabilities:			
Tax provisions	(15)	531.1	1,754.5
Provisions for personnel	(16)	12,335.2	13,781.5
Other provisions	(17)	36,915.3	61,983.0
Liabilities			
Financial liabilities	(18)	221,105.1	57,755.3
Trade payables	(19)	33,722.4	39,911.5
Other liabilities	(20)	21,836.6	15,686.4
		326,445.7	***190,872.2***
Liabilities directly associated with assets classified as held for sale	(9)	34,210.8	0.0
		373,824.7	***395,854.9***
Total equity and liabilities		**374,889.9**	**641,490.1**

CONSOLIDATED INCOME STATEMENT FOR THE SHORT FISCAL YEAR FROM NOVEMBER 1, 2018 TO MARCH 31, 2019

(in € thousand)	**Note**	**Short fiscal year from November 1, 2018 to March 31, 2019**	**2017/2018**
Sales Revenues	(21)	215,566.4	597,204.2
Other operating income	(22)	50,691.8	9,744.9
Changes in inventories	(23)	–25,952.2	–11,270.3
Cost of materials	(24)	–83,828.2	–248,532.3
Personnel expenses	(25)	–55,049.4	–171,780.0
Depreciation and amortization	(26)	–137,743.3	–96,282.4
Other operating expenses	(27)	–93,486.6	–209,102.8
Other taxes	(28)	–294.2	–989.2
Operating result		**–130,095.7**	**–131,007.9**
Financial result	**(29)**		
Income from the fair value valuation of financial liabilities		1.0	19.7
Interest income		212.0	77.9
Write-downs on financial assets		0.0	0.0
Incidental bank charges		–398.7	–986.2
Financial expenses		–1,853.0	–3,658.2
		–2,038.7	–4,546.8
Results from ordinary activities		**–132,134.4**	**–135,554.7**
Income taxes	**(30)**		
Taxes of the fiscal year		–846.2	–2,707.3
Deferred taxes		–15,245.8	21,431.0
		–16,092.0	**18,723.7**
Loss from continuing operations		**–148,226.4**	**–116,831.0**
Loss from discontinued operations attributable to shareholders of the parent company	**(9)**	**–96,274.4**	**–55,446.4**
Consolidated net profit/loss for the year		**–244,500.8**	**–172.277.4**
Earnings per share from continuing operations attributable to shareholders of the parent company			
Earnings per share (basic)	(31)	–3.26	–2.57
Earnings per share (diluted)	(31)	–3.26	–2.57
Earnings per share attributable to shareholders of the parent company			
Earnings per share (undiluted)	(31)	–5.37	–3.79
Earnings per share (diluted)	(31)	–5.37	–3.79

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SHORT FISCAL YEAR FROM NOVEMBER 1, 2018 TO MARCH 31, 2019

(in € thousand)	**Short fiscal year from November 1, 2018 to March 31, 2019**	**2017/2018**
Consolidated net profit/loss for the year	–244,500.8	–172.277.4
Other comprehensive income		
Items that may be reclassified to profit and loss		
Currency translation: changes in the amount recognized in equity		
Changes in the balancing item for the currency translation of foreign subsidiaries	375.9	–111.8
Cash flow hedges: changes in the amount recognized in equity		
Changes in the fair value of derivatives used for hedging purposes	–635.9	–7,308.8
Income taxes		
On the components of other comprehensive income applicable income taxes	190.8	–2,032.9
	–69.2	5,164.1
Total result	**–244,570.0**	**–167,113.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the short fiscal year from November 1, 2018 to March 31, 2019

(in KEUR)	Note	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to FRS 9	Exchange differences	Accumulated profits	Equity
Balance as at November 1, 2018		**45,507.7**	**102,386.9**	**225,778.9**	**445.1**	**–2,458.3**	**–126,025.1**	**245,635.2**
Loss from continuing operations..........							–148,226.4	–148,226.4
Loss from discontinued operations..........							–96,274.4	–96,274.4
Other income/loss from continuing operations..........					–445.1	375.9		–69.2
Total		**0.00**	**0.00**	**0.00**	**–445.1**	**375.9**	**–244,500.8**	**–244,570.0**
Balance as at March 31, 2019	**(10)**	**45,507.7**	**102,386.9**	**225,778.9**	**0.0**	**–2,082.4**	**–370,525.9**	**1,065.2**

For the fiscal year 2017/2018

(in € thousand)	Note	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to FRS 9	Exchange differences	Accumulated profits	Equity
Balance as at November 1, 2017		**45,507.7**	**102,386.9**	**225,778.9**	**–4,671.1**	**–2,506.2**	**46,252.3**	**412,748.5**
Loss from continuing operations..........							–116,831.0	–116,831.0
Loss from discontinued operations..........							–55,446.4	–55,446.4
Other income/loss from continuing operations..........					5,116.2	47.9		5,164.1
Total		**0.00**	**0.00**	**0.00**	**5,116.2**	**47.9**	**–172,277.4**	**–167,113.3**
Balance as at October 31, 2018	**(10)**	**45,507.7**	**102,386.9**	**225,778.9**	**445.1**	**–2,458.3**	**–126,025.1**	**245,635.2**

CONSOLIDATED CASH FLOW STATEMENT FOR THE SHORT FISCAL YEAR FROM NOVEMBER 1, 2018 TO MARCH 31, 2019

KEUR	Short fiscal year from November 1, 2018 to March 31, 2019	2017/2018
Operating result from continuing operations	–130,095.7	–131,007.9
Operating result from discontinued operations	–105,350.9	–61,162.8
Depreciation / amortization	227,690.8	145,147.5
Profit / loss from the disposal of fixed assets and assets held for sale	–12,501.9	2,282.2
Decrease in inventories	46,800.4	16,224.6
Increase/ decrease in trade receivables	–3,180.6	12,116.0
Increase / decrease in other assets that do not fall under investing or financing activities	–9,329.9	5,355.4
Increase /decrease in provisions	–19,437.7	50,986.1
Increase / decrease in trade payables	4,798.9	–11,946.3
Increase / decrease in other liabilities that do not fall under investing or financing activities	15,742.3	–3,000.8
Income tax refunds / payments	–111.1	50.5
Cash inflows from operating activities	**15,024.6**	**25,044.5**
Income from borrowings	1.0	19.7
Interest received	221.7	93.7
Incidental bank charges	–607.1	–1,431.8
Interest paid	–1,201.8	–4,784.9
Cash inflows from current operating activities	**13,438.4**	**18,941.2**
Proceeds from the disposal of properties, plant, equipment and intangible assets	36,000.0	2,160.5
Cash outflows for investments in property, plant, equipment and intangible assets	–4,107.0	–18,945.5
Cash outflows for the acquisition of fully consolidated companies less cash and cash equivalents acquired	0.0	–3,247.0
Proceeds from the disposal of financial assets	136.2	1,671.5
Cash outflows for investments in financial assets	–60.7	–4.7
Cash inflows / outflows from investing activities	**31,968.5**	**–18,365.2**
Cash outflows for the repayment of financial liabilities	0.0	–3,000.0
Cash inflows / outflows from financing activities	**0.0**	**–3,000.0**
Changes in cash and cash equivalents	45,406.9	–2,424.0
Cash and cash equivalents at the beginning of the fiscal year	29,161.5	31,585.5
Cash and cash equivalents at the end of the fiscal year	**74,568.4**	**29,161.5**
Composition of cash and cash equivalents		
Cash and cash equivalents (continuing operations)	70,579.8	33,120.9
Cash and cash equivalents (discontinued operations)	8,250.0	1,944.0
Current account liabilities equivalents (continuing operations)	–151.4	–4,440.4
Current account liabilities (discontinued operations)	–4,110.0	–1,463.0
Cash and cash equivalents at the end of the fiscal year	**74,568.4**	**29,161.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SHORT FISCAL YEAR FROM NOVEMBER 1, 2018 TO MARCH 31, 2019

A. GENERAL INFORMATION

Company data

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

The main activities of the Group are described in the segment report.

The fiscal year began on 1 November 2018 and ended on 31 March 2019 (previous year: 1 November 2017 to 31 October 2018).

Accounting principles

Pursuant to EU Directive (EC) No. 1606/2002 in conjunction with section 315a para. 1 of the German Commercial Code (HGB), the consolidated financial statements of GERRY WEBER International AG, the parent company, for the fiscal year ending 31 March 2019 were prepared in accordance with the International Financial Reporting Standards (IFRS) as they are applicable in the European Union. The term "IFRS" also includes the applicable International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). All IFRS that were mandatory for the fiscal year 2018/19 were applied to the extent that they had been endorsed by the European Union.

The consolidated financial statements are denominated in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR).

The income statement has been prepared using the total cost method.

Accounting on the basis of the going concern principle

The insolvency proceedings launched on 1 April 2019 concerning the assets of GERRY WEBER International AG were terminated with effect as of 31 December 2019. We hereby refer to the information provided in the "Insolvency proceedings and post balance sheet events" section of the Notes to the Consolidated Financial Statements.

The financial statements were prepared on the basis of the going concern principle.

Limited comparison with previous year

In the context of the ongoing restructuring being performed by the GERRY WEBER Group, GERRY WEBER International AG agreed a purchase option for HALLHUBER with an investor on 7 February 2019 which, if exercised, would mean that GERRY WEBER could decide whether to retain a 14% stake in Hallhuber or, alternatively, hold a 12% stake and receive a cash purchase price. At the time the put option was granted, the HALLHUBER segment was already in a sellable condition. The result of this step was that the HALLHUBER segment was rendered a "discontinued operation" pursuant to IFRS 5, which means that only limited comparison is possible with the previous year's figures.

In addition, comparison is only possible to a limited extent due to the short fiscal year from 1 November 2018 to 31 March 2019, which was dictated by the insolvency proceedings, as compared to the preceding full fiscal year (1 November 2017 to 31 October 2018).

New IASB regulations for first-time application in the short fiscal year 2018/2019

The following accounting standards and supplements to existing regulations became mandatory for the first time for the fiscal year from 1 November 2018 to 31 March 2019:

New regulations			**Impact**
Amendments to IFRS 2	Share-based Payment	Classification and measurement of share-based payment transactions.	No impact

New regulations			Impact
Amendments to IFRS 4	Insurance Contracts	Application of IFRS 4 Financial Instruments with IFRS 9 Insurance Contracts	No impact
IFRS 9	Financial Instruments	Regulations on impairment, changes in classification and measurement of financial assets	No material impact
IFRS 15	Revenue from Contracts with Customers	Principles which an entity must apply when reporting decision-relevant information to the addressees of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.	No material impact
Amendments to IFRS 15	Clarification regarding IFRS 15	The clarification relates to the following issues: identifying performance obligations, principal-agent relations, licensing and transition regulations	No material impact
Amendments to IAS 40	Investment Property	Transfer of investment property	No material impact
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	No material impact
Improvement project 2014-2016	Improvement of IFRS (2014-2016) IFRS 1, IFRS 12, IAS 28	Collective standard for amendments or supplements to the corresponding regulations; part applicable in 2017/2018	No material impact

New IASB regulations not applicable in the short fiscal year 2018/2019:

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact
Amendments to IFRS 3	Business combinations	Amendments to the definition of a business	Oct. 22, 2018	Jan. 1, 2020	Not yet	No impact
Amendments to IFRS 9	Financial Instruments	Classification of certain financial instruments with prepayment features	Oct. 12, 2017	Jan. 1, 2019	Mar. 22, 2018	No material impact
IFRS 16	Leases	The lessee must recognize all longer-term leases in the form of a right of use and a liability in the balance sheet	Jan. 13, 2016	Jan. 1, 2019	Oct. 31, 2017	Strong increase in fixed assets and liabilities of between EUR 225m and EUR 250m. Shift between operating result and financial result of between EUR 6.5m and EUR 7.5m
IFRS 17	Insurance Contracts	Principles for the accounting of insurance contracts replaces the former transitional standard IFRS 4	May 18, 2017	Jan. 1, 2021	Not yet	No impact
Amendments to IAS 19	Employee Benefits	Plan amendments, curtailments or settlements	Feb. 7, 2018	Jan. 1, 2019	Mar. 13, 2019	No material impact

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact
Amendments to IAS 28	Investments in Associates and Joint Ventures	Obligation to apply IFRS 9 to long-term interests in associates or joint ventures	Oct. 12, 2017	Jan. 1, 2019	Feb. 8, 2019	No impact
Improvement project 2017	Improvement of IFRS (2015 – 2017) IFRS 3, IFRS 11, IAS 12, IAS 23	Collective standard for amendments or supplements to the corresponding regulations	Dec. 12, 2017	Jan. 1, 2019	Mar. 14, 2019	The impact is still being reviewed
IFRIC 23	Uncertainty over Income Tax Treatments	Clarifies uncertainties over income tax treatments under IAS 12	Jun. 7, 2017	Jan. 1, 2019	Oct. 23, 2018	The impact is still being reviewed
Amendments to IFRS Conceptual Framework	Amendments to various standards	Revised definitions of assets and liabilities and new guidelines on measurement and derecognition, presentation and disclosure	Mar. 29, 2018	Jan. 1, 2020	Nov. 29, 2019	The impact is still being reviewed
Amendments to IAS 1 and IAS 8	Definition of "material"	Clarification of definition of "material"	Oct. 31, 2018	Jan. 1, 2020	Nov. 29, 2019	The impact is still being reviewed
Amendments to IFRS 9, IAS 39 and IFRS 7	Financial Instruments	Interest Rate Benchmark Reform, published in September 2019, still to be adopted into EU law, anticipated first application in fiscal year 2020/2021	Sep. 26, 2019	Jan. 1, 2020	Jan. 15, 2020	The impact is still being reviewed

The company plans to adopt the new or amended standards for the first time in the year in which they come into force.

Basis of consolidation

The consolidated financial statements comprise GERRY WEBER International AG as the parent company and the subsidiaries listed below:

- Life-Style Fashion GmbH, Halle/Westphalia,
- Gerry Weber Retail GmbH & Co KG, Halle/Westphalia,
- Gerry Weber Retail Verwaltungs GmbH, Halle/Westphalia
- E-Gerry Weber Digital GmbH, Halle/Westphalia,
- Gerry Weber Iberica S.L. U., Palma de Mallorca, Spain,
- GERRY WEBER FAR EAST Ltd., Hong Kong, China,
- Gerry Weber France s.a.r.l., Paris, France,
- Gerry Weber Denmark ApS, Albertslund, Denmark,
- Gerry Weber Dis Ticaret Ltd. Sirkuti, Istanbul, Turkey,

- Gerry Weber Ireland Ltd., Dublin, Ireland,
- Gerry Weber GmbH, Vienna, Austria,
- GERRY WEBER Italia GmbH
- GERRY WEBER UK Ltd., London, Great Britain,
- Gerry Weber GmbH, Raeren, Belgium,
- GERRY WEBER ASIA Ltd., Hong Kong, China,
- Gerry Weber Shanghai Co. Ltd., Shanghai, China,
- Gerry Weber Trading (Shanghai) Co. Ltd.
- GERRY WEBER Polska Sp. z o.o., Warsaw, Poland,
- Gerry Weber Logistics GmbH, Halle/Westphalia,
- GW Media GmbH, Halle/Westphalia,
- GERRY WEBER Incompany B.V., Amsterdam, Netherlands,
- GERRY WEBER Retail B.V., Amsterdam, Netherlands,
- GERRY WEBER Sweden AB, Malmö, Sweden,
- GERRY WEBER CZ S.R.O., Prague, Czechia,
- Gerry Weber Belux BVBA, Brussels, Belgium,
- Gerry Weber Retail NV, Brussels, Belgium,
- Gerry Weber Coast NV, Brussels, Belgium,
- GERRY WEBER SK S.R.O., Bratislava, Slovakia,
- GERRY WEBER Finland OY, Helsinki, Finland,
- GERRY WEBER Wholesale Fashion GmbH, Glattpark, Switzerland,
- GERRY WEBER Canada Ltd., Moncton, Canada,
- Gerry Weber Outlet BVBA, Brussels, Belgium,
- Gerry Weber Norge AS, Trondheim, Norway,
- TB Fashion GERRY WEBER GmbH, Halle/Westphalia,
- Brentrup Sp. z o.o., Lodz, Poland,
- Hallhuber GmbH, Munich,
- Hallhuber Beteiligungs GmbH, Munich,
- OOO Gerry Weber RUS, Moscow, Russia,
- Gerry Weber S.R.L., Judet Mures, Romania

All companies are wholly owned.

Due to the fact that the parent company's fiscal year ended on 31 March 2019 following the launch of the insolvency proceedings in respect of the assets of GERRY WEBER International AG, the consolidated subsidiaries do not have the same reporting date as the parent company, with the exception of Life-Style Fashion GmbH whose fiscal year was switched to 31 March 2019, and have thus been included in the consolidated financial statements on the basis of interim financial statements.

Consolidation principles

Subsidiaries are all companies controlled by the Group. Pursuant to IFRS 10, the GERRY WEBER Group has control over an investee if it has power over the relevant activities, is exposed to variable returns and has the ability to affect those returns through its power over the investee. This is generally the case where the voting rights exceeds 50%. When assessing whether the Group has control, the existence and the effect of potential voting rights which are currently exercisable or convertible are taken into account.

Subsidiaries are consolidated (full consolidation) from the time at which control is transferred to the Group. They are deconsolidated at the time when control ends.

The effects of intra-group transactions are eliminated. Receivables and liabilities between the consolidated entities are netted, intercompany profits and losses are eliminated and intra-group income is offset against the corresponding expenses. Deferred taxes as required pursuant to IAS 12 are established for temporary differences on consolidation.

Business combinations

Subsidiaries are accounted for using the acquisition method. The cost of acquisition is equivalent to the fair value of the assets surrendered, the equity instruments issued and the liabilities incurred and/or assumed at the time of the transaction. It also includes the fair values of all assets or liabilities resulting from contingent consideration agreements. Assets, liabilities and contingent liabilities which are identifiable in the context of a business combination are initially recognized at their fair value at the time of acquisition.

Acquisition-related costs are recognized as an expense at the time they are incurred.

Any contingent consideration is measured at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are measured in accordance with IFRS 9 and any resulting gain or loss is recognized in profit or loss. A contingent consideration classified as equity will not be remeasured and its subsequent settlement will be recognized in equity.

Goodwill

Goodwill is recognized at the value that arises from the surplus of the acquisition costs, the amount of the non-controlling interests in the company acquired as well as the fair value of any previously held equity interests as of the acquisition date above the equity interest of the Group in the net assets measured at fair value. If the acquisition costs are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognized directly in the income statement.

Business combinations pursuant to IFRS 3

The GERRY WEBER Group made no such acquisition in the past fiscal year.

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 annual 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. Exchange differences are recognized in profit or loss.

Given that the consolidated foreign companies mainly operate in their currency area, their financial statements are prepared in the local currency according to the concept of the functional currency and translated into euros as at the balance sheet date. Assets and liabilities with the exception of equity are translated at the closing rate. Effects from the currency translation of the equity are recognized in equity without affecting the income. The items of the income statement are translated at average annual exchange rates. Exchange differences resulting from different translation rates in the balance sheet and the income statement are recognized in equity without affecting the income.

The exchange rates on which the currency translation is based and which have an influence on the consolidated financial statements have developed as follows:

Currencies		**Closing rate**		**Average annual exchange rate**	
1 EUR in		**March 31, 2019**	**October 31, 2018**	**November 1, 2018 – March 31, 2019**	**November 1, 2017 - October 31, 2018**
Denmark	DKK	7.47	7.46	7.46	7.45
UK	GBP	0.86	0.89	0.88	0.88
Hong Kong	HKD	8.82	8.88	8.91	9.31
Canada	CAD	1.50	1.49	1.51	1.53
Romania	RON	4.76	4.66	4.70	4.65
Russia	RUB	72.86	74.41	75.38	72.92
Turkey	TRY	6.34	6.22	6.10	5.45
USA	USD	1.12	1.13	1.14	1.19
China	CNY	7.54	7.89	7.74	7.79
Switzerland	CHF	1.12	1.14	1.13	1.16
Poland	PLN	4.30	4.34	4.30	4.25
Sweden	SEK	10.40	10.40	10.37	10.19
Czech Republic	CZK	25.80	25.92	25.76	25.59
Norway	NOK	9.66	9.55	9.73	9.60

B. ACCOUNTING AND VALUATION PRINCIPLES

With the exception of certain items such as derivative financial instruments, the GERRY WEBER Group prepares its balance sheet using the cost method. The accounting and valuation methods used for the individual items are explained in greater detail below.

In the fiscal year ending on 31 March 2019, changes in the accounting and valuation principles, without any material impact on the net worth, financial and earnings position of the GERRY WEBER Group, resulted from the first-time application of the accounting standards IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers". The adjusted accounting and valuation principles and their effects are set out in the corresponding paragraph of this section.

Goodwill

Goodwill arising on consolidation and representing the amount by which the cost of an acquisition exceeds the Group's share in the fair value of the subsidiary's net assets is recognized in accordance with IFRS 3 and tested for impairment annually as at the balance sheet date and whenever there are indications of impairment. Impairment losses are immediately recognized as an expense and not reversed in subsequent periods.

Other intangible assets

Purchased intangible assets are recognized at cost for each category, taking ancillary costs and cost reductions into account, and amortized using the systematic straight-line method.

Development expenditure is recognized as an expense as the capitalization requirements of IAS 38 do not apply due to a lack of separability. This expenditure mainly comprises the cost of the development of the collections which are of a predominantly short-term nature.

The amortization calculated pro rata temporis in the year of acquisition is mainly based on the following ordinary useful lives:

	Useful life
Software and other rights	3-5 years
Advantageous lease agreements......................................	5-15 years

	Useful life
Customer bases	5-10 years
Brand rights	5-30 years

Property, plant and equipment

Property, plant and equipment is recognized at cost for each category, less scheduled straight-line depreciation.

The acquisition cost comprises the purchase price, ancillary costs and cost reductions. The cost of internally generated assets includes direct costs as well as directly attributable portions of the overheads. Borrowing costs are taken into account for qualifying assets. Where furnishings and fittings for rented properties, dismantling costs were also capitalized at their present value. An average interest rate of 2.5% (previous year: 2.5%) p.a. was applied.

No investment-related government grants were received.

Determined pro rata temporis in the year of acquisition, the depreciation amounts are mainly based on the following useful lives:

	Useful life
Building components and furnishings and fittings for rented properties	10-50 years
Plant and machinery	3-15 years
Other plant, furnitures and fixtures	1-15 years

Property, plant and equipment are written down for impairment in accordance with IAS 36 where required.

Gains or losses from the derecognition of an item of property, plant and equipment are determined as the difference between the proceeds from the sale and the carrying amounts of the item of property, plant and equipment and recognized under other operating income or other operating expenses in the income statement.

Impairment of non-financial assets

Non-financial assets (property, plant and equipment, intangible assets including goodwill) are tested for impairment-triggering events on every reporting date. Where such triggering events are identified, an estimate of the recoverable amount of the respective asset is made. Regardless of whether a triggering event is identified, intangible assets with infinite lives and goodwill acquired in a business combination are tested for impairment on an annual basis. The recoverable amount is the higher of the fair value of an asset less costs of disposal and its value in use. The value in use is equivalent to the present value of the expected cash flows. To discount the expected cash flows, a weighted average cost of capital is used, which reflects the risks of the asset. If no recoverable amount can be determined for an asset, the recoverable amount for the smallest identifiable group of assets (cash-generating unit or CGU) is determined which can be assigned to the respective asset. If the carrying amount of an asset or a CGU or group of CGUs exceeds the recoverable amount, the asset is immediately written down through profit / loss. If there is an impairment loss in a CGU or group of CGUs, any existing goodwill is first written off. The remaining impairment loss proportionally reduces the remaining non-current assets of the CGU or group of CGUs.

Impairment losses were recognized in each case to the recoverable amount, which was determined as the value in use.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until substantially all activities necessary to prepare the asset for its intended use are complete. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

When determining the amount of the borrowing costs eligible for capitalization in a period, all investment income from the temporary investment of the borrowings before they are used for the qualifying asset is deducted from the borrowing costs.

Other borrowing costs are expensed in the period in which they are incurred.

Financial Instruments

IAS 32 defines a financial instrument as any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets comprise cash and cash equivalents, trade receivables as well as other loans and receivables originated by the enterprise and derivative financial assets.

Financial liabilities include trade payable, liabilities to banks, derivative financial liabilities and other financial liabilities.

As of 1 November 2018 (first-time application of IFRS 9 for the GERRY WEBER Group), financial assets and financial liabilities are divided into the following categories:

- financial assets or financial liabilities recognized at amortized cost,
- financial assets or financial liabilities which are recognized at fair value either outside profit or loss, i.e. in other comprehensive income, or in profit or loss, i.e. in the income statement.

The classification of financial instruments pursuant to IFRS 9 is based, as a rule, on the business model of an enterprise for managing its financial assets and liabilities as well as the contractual cash flows and will be made on the date of their initial recognition.

As regards its financial instruments, the GERRY WEBER Group generally pursues the goal to hold them until maturity and to receive and make interest payments and repayments on the scheduled dates.

In the financial statements as of 31 October 2018 (final application of IAS 39 for the GERRY WEBER Group), the financial instruments were classified as follows:

- available-for-sale financial assets,
- loans and receivables,
- held-to-maturity financial investments,
- financial liabilities recognized at amortized cost.

If no active market exists and the fair value cannot be reliably measured, equity instruments are measured at amortized cost.

Financial assets

Financial assets are generally measured at the fair values upon initial recognition. The fair values are usually identical with the market prices of the financial assets. Where these are not available, they are calculated using accepted measurement models and current market parameters.

Cash and cash equivalents recognized in the balance sheet comprise cash, bank balances as well as current deposits and are measured at amortized cost once received. After initial recognition, trade receivables as well as other loans and receivables, if they are of a long-term nature, are also measured at amortized cost less impairment, also using the effective interest rate method. Gains and losses are recognized in net profit/loss for the period upon derecognition or impairment.

The GERRY WEBER Group uses derivative financial instruments exclusively in the form of cash flow hedges to hedge exchange risks from the procurement or sale of goods. Currency forwards and currency options are concluded. Derivative financial instruments which meet the requirements for hedge accounting in accordance with IFRS 9 are recognized at fair value outside profit or loss, i.e. in the statement of comprehensive income as other comprehensive income. In this context, the fluctuations in fair value are recognized in the respective equity item. The accumulated value in equity is recognized in profit or loss for the period upon maturity of the hedged cash flow. Where an ineffective portion of the value changes of the hedges exists, it is recognized in profit or loss. Derivative financial instruments which do not meet the requirements for hedge accounting in accordance with IFRS 9, even if they are held for hedging purposes in economic terms, are recognized at fair value through profit or loss in the income statement.

The carrying amounts of financial assets not recognized at fair value through profit or loss are tested for objective evidence of impairment at each balance sheet date. There is objective evidence of impairment in the following cases: evidence of financial difficulty of a customer or customer group, default or delinquency in interest or principal payments, the probability of bankruptcy as well as facts indicating a measurable reduction in estimated future cash flows such as unfavorable changes in the payment situation of the borrower or the economic situation which are consistent with the default. The impairment loss for financial assets recognized at amortized cost is equivalent to the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate of the financial asset. If, at subsequent valuation dates, an increase in the fair value is determined, the impairment is reversed up to an amount no higher than amortized cost.

The first-time application of the expected credit loss model pursuant to IFRS 9 for the recognition of impairments, based on the simplified approach, as of 1 November 2018 (first-time application of IFRS 9 for the GERRY WEBER Group) had no effect on the determination of the impairments at the GERRY WEBER Group since the previous financial statements, in addition to impairments, also recognized expected defaults of certain groups of receivables.

A financial asset is derecognized when the contractual rights to cash flows from that financial asset have expired or were transferred. In the context of such a transfer, substantially all rewards and risks associated with ownership of the financial asset or control of the financial asset must be transferred.

No financial assets are posted as collateral for liabilities or contingent liabilities.

Financial liabilities

Financial liabilities are measured at fair value upon initial recognition.

After initial recognition, trade payable and interest-bearing loans are measured at amortized cost using the effective interest rate method. Gains and losses arising in this process are recognized through profit or loss upon derecognition or repayment of the liabilities. A financial liability is derecognized when the underlying obligation is settled, is cancelled or expires.

Derivative financial instruments with negative market value forming part of effective hedging relationships pursuant to IFRS 9 (for derivative financial instruments used by the GERRY WEBER Group see the information in the "Financial assets" section) are measured at fair value outside profit or loss as other comprehensive income. Derivative financial instruments with negative fair value are recognized as liabilities to be measured at fair value through profit or loss to the extent that they do not form part of an effective hedging relationship pursuant to IFRS 9. Conditional purchase price obligations from company acquisitions also fall in this category. Gains and losses from subsequent measurement are recognized through profit or loss.

As in the previous year, no liabilities from finance leases existed as of the balance sheet date.

Determination of fair values

A number of accounting methods and disclosures of the GERRY WEBER Group require the determination of the fair values of financial and non-financial assets and liabilities.

To the extent possible, the GERRY WEBER Group uses observable market data to determine the fair value of an asset or a liability. Based on the input factors used for the measurement methods, the fair values are assigned to different levels in the fair value hierarchy:

Level 1 valuations at fair value result from quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

Level 2 valuations at fair value are based on parameters other than quoted prices for assets and liabilities included within level 1 (data), either directly derived (i.e. as prices) or indirectly derived.

Level 3 valuations at fair value result from models which use parameters that are not based on observable market data to measure assets or liabilities (non-observable parameters, assumptions).

The Group has a hedging policy of only using effective derivatives to hedge currency risks.

Current tax

Actual tax is the expected tax liability or tax asset on the taxable income or tax loss for the fiscal year based on tax rates that apply for the taxation period as well as all adjustments of tax liabilities of previous years. Discernible tax risks for pending tax audits were taken into account.

Deferred tax

Deferred tax is recognized for all temporary differences between the tax base of the assets and liabilities and their carrying amounts in the IFRS statements ("liability method"). Deferred tax is measured at the respective tax rates (and tax regulations) valid or about to be adopted in law as of the balance sheet date and which are expected to be valid at the time of the recognition of the deferred tax claim or the settlement of the deferred tax liability.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In accordance with IAS 1.70, deferred tax assets and deferred tax liabilities are recognized as non-current and are not discounted.

Inventories

In accordance with IAS 2, inventories are measured at average purchase and conversion costs. Conversion costs include direct costs as well as adequate indirect materials and labor costs. No borrowing costs are capitalized.

Where required, inventories were written down to lower net realizable values. When the circumstances which previously caused inventories to be written down no longer exist, the amount of the write-down is reversed.

Intercompany profits resulting from sales within the Group are eliminated.

Non-current assets held for sale

This item includes assets for which a sales contract had already been signed as at the balance sheet date or assets which are attributable to discontinued operations. In accordance with IFRS, these assets are recognized at the lower of the carrying amount and the fair value less costs of disposal.

Other provisions

Provisions are recognized in accordance with the relevant regulations (especially IAS 19 and IAS 37). They are established when legal or constructive obligations exist as a result of a past event and a reliable estimate can be made of the amount of the future outflow of resources required to settle the obligation. In the case of individual risks, the provision is valued as the most probable settlement amount taking into account all discernible risks. As a result, the calculation of the provisions was not subject to high uncertainties with wide ranges of values.

Non-current provisions are discounted and recognized at their present value on the basis of a pre-tax rate. As of 31 March 2019, non-current provisions were discounted at an average rate of 2.5% (previous year: 2.5%). Increases in provisions resulting purely from interest compounding are recognized as interest expenses through profit or loss in the income statement.

Rental and lease agreements

Where rental and lease agreements are concerned, the company examines, in accordance with IAS 17, whether the risks and rewards and, hence, the economic ownership lie with the lessor or the lessee. Under a finance lease, the lessee is the economic owner; under an operating lease, the lessor is the economic owner. The GERRY WEBER Group has leased sales spaces on a large scale under operating leases; some of these sales spaces are sublet. On a small scale, the company lets its own sales spaces to third parties. Income and expenses relating to operating leases are recognized in the income statement for the duration of the lease.

Realization of income and expenses

Sales revenues are measured at the fair value of the consideration received or to be received. Sales revenues comprise the consideration from the sale of goods and are recognized net of turnover tax, returns, rebates and price discounts. The Group recognizes sales revenues when the amount of the revenues can be reliably measured, when it is reasonably probable that economic benefit will flow to the company and when the specific criteria for each type of activity described below are met. The Group makes estimates based on historical figures – taking customer-specific, transaction-specific and contract-specific features into account.

(a) Sale of goods – Wholesale

The Group produces and sells a range of ladieswear to wholesalers. As a general rule, revenues from the sale of goods are recognized when a Group entity has transferred control of products to a wholesaler, in particular when the sales channel and the sales price of the product are at the discretion of the wholesaler and when there are no unmet obligations which could affect the wholesaler's acceptance of the goods. Delivery will be deemed to have occurred only after all goods have been sent to the stipulated place, the risk of obsolescence and loss has passed to the wholesaler and either the wholesaler has accepted the goods in accordance with the provisions of the purchase contract or the Group has objective indications that all conditions of acceptance have been met. In addition, partnership schemes have been agreed with some customers. Partnership schemes help to improve the presentation of the GERRY WEBER collections at the point of sale and to generate higher income for both parties through a better pricing policy. In this context, possibilities to return merchandise within a limited time-frame and value range were granted. Provisions for anticipated refund liabilities from returns have been established for this purpose with an impact on sales revenues. This calculation is based on expected return rates. Moreover, consignment contracts have been signed with selected partners, under which the merchandise remains the property of GERRY WEBER until it is sold to the final consumer. Sales revenues are therefore recognized only after the merchandise has been sold to the final customer. Until such time, no control will be transferred by the GERRY WEBER Group to the consignment partner.

(b) Sale of goods – Retail

The Group operates a chain of retail stores selling ladieswear. Revenues from the sale of goods are recognized when a Group entity has sold products to an end consumer. Retail sales are usually settled in cash or by credit card.

Historical information is used as the basis to estimate the rate of returns and the creation of an appropriate provision at the time of sale.

(c) Internet revenues

Revenues from the web-based sale of goods are recognized at the time when the control of these goods passes to the customer. Provisions for internet credit items in order to take account of the anticipated refund liabilities from returns are established based on historical return rates.

Due to the business model of the GERRY WEBER Group, the recognition of revenues in accordance with IFRS 15 ("Revenue from Contracts with Customers") did not have a material impact on the recognition of revenue or the statement in the balance sheet and the income statement. In particular, no contractual assets or contractual liabilities are recognized. Refund liabilities for returns continue to be stated under other provisions.

Capital reserve and retained earnings

When repurchasing own shares, the nominal value of the shares is deducted from subscribed capital and the portion of the purchase price that exceeds the nominal value is deducted from free retained earning.

Assumptions, estimates and discretionary decisions

Accounting based on the going concern principle

The consolidated financial statements of the GERRY WEBER Group were prepared based on the going concern principle. In this regard, we refer to the statements made in the "Post balance sheet events" section of the Notes to the Consolidated Financial Statements.

Impairment of non-financial assets

When testing intangible assets, especially goodwill and property, plant and equipment of the company-managed retail stores, certain basic assumptions were made with regard to the recoverable amount. Within this framework, the expected cash flows for the impairment tests are derived from planned budgets for the cash-generating units or groups of cash-generating units and discounted. Management assumes that the assumptions and estimates on which the discounted cash flows are based are adequate. Changes in the economic conditions and the sector-specific growth assumptions may, however, have an impact on the impairment tests that may lead to impairment in future. The basic assumptions made to determine the recoverable amount for the different cash-generating units are explained in greater detail in section C. under "Intangible assets / goodwill.

Accounting for acquisitions

Acquisitions typically result in the recognition of goodwill reflecting the difference between the consideration and the amount of the non-controlling interests in the acquired company and its assets and liabilities. Upon initial recognition, all identifiable assets and liabilities are recognized at fair value. These fair values constitute a key estimate in this context. If intangible assets are identified, the fair value is determined using adequate measurement techniques, depending on the type of the intangible asset. These measurements are based on different input factors and partly on management's assumptions regarding the future performance of the assets and the discount rates used.

Provisions

GERRY WEBER operates in numerous countries, where the company is exposed to the most diverse conditions. Due to the complexity of the international rules and regulations, it is possible that deviations between the actual events and the assumptions made and/or changes in such assumptions require future adjustments of the provisions recognized in the balance sheet. Provisions are established for the potential effects of individual facts based on reasonable estimates. Potential differences between the original estimate and the actual outcome may have an impact on the net assets, financial and earnings position of the GERRY WEBER Group in the respective period.

Inventories

To account for inventory risks, inventories are written down to the expected lower selling price, where required.

Write-downs of receivables

The recoverability of trade receivables is assessed on the basis of the estimated probability of default. Overdue receivables are written down using individually determined percentage rates. If the financial situation of a customer deteriorates, the amount of the actually required derecognition may exceed the write-downs, which may have an adverse impact on the earnings position.

Derivative financial instruments

The assumptions made to measure derivative financial instruments are based on market conditions prevailing at the balance sheet date and thus reflect the fair value. For more details, please refer to section F. Additional disclosures and explanations regarding financial instruments.

C. RESTRUCTURING AND OTHER NON-OPERATING EXPENSES

In the course of the fiscal year 2017/2018, the GERRY WEBER Group faced a growing number of internal and external crisis factors. These ultimately resulted in a comprehensive strategic, operational and financial restructuring exercise of the company, which was initiated in the fourth quarter of the fiscal year 2017/18 on the basis of a detailed restructuring report ("Sanierungsgutachten") prepared by an independent accounting firm.

As of the reporting date 31 October 2018, GERRY WEBER International AG assessed the prospects of reaching an understanding with major creditors regarding an amended overall financing concept to be far more likely than not. The estimate and discretionary powers regarding the assets and liabilities recognized in the financial statements as of 31 October 2018 were exercised on this basis.

As a result of the unexpected failure of the talks between GERRY WEBER Group and its financing partners, the parent company GERRY WEBER International AG filed on 25 January 2019 for the opening of insolvency proceedings in self-administration, which were opened as of 1 April 2019. The opening of insolvency proceedings in self-administration for Gerry Weber Retail GmbH & Co. KG was filed for on 7 February 2019. The proceedings were opened as of 1 May 2019.

The effects from the opening of insolvency proceedings were recognized in the financial statements as of 31 March 2019.

The insolvency plans for GERRY WEBER International AG and Gerry Weber Retail GmbH & Co. KG became legally effective as of 25 October 2019 (GERRY WEBER International AG) and 22 November 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings of GERRY WEBER International AG were concluded as of 31 December 2019. Thus, the continuation of the business is ensured, so that accounting is based on the going concern principle.

The restructuring exercise initiated as of 31 October 2018 resulted in impairment of non-current non-financial assets, provisions for restructuring and other expenses, increased inventory write-downs as well as legal and consulting costs. Other material non-operating expenses relate to litigation risks as well as a subsequent purchase price payment agreed in the fiscal year for a fully consolidated retail company.

These effects resulting primarily from the restructuring exercise were taken into account in the annual financial statements as of 31 October 2018 as follows:

KEUR	**Cost of materials**	**Personnel expenses**	**Depreciation /amortization**	**Other operating expenses**	**Total**
Impairment losses (IAS 36)					
Goodwill...			10,971		10,971
Other intangible assets			26,594		26,594
Property, plant and equipment (store closures)			16,560		16,560
Closure costs				17,755	17,755
Severance payments		24,827			24,827
Write-downs of inventories	12,923				12,923
Legal and consulting costs				5,468	5,468
Other non-operating expenses		978		9,033	10,011
Continuing operations	**12,923**	**25,805**	**54,125**	**32,256**	**125,109**
Impairment losses (IAS 36)					
Goodwill...					31,500
Property, plant and equipment (store closures)			31,500		3,646
Closure costs			3,646	4,025	4,025
Severance payments					1,213
Discontinued operations	**0**	**1,213**	**35,146**	**4,025**	**40,384**
Total..	**12,923**	**27,018**	**89,271**	**36,281**	**165,493**

The insolvency proceedings resulted in an adjustment of the planning in connection with the updated restructuring report. This caused further impairment of non-current non-financial assets, increased inventory write-downs as well as expenses relating to the proceedings and further legal and consulting costs. On the other hand, the insolvency proceedings made it possible to close unprofitable space in a more cost-effective manner, which resulted in the reversal of provisions for restructuring expenses. In addition, corresponding expenses from the discontinued operation Hallhuber were incurred. In total, the following non-operating expenses and income had an impact on the result of the GERRY WEBER Group for the short fiscal year:

KEUR	**Cost of materials**	**Personnel expenses**	**Depreciation /amortization**	**Other operating expenses**	**Other operating income**	**Total**
Impairment losses (IAS 36)						
Goodwill...			23,665			23,665
Other intangible assets			8,906			8,906
Property, plant and equipment.........			90,860			90,860
Write-downs of inventories	15,956					15,956

KEUR	Cost of materials	Personnel expenses	Depreciation /amortization	Other operating expenses	Other operating income	Total
Severance payments / transfer company		603		387		990
Expenses relating to the proceedings				18,082		18,082
Legal and consulting costs				6,771		6,771
Result from the sale of "Hall 29"					–17,377	–17,377
Reversal of provisions					–29,828	–29,828
Continuing operations	**15,956**	**603**	**123,431**	**25,240**	**–47,205**	**118,025**
Impairment losses (IAS 36)						
Goodwill			20,725			20,725
Other intangible assets			53,729			53,729
Property, plant and equipment			12,629			12,629
Write-downs of inventories	10,699					10,699
Write-downs of receivables				750		750
Discontinued operations	**10,699**	**0**	**87,083**	**750**	**0**	**98,532**
Total	**26,655**	**603**	**210,514**	**25,990**	**–47,205**	**216,557**

D. NOTES TO THE BALANCE SHEET

(1) Fixed assets

No security interests in fixed asset items have been provided for liabilities of the Group.

(a) Intangible assets / goodwill

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
Nov. 1, 2018	***235,245***	***87,125***	***2,572***	***324,942***
Exchange differences	0	0	0	0
Additions	1,322	0	1,123	2,445
Reclassifications	77	0	–99	–22
Disposals	–3,441	0	0	–3,441
Reclassification in accordance with IFRS 5	–88,509	–52,225	–1,018	–141,752
Mar. 31, 2019	***144,694***	***34,900***	***2,578***	***182,172***
Depreciation/amortization				
Nov. 1, 2018	***133,586***	***42,736***	***0***	***176,322***
Exchange differences	0	0	0	0
Additions	21,497	23,665	0	45,162
Reclassifications	0	0	0	0
Disposals	–3,100	0	0	–3,100
Reclassification in accordance with IFRS 5	–28,080	–31,501	0	–59,581
Mar. 31, 2019	***123,903***	***34,900***	***0***	***158,803***

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Carrying amount Oct. 31, 2018	**101,659**	**44,389**	**2,572**	**148,620**
Carrying amount Mar. 31, 2019	**20,791**	**0**	**2,578**	**23,369**

From 1 November 2018, the reclassifications under IFRS 5 reflect the discontinued Hallhuber activities.

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
Nov. 1, 2017	***226,662***	***87,165***	***25,987***	***339,813***
Exchange differences	204	–39	0	165
Additions	7,170	0	5,232	12,403
Reclassifications	5,725	0	–7,150	–1,425
Disposals	–4,516	0	–21,497	–26,013
Oct. 31, 2018	***235,245***	***87,125***	***2,572***	***324,943***
Depreciation/amortization				
Nov. 1, 2017	***109,659***	***264***	***0***	***109,923***
Exchange differences	–43	0	0	–43
Additions	27,716	42,472	21,497	91,685
Reclassifications	0	0	0	0
Disposals	–3,745	0	–21,497	–25,242
Oct. 31, 2018	***133,586***	***42,736***	***0***	***176,322***
Carrying amount Oct. 31, 2017	**117,003**	**86,900**	**25,987**	**229,890**
Carrying amount Oct. 31, 2018	**101,659**	**44,389**	**2,572**	**148,620**

Concessions, industrial rights and similar rights and assets as well as licenses to such rights and assets

Lease agreements

The item comprises purchased advantageous lease agreements for stores in an amount of KEUR 0 (previous year: KEUR 6,756). The amortization of these assets amounted to KEUR 6,756 in the short fiscal year 2018/19 (previous year: KEUR 7,230). The amortization for the fiscal year also includes impairment losses of KEUR 3,490 (previous year: KEUR 2,742) caused by the restructuring. This amortization relates to the group of cash-generating units Stores Belgium.

The advantageous lease agreements recognized as depreciable intangible assets are written off over the remaining term of the leases using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/amortization".

The residual carrying amounts as of the reporting date were fully written off in the context of an impairment test.

Customer relationships

As of 31 March 2019, customer relationships were recognized as intangible assets in the amount of KEUR 0 (previous year: KEUR 12,936). The amortization of these assets amounted to KEUR 12,936 in the fiscal year 2018/19 (previous year: KEUR 6,808). This amount also includes impairment losses of KEUR 5,416 (previous year: KEUR 1,981) caused by the restructuring which mainly relate to Norway and Finland.

Customer relationships were identified in the context of the business combinations of the past fiscal years. They were capitalized at the present value. The present value was determined based on an assumed useful life of five to eight years using a duration-specific discount rate. The customer relationships recognized as depreciable intangible assets are written off using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/amortization".

The residual carrying amounts as of the reporting date were fully written off in the context of an impairment test.

"Hallhuber" brand name

In the context of the takeover of Hallhuber, the "Hallhuber" brand name was acquired and shown under intangible assets valued at KEUR 54,000. The brand, which is recognized as an amortizable intangible asset, is written off over a period of 30 years using the straight-line method. The resulting expenses are reflected in the consolidated income statement as amortization in the profit / loss from discontinued operations.

The residual carrying amounts as of the reporting date were fully written off in the context of an impairment test.

Goodwill

Goodwill results from the positive difference arising from business combinations.

The following goodwill is recognized:

KEUR	March 31, 2019	October 31, 2018
Stores Austria	0	2,136
Stores Germany	0	3,495
Stores Netherlands	0	10,675
Concessions Netherlands	0	1,161
Stores Belgium	0	6,198
Stores Norway	0	0
Stores Finland	0	0
Stores Hallhuber	0	20,724
	0	**44,389**

Goodwill was primarily attributable to the "Retail GERRY WEBER" segment, save for the Hallhuber goodwill, which was attributable to the "Retail Hallhuber" segment. In these segments, the individual sales spaces are, as a general rule, defined as cash-generating units.

For the purpose of impairment tests, goodwill is assigned to groups of cash-generating units. These groups of cash-generating units represent the lowest corporate level at which goodwill is monitored for internal management purposes.

In the context of the impairment test, the carrying amount of the respective group of cash-generating units is compared with its recoverable amount. The recoverable amount is determined as the value in use on the basis of the future cash flows, which are based on internal planning. Sensitive planning premises include sales growth, gross profit expectations, estimates of replacement investments in the store network as well as personnel expenses as a percentage of sales for the individual stores. The projections refer to the fixed term of the respective lease agreements. The planning period ranges from one to seven years.

In connection with the restructuring of the GERRY WEBER Group's business activities, impairment tests were performed based on the multi-year plans, which form the basis of the restructuring concept applicable as of the balance sheet date. This resulted in impairment losses on all goodwill. In addition to the impairment losses on goodwill regarding the segment "Retail GERRY WEBER", lease agreements (Stores Belgium) and customer relationships (Stores Norway and Finland) were also written down. No further impairments were necessary in addition to this, since either the recoverable amount did not require any further impairments to be made (Stores Germany) or no further intangible assets and property, plant and equipment existed in each case as of the balance sheet date. For the purposes of explaining the amortization of the cash-generating unit Hallhuber, reference is made to section (9).

Due to consistent risk structures (e.g. economic outlook, interest rates), the cash flows determined in connection with the impairment tests were discounted using a weighted average cost of capital (WACC) before taxes of 10.33% (previous year: 10.33%) and after taxes of 7.71% (previous year: 7.71%) based on market data. GERRY WEBER uses constant growth rates of 1% (as in the previous year) to extrapolate the cash flows beyond the detailed planning period of five years.

In view of the restructuring of the GERRY WEBER Group, the factors influencing the discount rate were adjusted with respect to the peer group as well as the debt capital interest rate already in the previous year. The WACC was not adjusted upon the filing of the application for the opening of insolvency proceedings. The main reason for this was, in addition to the lack of derivability of capital costs in the context of the exceptional situation resulting from the insolvency, the fact that the insolvency proceedings have meanwhile been concluded and that it had been foreseeable right at the beginning of the proceedings that they would soon be concluded. If a higher discount rate within the range of the forecast corridor had been used, such rate would not have resulted in further impairment losses regarding other cash-generating units which were not subject to impairment.

Besides new store openings and closures of individual points of sale, like-for-like sales growth of up to 2%, depending on the location, are assumed for the detailed planning period.

Advance payments

In connection with the Group's IT project costs to be capitalized, advance payments of KEUR 2,572 were recognized as of 31 October 2018. Additional advance payments of KEUR 1,123 were made in the fiscal year 2018/19. An amount of KEUR 77 was reclassified to "Concessions, industrial rights and similar rights and assets as well as licenses to such rights and assets" in the fiscal year.

In connection with the restructuring of the GERRY WEBER Group, the existing projects, in particular the renewal/expansion of the ERP system, were reviewed in the previous year and impairment losses on IT project costs of KEUR 21,497 were recognized.

Additions to other intangible assets mainly relate to purchased software.

(b) Property, plant and equipment

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
Nov. 1, 2018	***230,646***	***68,267***	***99,628***	***884***	***399,427***
Exchange differences	–4	–1	–32	0	–37
Additions	72	33	525	122	752
Reclassifications	–53	0	64	11	22
Disposals	–50,598	–37	–20,204	–302	–71,142
Mar. 31, 2019	***180,063***	***68,262***	***79,981***	***715***	***329,021***
Depreciation/amortization					
Nov. 1, 2018	***91,745***	***12,447***	***71,589***	***0***	***175,781***
Exchange differences	1	0	–18	0	–17
Additions	33,764	55,480	3,337	0	92,581
Reclassifications	0	0	0	0	0

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Disposals	–19,077	–17	–10,381	0	–29,476
Mar. 31, 2019	***106,433***	***67,910***	***64,527***	***0***	***238,869***
Carrying amount Oct. 31, 2018	**138,902**	**55,820**	**28,039**	**884**	**223,645**
Carrying amount Mar. 31, 2019	**73,631**	**352**	**15,454**	**715**	**90,152**

From 1 November 2018, the reclassifications under IFRS 5 reflect the discontinued Hallhuber activities.

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
Nov. 1, 2017	***236,023***	***70,390***	***101,014***	***512***	***407,938***
Exchange differences	–102	–41	–143	0	–286
Additions	1,027	899	4,146	419	6,491
Reclassifications	0	0	1,425	0	1,425
Disposals	–6,301	–2,981	–6,813	–46	–16,142
Reclassification in accordance with IFRS 5	–24,125	0	0	0	–24,125
Oct. 31, 2018	***206,521***	***68,267***	***99,628***	***884***	***375,302***
Depreciation/amortization					
Nov. 1, 2017	***60,402***	***12,017***	***62,596***	***0***	***135,015***
Exchange differences	–24	–41	–109	0	–174
Additions	35,043	3,427	14,992	0	53,463
Reclassifications	0	0	0	0	0
Disposals	–3,677	–2,955	–5,890	0	–12,522
Reclassification in accordance with IFRS 5	–5,652	0	0	0	–5,621
Oct. 31, 2018	***86,093***	***12,447***	***71,589***	***0***	***170,129***
Carrying amount Oct. 31, 2017	**175,621**	**58,373**	**38,418**	**512**	**272,924**
Carrying amount Oct. 31, 2018	**120,428**	**55,820**	**28,039**	**884**	**205,172**

Mainly company properties in Halle/Westphalia are recognized. The reclassification in accordance with IFRS 5 includes the "Hall 29" property in Düsseldorf held for sale.

Leasehold improvements and facilities for rented retail properties are shown under the item "Land, leasehold rights and buildings including buildings on third-party land" as well as "Furniture, fixtures and other equipment".

In addition to straight-line depreciation, impairment losses of KEUR 20,206 were recognized in the previous year in connection with the restructuring. In the current short fiscal year, impairment losses were incurred in the amount of KEUR 90,860, which mainly relate to the revaluation of plant and machinery and fixtures of the logistics centre. The background to the impairment losses is that the insolvency plan provides for the sale of the logistics centre. The insolvency creditors are entitled to any proceeds from the sale. Therefore, the logistics centre was depreciated to the fair value of EUR 25 million. This value was derived from comparable offers (fair value hierarchy level 3).

(c) Financial assets

KEUR	**Investments**	**Other loans**	**Total**
Acquisition / Production Costs			
Nov. 1, 2018	***310***	***1,170***	***1,480***
Exchange differences	0	0	0
Additions	3	61	61
Reclassifications	0	0	0
Disposals	0	–136	–136
Mar. 31, 2019	***310***	***1,095***	***1,404***
Depreciation/amortization			
Nov. 1, 2018	***264***	***800***	***1,064***
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
Mar. 31, 2019	***264***	***800***	***1,064***
Carrying amount Oct. 31, 2018	**45**	**370**	**415**
Carrying amount Mar. 31, 2019	**45**	**295**	**340**

KEUR	**Investments**	**Other loans**	**Total**
Acquisition / Production Costs			
Nov. 1, 2017	***306***	***2,840***	***3,147***
Exchange differences	0	0	0
Additions	3	1	5
Reclassifications	0	0	0
Disposals	0	–1,671	–1,671
Oct. 31, 2018	***310***	***1,170***	***1,480***
Depreciation/amortization			
Nov. 1, 2017	***264***	***800***	***1,064***
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
Oct. 31, 2018	***264***	***800***	***1,064***
Carrying amount Oct. 31, 2017	**42**	**2,040**	**2,082**
Carrying amount Oct. 31, 2018	**45**	**370**	**415**

Itemized breakdown:

KEUR	March 31, 2019	October 31, 2018
Long-term loans	120	157
Long-term deposits	80	112
Rent deposits	94	105
Shares in limited partnerships	38	35
Shares in foreign corporations	7	7
	340	**415**

Financial assets were recognized at amortized cost, which is equivalent to the fair value taking potential impairments into account. As a general rule, the shares in limited partnerships and the shares in foreign corporations are recognized at cost as the fair value cannot be reliably determined. There is no active market in these shares.

(2) Other assets (non-current)

Other non-current assets exclusively comprise non-financial assets and have terms of up to four years.

(3) Deferred taxes

The following deferred tax assets and liabilities were stated to reflect recognition and valuation differences of the individual balance sheet items:

KEUR	Deferred tax assets		Deferred tax liabilities	
	Mar. 31, 2019	Oct. 31, 2018	Mar. 31, 2019	Oct. 31, 2018
Non-current assets	0	7,714	2,291	24,067
Current assets	1,378	4,783	1,212	1,267
Non-current provisions	1,134	9,878	324	371
Tax loss carryforwards	0	7,060	0	0
Changes in equity not stated through profit or loss according to IAS 39	0	123	0	191
	2,512	**29,558**	**3,827**	**25,895**

The expenses or income from temporary differences stated in the income statement are equivalent to the change in the respective balance sheet items unless they were offset against equity.

Tax loss carryforwards amount to significantly more than EUR 150 million (previous year: EUR 97.9 million). They mainly refer to the companies in Germany, Spain, Ireland, Belgium and Norway. The resulting deferred tax assets (previous year: EUR 29.4 million) were written down in full (previous year: EUR 22.3 million) as of the reporting date as the realization of the respective tax advantages is unlikely in the medium term.

Of the unrecognized deferred tax assets relating to loss carryforwards, amounts totalling EUR 3.6 million (previous year: EUR 3.6 million) will expire in one to thirteen years.

If deferred taxes arise at Group companies which posted losses in the current period or the previous years, these are capitalized only if management assumes that the company will generate profits in the future which justify the recoverability of the deferred tax assets. Except for the deferred taxes on loss carryforwards, no deferred taxes were capitalized for these companies in the previous year.

Deferred tax assets and deferred tax liabilities were not netted, as they were of minor importance.

(4) Inventories

KEUR	March 31, 2019	October 31, 2018
Raw materials and supplies	5,802	8,683
Work in progress	5,105	8,856
Finished goods and merchandise	77,071	129,626
	87,978	**147,165**

The usual reservations of ownership apply.

The impairment resulting from the regular sales-oriented measurement of inventories amounted to KEUR 2,641 (previous year: KEUR 2,894). The expenses are included in the cost of materials. In addition, KEUR 15,956 (previous year: KEUR 12,923) was written off for sales measures planned in connection with the restructuring.

(5) Trade receivables

Trade receivables in an amount of KEUR 37,785 (previous year: KEUR 37,123) have a maturity of less than one year, with the vast majority being due in less than three months.

Allowances for doubtful accounts amounted to KEUR 3,615 (previous year: KEUR 2,495). Any existing trade credit insurance is taken into account in the calculation of the allowances.

Expenses and income for trade receivables are recognized in other operating expenses and income.

(6) Other assets (current)

Other assets in an amount of KEUR 24,169 (previous year: KEUR 16,394) have a maturity of less than one year.

Other assets comprise:

KEUR	March 31, 2019	October 31, 2018
Financial assets		
Supplier balances	3,399	5,967
Rent receivables	1,502	243
Currency forwards and currency options	0	636
Bonus claims	0	25
	4,901	***6,871***
Non-financial assets		
Advance payments	10,274	1,241
Tax claims	4,792	3,478
Prepaid expenses	3,626	4,619
HR receivables	385	95
Other	192	91
	19,268	***9,524***
	24,169	**16,394**

With regard to the positive market values of the currency forwards and currency options, please refer to section E. Additional disclosures and explanations regarding financial instruments.

Advance payments mainly relate to inventories. It was necessary in the course of insolvency proceedings to make advance payments.

(7) Claims for income tax refunds

Claims for income tax of KEUR 1,795 (previous year: KEUR 3,407) relate to domestic corporate income tax and trade tax as well as to the solidarity surcharge associated with corporate income tax.

(8) Cash and cash equivalents

Apart from current accounts with banks, this item comprises cheques, payments in transit and cash.

Current accounts are held with various banks in different currencies.

(9) Assets classified as held for sale / liabilities directly related to assets classified as held for sale

In the previous year, an amount of KEUR 18,473 was recognized in assets classified as held for sale for the "Hall 29" property in Düsseldorf. In October 2018, a contract for the sale of the property was signed. Legal and economic ownership were transferred as of November 2018. The asset was recognized at the carrying amount. The fair value less costs of disposal exceeded the carrying amount.

As of the reporting date, this item exclusively comprises the discontinued operation Hallhuber.

(a) Description

In the context of the ongoing restructuring of GERRY WEBER, a bridge financing arrangement in the form of a liquidity facility in the order of EUR 10 million was agreed with an investor, Robus Capital Management Ltd., for the subsidiary HALLHUBER GmbH on 7 February 2019. Robus also acquired claims held by entities of the GERRY WEBER Group against HALLHUBER, almost all of which had been subordinated, for a price of approx. EUR 1 million. At the same time, a purchase option was granted for HALLHUBER which, if exercised by Robus, would mean that GERRY WEBER could decide whether to retain a 14% stake in Hallhuber or, alternatively, hold a 12% stake and receive a cash purchase price of EUR 500,000. The HALLHUBER purchase option was designed such that it could only be exercised once various conditions had been met; it was assumed that this would be the case in May 2019.

The funds made available under the liquidity facility served to ensure that HALLHUBER's day-to-day business operations could be secured for the time being. Upon the purchase option being granted on 7 February 2019, the HALLHUBER segment was ready for sale. The result of this step was that the HALLHUBER segment was also rendered a "discontinued operation" pursuant to IFRS 5. On 8 July 2019, a fund managed by Robus Capital Management Ltd. ultimately assumed the majority interest in HALLHUBER GmbH held by GERRY WEBER International AG. Under the agreement, GERRY WEBER retains a 12% stake in HALLHUBER. GERRY WEBER also received a cash payment of EUR 500,000 from Robus. Following the exercise of the purchase option by Robus Capital Management, HALLHUBER is no longer included in the consolidated financial statements as a fully consolidated subsidiary, and thus also no longer as a discontinued operation, but merely as an equity interest.

In the context of accounting for discontinued operations in the financial statements, all expenses and income for the entire current period are reported as profit / loss from discontinued operations in the income statement. The values attributable to this segment for the fiscal year 2017/18 are displayed in parallel and subtracted out of the individual items for the continuing operations set out in the income statement. The balance sheet items to be attributed to discontinued operations are reported as assets classified as held for sale and liabilities directly related to assets classified as held for sale.

(b) Financial performance and cash flow information

KEUR	**November 1, 2018 – March 31, 2019**	**November 1, 2017 – October 31, 2018**
Sales revenues	88,972	197,562
Other operating income	596	2,078
Changes in inventories	–1,978	–3,330
Cost of materials	–52,338	–74,496
Personnel expenses	–15,448	–39,434
Depreciation / amortization	–89,948	–48,865
Other operating expenses	–35,207	–94,677
Financial result	–1,347	–1,667
Profit / loss before taxes on income	**–106,698**	**–62,829**

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Income taxes	10,424	7,383
Profit / loss from discontinued operations	**–96,274**	**–55,446**
Other profit / loss from discontinued operations	0	0
Cash inflows from operating activities	4,569	5,836
Cash outflows from investing activities	–910	–8,203
Cash outflows from financing activities	0	0
Cash inflows / outflows from discontinued operations	**3,659**	**–2,367**

(c) Assets and liabilities of the disposal group classified as held for sale

The table below shows the amounts, as of 31 March 2019, of assets and liabilities reclassified to "held for sale" in connection with discontinued operations:

KEUR	March 31, 2019
Intangible assets	886
Property, plant and equipment	10,777
Deferred tax assets	0
Inventories	12,387
Trade receivables	2,519
Cash and cash equivalents	8,250
Other assets	1,392
Total assets of the disposal group held for sale	**36,211**

KEUR	March 31, 2019
Provisions	7,378
Deferred tax liabilities	0
Trade payables	10,988
Liabilities to banks	4,110
Other liabilities	11,735
Total liabilities of the disposal group held for sale	**34,211**

A value of EUR 1.5 million was determined for the remaining stake of 12%, taking into account the updated business plans of HALLHUBER. This resulted in a total remaining value (assets less liabilities) of EUR 2.0 million for the discontinued operation Hallhuber.

(10) Equity

Changes in equity are shown in the consolidated statement of changes in equity.

The Group generally manages its capital with the aim of maximizing the income for the stakeholders by optimizing the debt-to-equity ratio. In this context, the company seeks to ensure that all Group companies can operate as a going concern. The capital structure is managed centrally by the parent company. To monitor requirements and targets, regular reporting processes have been installed. As a result of the insolvency proceedings, for which an application was filed on 25 January 2019 and which were opened on 1 April 2019, a focus has been placed on the satisfaction of creditors' interests.

Equity and total assets amounted to:

KEUR	March 31, 2019	October 31, 2018	Change
Equity	1,065	245,635	–244,570
Equity in % of total capital	0.3%	38.3%	0
Debt capital	373,825	395,855	–22,030
Debt capital in % of total capital	99.7%	61.7%	0
Total capital (equity and debt capital)	**374,890**	**641,490**	**–266,600**

Equity comprises the subscribed capital and the reserves of the Group. Debt capital is defined as current and non-current financial liabilities, provisions and other liabilities.

(a) Subscribed capital

The subscribed capital of GERRY WEBER International AG is divided into 45,905,960 (previous year: 45,905,960) fully paid-up bearer shares with a par value of EUR 1.00.

The Supervisory Board is entitled to amend the statutes from time to time to properly reflect the respective utilization of the authorised capital as well as after expiry of the authorization.

The Managing Board is authorised to determine the details of the execution of a conditional capital increase with the consent of the Supervisory Board. For this purpose, the share capital has been conditionally increased by up to EUR 4,590,590 through the issue of up to 4,590,590 new bearer shares.

The Annual General Meeting of 26 April 2018 additionally authorised the Managing Board to repurchase own shares representing up to 10% of the share capital up until 25 April 2023.

398,245 bearer shares were repurchased between March and June 2017 at a cost of EUR 4,999,958.

As of the reporting date, the subscribed capital, reduced by the nominal value of the repurchased shares of EUR 398,245, is stated at EUR 45,507,715.00. The amount of EUR 4,601,713 that exceeds the nominal amount was deducted from free retained earnings. No repurchased shares were sold in the fiscal year.

(b) Capital reserve

The capital reserve includes the premiums on the shares issued plus the premiums paid in the sale of own shares exceeding the amount recognized in retained earnings as well as the nominal value of the shares.

(c) Retained earnings

Retained earnings comprise the profits generated by the consolidated companies in the past which were not distributed or converted into share capital as well as earnings effects resulting from consolidation measures in the previous periods less the pro-rated premiums paid in the acquisition of own shares.

(d) Accumulated other comprehensive income/loss according to IAS 39

This item includes the effects of the remeasurement of financial instruments after taxes being accounted for in equity. All of the financial instruments used by the company are currency hedges.

KEUR	March 31, 2019	October 31, 2018	Change
Positive fair values of financial instruments	0	636	–636
Negative fair values of financial instruments	0	0	0
Deferred tax assets	0	0	0
Deferred tax liabilities	0	–191	191
	0	**445**	**–445**

The tax effects of KEUR 191 (previous year: KEUR 2,193) shown in the statement of comprehensive income relate to changes in the fair values of the currency hedges.

Of the other comprehensive equity, an amount of KEUR 126 (previous year: KEUR -1,078) was reclassified to the cost of materials with a positive effect on the result. Positive market values of currency forwards remaining upon termination due to insolvency were recognized as other operating income in the amount of KEUR 900.

(e) Exchange differences

This item comprises the differences arising from the currency translation of the financial statements of foreign subsidiaries which are not prepared in EUR.

(f) Accumulated loss

The table below shows the changes in accumulated loss (previous year: accumulated profit):

KEUR	
Carried forward from 1 Nov. 2018	–126,025
Dividend payment in 2019	0
Net income for the year 2018/19	–244,501
Accumulated loss as of 31 Mar. 2019	–370,526

(11) Provisions for personnel (non-current)

An amount of KEUR 152 (previous year: KEUR 250) resulted from offsetting the assets used to secure the old-age part-time obligations against the corresponding provisions as of 31 March 2019.

(12) Other provisions (non-current)

This item includes an amount of KEUR 5,930 (previous year: KEUR 6,133) resulting from the company's obligation to remove leasehold improvements.

These provisions are established on the basis of the expected settlement amounts as well as the agreed lease terms. Uncertainties exist with regard to the cost estimates and the actual time at which the provisions will be used. An amount of KEUR 148 (previous year: KEUR 151) was added to these provisions.

Interest expenses in the amount of KEUR 148 (previous year: KEUR 151) from the compounding of the provision were recognized. Expected cash outflows occur within a period of 5 to 10 years.

(13) Financial liabilities (non-current)

Liabilities to banks in the amount of KEUR 169,250 were reported under this item in the previous year.

Owing to the filing for the opening of insolvency proceedings in January 2019, all liabilities to banks are reported as current liabilities in the financial statements as of 31 March 2019 on account of extraordinary termination rights in favor of the lending banks.

Please refer to the explanations regarding current financial liabilities (section 18) for details regarding the composition of liabilities to banks.

(14) Other liabilities (non-current)

KEUR	March 31, 2019	October 31, 2018
Financial liabilities		
Payment of remaining purchase price for acquisitions	**3,259**	**3,454**

The full amount of other non-current liabilities results from an acquisition carried out in previous years.

(15-17) Provisions 31 Mar. 2019 and 31 Oct. 2018 (current)

The table below shows the changes in, and the composition of, the provisions

Type of provision in KEUR	Carried forward 1 Nov. 1, 2018	Utilization / Reclassification in accordance with IFRS 5	Reversal	Additions	As of March 31, 2019
(15) Tax provisions	**1,755**	**1,223**	**0**	**0**	**531**
(16) Provisions for personnel					
Bonuses	2,070	1,628	443	1,723	1,723
Vacation	3,696	3,696	0	3,561	3,561
Partial retirement (current)	125	49	0	0	76
Special annual payment	3,294	1,677	0	491	2,108
Severance payments*	5,452	1,408	160	139	4,023
Other	871	291	0	265	844
	15,509	***8,749***	***602***	***6,178***	***12,335***
(17) Other provisions					
Guarantees	505	331	0	0	174
Outstanding invoices	3,874	2,551	0	2,341	3,664
Audit fees	661	420	0	424	666
Restructuring*	47,687	9,265	29,225	14,836	24,033
Supervisory Board compensation	870	0	0	363	1,233
Other	6,659	6,659	0	7,146	7,146
	60,256	***19,225***	***29,225***	***25,110***	***36,915***

* An amount of KEUR 1,727 was reclassified between provisions for personnel and other provisions, compared to the previous year.

Type of provision in KEUR	Carried forward Nov. 1, 2017	Utilization	Reversal	Addition	As of October 31, 2018
(15) Tax provisions	**2,213**	**11,206**	**0**	**2,213**	**1,754**
(16) Provisions for personnel					
Bonuses	2,150	3,315	0	2,150	2,070
Vacation	3,834	4,124	0	3,834	3,696
Partial retirement (current)	146	92	0	146	125
Special annual payment	3,699	3,511	0	3,699	3,294
Severance payments	1,471	3,520	279	1,023	3,725
Other	917	862	48	917	872
	12,217	***15,424***	***327***	***11,769***	***13,782***
(17) Other provisions					
Guarantees	549	267	0	549	505
Outstanding invoices	4,237	4,393	137	4,237	3,874
Audit fees	703	563	82	703	661
Restructuring	0	5,702	907	0	49,414
Supervisory Board compensation	870	870	0	870	870
Other	3,697	4,752	295	3,697	6,659
	10,056	***16,547***	***1,421***	***10,056***	***61,983***

Provisions of KEUR 24,033 (previous year: KEUR 49,414) were established as of 31 March 2019 in connection with the restructuring. These are composed as follows:

KEUR	March 31, 2019
Expected dismantling and compensation payments for store closures and payments for the release of landlord's liens	9,906
Costs of proceedings	6,564
Social plan and severance payment obligations	4,815
Miscellaneous	2,748
	24,033

KEUR	March 31, 2019
Social plan and severance payment obligations	26,040
Expected dismantling and compensation payments for store closures	21,780
Miscellaneous	1,594
	49,414

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

The table below shows the main current financial liabilities existing on the reporting date of the short fiscal year 2018/2019.

Owing to the filing for the opening of insolvency proceedings in January 2019, all liabilities to banks are reported as current liabilities in the financial statements as of 31 March 2019 on account of extraordinary termination rights in favor of the lending banks.

For the purpose of improving comparability, financial liabilities in the amount of KEUR 169,250 recognized as non-current in the previous year have been included in the table and identified with an (*).

The maturities and nominal and effective interest rates stated are equivalent to the figures originally agreed before the insolvency regarding the assets of the GERRY WEBER Group or determined when the underlying liabilities were first recognized.

KEUR	Carrying amount Nov. 1, 2018-Mar. 31, 2019	Carrying amount Nov. 1, 2017-Oct. 31, 2018	Maturity until month/year	Nominal interest rate % p.a.	Effective interest rate % p.a.
Note loan 1					
Tranche 1 (fixed)	40,000	40,000*	03/2020	1.13	1.19
Tranche 2 (fixed)	60,000	60,000*	03/2022	1.44	1.49
Tranche 3 (fixed)	40,000	40,000*	03/2025	2.00	2.03
	140,000	***140,000****			
Note loan 2					
Tranche 3 (fixed)	23,500	23,500	11/2018	2.19	2.30
Tranche 4 (variable)	7,500	7,500	11/2018	1.06	1.17
Tranche 5 (fixed)	24,000	24,000*	11/2020	2.80	2.88
	55,000	***55,000***			
Other loans					
Loan bank 1	8,250	5,250*	06/2021	0.89	0.89
Loan bank 1		3,000			
Loan bank 2	15,000	15,000	05/2019	0.85	0.85
	23,250	***23,250***			
Other	***2,855***	***8,755***			
	221,105	**227,005**			

(19) Trade payables

Liabilities from the delivery of goods are subject to the usual reservations of ownership.

(20) Other liabilities

KEUR	March 31, 2019	October 31, 2018
Financial liabilities		
Liabilities to customers	1,665	1,069
Payment of remaining purchase price for acquisitions	1,183	1,183
	2,847	***2,251***
Non-financial assets		
Other taxes (especially wage and turnover tax)	8,844	4,877
Social security	2,837	225
Customer vouchers, bonus cards and goods on return	1,962	1,834
Assumption of liability, guarantees	1,311	0
Liabilities to personnel	1,282	1,679
Deferred income	618	2,101
Other liabilities	2,136	2,720
	18,990	***13,435***
	21,837	**15,686**

E. NOTES TO THE INCOME STATEMENT

(21) 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.

Sales revenues include licensing fees in an amount of KEUR 259 (previous year: KEUR 1,183) for the utilization of the name rights.

Revenues are deemed to be realized once the service has been provided in full and the opportunities and risks have passed to the buyer.

(22) Other operating income

Other operating income comprises the following:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Income from the reversal of provisions and allowances	29,893	360
Income from asset disposal (essentially "Hall 29")	17,377	6
Rental income	1,626	6,553
Income from the provision of motor vehicles	337	1,068
Exchange gains	50	341
Other	1,410	1,418
	50,692	**9,745**

The rental income primarily results from leased investment property as well as income from the sub-letting of rented stores not used by the company.

(23) Changes in inventories and (24) cost of materials

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Inventory changes	25,952	11,270
Expenses for raw materials and supplies and purchased goods	9,831	42,854
Expenses for services purchased	73,997	205,678
	83,828	***248,532***
	109,780	**259,802**

Expenses for services purchased include expenses for cut-make-trim (so-called intermediate contractors) as well as expenses for the procurement of goods manufactured by third parties according to our specifications ("full package services").

After arrival of the goods in our shipping centre, it is no longer possible to distinguish between CMT goods and FPS goods. As a result, all finished goods added to our inventories must be shown under inventory changes in the income statement.

(25) Personnel expenses

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Wages and salaries	46,230	148,152
Social security contributions	8,820	23,628
	55,049	**171,780**

The GERRY WEBER Group concludes partial retirement agreements according to the "block model". In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 2.40% (previous year: 2.40) based on a salary trend of 1.00% p.a. (previous year: 1.00% p.a.). The computations are based on the Heubeck mortality tables 2018 G. Discount on staff turnover is not required.

No provisions were established in the fiscal year for potential future obligations of the GERRY WEBER Group arising from the use of old-age part-time options, as this probability was estimated at zero.

Personnel expenses of the fiscal year included expenses related to the restructuring in the amount of KEUR 603 (previous year: KEUR 27,018).

Average number of employees:

	November 1, 2018 – March 31, 2019		November 1, 2017 – October 31, 2018	
	Total	Germany	Total	Germany
Blue-collar workers	0	0	61	0
White-collar workers	3,830	2,714	6,303	4,971
Trainees / apprentices	32	32	41	41
	3,862	***2,746***	***6,405***	***5,013***

The employees attributable to the discontinued operation "Hallhuber" (1,624 white-collar workers and 9 trainees / apprentices; previous year: 1,998 white-collar workers and 11 trainees / apprentices) are no longer reported for the current fiscal year.

(26) Depreciation / amortization

The composition of depreciation and amortization can be seen from the changes in the individual fixed asset components. In the short fiscal year 1 Nov. 2018-31 Mar. 2019, increased impairment losses in the amount of KEUR 123,431 (previous year: KEUR 89,271) were recognized in connection with the restructuring. To determine the impairment losses, the full remaining carrying amounts relating to closed stores were primarily used in both the previous year and the current fiscal year.

(27) Other operating expenses

Other operating expenses comprise the following:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Rent, space costs	32,871	84,221
Restructuring expenses	25,240	28,722
Advertising, trade fairs	6,751	21,149
Freight, packaging, logistics	5,096	12,270
IT costs	5,324	17,377
Commissions	2,980	8,838
Legal, consulting and real estate agent costs	4,692	6,594
Other personnel expenses	1,079	4,807
Collection development	1,291	4,253
Insurance, contributions, fees	1,664	4,026
Travelling expenses	584	2,611
Vehicles	967	2,910
Losses on receivables / allowances	971	3,390
Office and communications	693	1,702
Maintenance	630	827
Loss from asset disposal	579	2,288
Del credere and credit card commissions	586	1,354
General administration	569	628
Supervisory Board compensation	363	870
Exchange rate fluctuations	510	170
Other	46	96
	93,486	**209,103**

Regarding the restructuring expenses, please refer to the section "Restructuring and other non-operating expenses".

(28) Other taxes

This item mainly comprises property and motor vehicle taxes as well as council taxes in the UK.

(29) Financial result

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Interest income	212	78
Income from financial assets loaned	1	20
Incidental bank charges	–399	–986
Interest expenses	–1,853	–3,658
	–2,039	**–4,547**

Incidental bank charges essentially comprise fees for letters of credit.

(30) Income taxes

Income taxes (in 2018/2019, a positive amount is reported) comprise the following main components:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Tax expenses of the fiscal year	586	2,448
Tax expenses of prior years	260	260
Deferred taxes	15,246	–21,431
	16,092	**–18,724**

Deferred taxes were generally calculated based on the applicable tax rates of each company. A standard tax rate of 30% (previous year: 30%) was applied to calculate deferred taxes on consolidation measures shown in profit and loss.

The reconciliation of expected tax expenses with reported tax expenses is as follows:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Result before taxes on income	–238,833	–198,384
Group tax rate	30.00%	30.00%
Expected tax income	–71,650	–59,515
Tax effect on non-taxable amortization of goodwill	13,317	12,741
Tax losses for which no deferred taxes were recognized	55,926	18,320
Write-down of deferred tax assets recognized in previous years, especially on unused tax losses	7,060	0
Taxes on trade tax additions/deductions	788	1,509
Taxes on non-deductible operating expenses	40	176
Off-period tax expenses/income	0	638
Tax effect on non-taxable expenses and non-taxable income	0	45
Other	187	–21
Actual tax expenses 2.4% (previous year: 13.2%)	**5,668**	**–26,107**
Of which continuing operations	**16,092**	**–18,724**
Of which discontinued operations	**–10,424**	**–7,383**

(31) Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net in-come/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 amounts on which the calculation is based were determined as follows:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Consolidated net loss attributable to ordinary shareholders of the parent company	–244,501	–172,277

Number of ordinary shares	**Shares**
Voting shares on 1 Nov. 2017	45,905,960
Purchase of own shares in fiscal 2017/18	398,245
Voting shares on 31 Oct. 2018	45,507,715
Purchase of own shares in fiscal 2018/19	0
Voting shares on 31 Mar. 2019	45,507,715

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights.

In the short fiscal year 2018/19, 45,507,715 shares were outstanding (2017/18: 45,507,715).

Earnings per share amount to EUR -5.37 (previous year: EUR -3.79). Earnings per share from continuing operations amount to EUR -3.26 (previous year: EUR -2.57). The undiluted earnings per share are equal to the diluted earnings per share

The accumulated profits were used to pay out a dividend of EUR 0.00 (previous year: EUR 0.00) per share.

F. ADDITIONAL DISCLOSURES AND EXPLANATIONS REGARDING FINANCIAL INSTRUMENTS

Maturity analysis of financial assets

KEUR	Neither written down nor due as of the reporting date	Not written down as of the reporting date but due since:					Gross value of the written-down receivables
		<1 month	1 to 3 months	3 to 6 months	6 to 12 months	>12 months	
Loans	120	0	0	0	0	0	0
Trade receivables.....	34,643	2,044	361	0	0	0	4,351
Other assets ...	15,175	0	0	0	0	0	0
Carrying amount Mar. 31, 2019	***39,664***	***2,044***	***361***	***0***	***0***	***0***	***4,351***
Loans	157	0	0	0	0	0	0
Trade receivables.....	28,387	2,631	1,692	95	2,432	0	4,381
Other assets ...	8,111	0	0	0	0	0	0
Carrying amount Oct. 31, 2018	***36,655***	***2,631***	***1,692***	***95***	***2,432***	***0***	***4,381***

Write-down schedule

KEUR	Prev. year	Addition	Consumption	Reversal	Reporting year
Loans	0	0	0	0	0
Trade receivables.......................................	2,495	1,185	65	0	3,615
Other assets	0		0	0	0
November 1, 2018 – March 31, 2019	***2,495***	***1,185***	***65***	***0***	***3,615***
Loans	500	0	500	0	0
Trade receivables.......................................	2,393	1,642	1,305	235	2,495
Other assets	0	0	0	0	0
November 1, 2017 – October 31, 2018	***2,893***	***1,642***	***1,805***	***235***	***2,495***

Write-downs include expected write-downs in an amount of KEUR 192 (previous year: KEUR 168).

Trade credit insurance is taken out for the trade receivables, which covers about 74% (previous year: 73%) of the respective total receivables. In addition, the creditworthiness of the counterparties is examined. In the other cases, the default risks are equivalent to the carrying amounts.

Contractual remaining maturities of financial liabilities

The table below shows the contractual remaining maturities of the financial liabilities as of the reporting date of the short fiscal year 2018/2019.

Owing to the filing for the opening of insolvency proceedings in January 2019, all liabilities to banks are reported as current liabilities in the financial statements as of 31 March 2019 on account of extraordinary termination rights in favor of the lending banks. Consequently, the undiscounted cash outflows of such liabilities are allocated to the maturity band "up to one year".

KEUR	**Carrying amount**	**Undiscounted interest payments**			**Total**
		Up to 1 year	**1 to 5 years**	**More than 5 years**	
Note loan	195,000	195,000	0	0	195,000
Loans	23,250	23,250	0	0	23,250
Liabilities from company acquisitions	4,442	1,183	3,259	0	4,442
Other financial liabilities	2,855	2,855	0	0	2,855
Financial liabilities (total)........................	***225,547***	***222,288***	***3,259***	***0***	***5,547***
Trade payables	33,722	33,722	0	0	33,722
Carrying amount Mar. 31, 2019	***259,269***	***256,010***	***3,259***	***0***	***259,269***

KEUR	**Carrying amount**	**Undiscounted interest payments**			**Total**
		Up to 1 year	**1 to 5 years**	**More than 5 years**	
Note loan	195,000	31,000	124,000	40,000	195,000
Loans	23,250	18,000	5,250	0	23,250
Liabilities from company acquisitions	4,636	1,212	3,424	0	4,636
Other financial liabilities	8,755	8,755	0	0	8,755
Financial liabilities (total)........................	***231,641***	***58,967***	***132,674***	***40,000***	***231,641***
Trade payables	39,911	39,911	0	0	39,911
Carrying amount Oct. 31, 2018................	***271,552***	***98,878***	***132,674***	***40,000***	***271,552***

The short-term cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets.

The contractually agreed remaining maturities of the financial liabilities as of the reporting date result in the following future interest payments for the GERRY WEBER Group.

Future interest payments

Owing to the filing for the opening of insolvency proceedings and the resulting interest rate uncertainties (among other reasons, as a result of contractually agreed interest rate adjustment clauses providing for extraordinary termination rights), we have refrained from determining and classifying interest payments as liabilities with certain maturity bands for the reporting date of 31 March 2019.

The table below shows the contractually undiscounted interest payments as of the reporting date for the previous year, 31 October 2018.

KEUR	**Undiscounted interest payments**			**Total**
Note loan	2,788	6,916	1,600	11,304
Loans	111	0	0	111

KEUR	Undiscounted interest payments			Total
Other financial liabilities	90	0	0	90
As of Oct. 31, 2018	***2,989***	***6,916***	***1,600***	***11,505***

Accounting for derivative financial instruments and hedges

The GERRY WEBER Group exclusively uses market financial derivatives with sufficient market liquidity. These are generally currency forwards and currency options. All derivatives are recognized in the balance sheet at their fair value.

Financial derivatives are exclusively contracted in order to hedge currency risks in the procurement of goods and in sales. The transactions are made exclusively with banks of excellent credit standing. Risks are managed centrally by GERRY WEBER International AG. The relations between hedging instruments and hedged items as well as the risk management objectives and strategies in conjunction with the individual hedges are documented.

As at the reporting date of the previous year, 31 October 2018, the company had derivative financial instruments with a positive market value of KEUR 636 that exclusively qualified for hedge accounting (cash flow hedges) in order to hedge expected cash flows in US dollars in the procurement of goods.

Following the filing for the opening of insolvency proceedings, any outstanding currency forwards were terminated early. As a result, the company had no derivative financial instruments as of the balance sheet date of 31 March 2019.

Nominal amount of financial derivatives

	Nominal amount as of March 31, 2019				Nominal amount as of October 31, 2018			
KEUR	Up to 12 months	12 to 24 months	More than 24 months	Total	Up to 12 months	12 to 24 months	More than 24 months	Total
Currency forwards and currency options in the procurement of goods	0	0	0	0	114,301	25,518	0	139,818

Fair values of the financial derivatives

Currency forwards and currency options qualifying for hedge accounting

	Nominal amount		Fair values	
KEUR	Mar. 31, 2019	Oct. 31, 2018	Mar. 31, 2019	Oct. 31, 2018
Currency forwards and currency options in the procurement of goods	0	139,818	0	140,454

Changes in the carrying amounts are recognized in equity and are shown in the statement of comprehensive income. The company has no currency forwards and currency options not qualifying for hedge accounting.

As a result of the early termination of any outstanding currency forwards in connection with the insolvency, no effects from fair value measurement are recognized in equity any longer as of 31 March 2019 (previous year: KEUR 636 before deduction of deferred taxes).

Financial Instruments

Financial risk management

As a result of its international activities, the GERRY WEBER Group is exposed to a number of financial risks. These include, in particular, the effects of changes in exchange rates and interest rates. The risk management system of GERRY WEBER is geared to reducing risks.

The Managing Board defines the general risk management guidelines and thus determines the general approach to hedging exchange rate and interest rate risks and the use of derivative financial instruments. For further information on financial market risks and financial risk management, please refer to the Group management report.

Exchange rate risk

The GERRY WEBER Group is exposed to exchange rate risks relating to different foreign currencies, especially the US dollar and the British pound.

Sensitivity analyses were performed to quantify the exchange rate risk. This is done on the basis of a hypothetical 5% change in the exchange rate.

The tables below show the pre-tax effect as of 31 March 2019 including the exchange rate hedges:

March 31, 2019 KEUR	**Cash inflows**	**Cash outflows**	**Net amount**	**Absolute effect of a +5% change in the exchange rate**
USD..	1,677	–4,412	–2,735	–130
GBP..	–278	0	–278	13

October 31, 2018 KEUR	**Cash inflows**	**Cash outflows**	**Net amount**	**Absolute effect of a +5% change in the exchange rate**
USD..	8,979	–153,341	–144,362	–52
GBP..	1,896	–18	1,878	–89

Counterparty risk

The GERRY WEBER Group has counterparty default risks in respect of financial assets (loans, receivables and other assets) as well as invested liquid funds and the positive market values of the derivatives. The creditworthiness of counterparties of financial assets is monitored by the accounting department. In addition, the del credere risk is assumed by insurers and other parties, e.g. central regulators. As a general rule, money transactions and financial instruments are signed only with a defined group of banks of excellent credit standing. The creditworthiness of these banks is monitored continuously and classified using quantitative and qualitative factors.

Liquidity risk

Liquidity risks may arise from the lack of available follow-up financing (liquidity risk in the narrower sense) as well as from delays in planned cash inflows and unplanned payments (plan risk). The liquidity risk is monitored continuously on the basis of the budget prepared for the budget year and the following years. New and unplanned business transactions (e.g. acquisitions) are incorporated continuously. In addition, the maturity profiles of financial assets and liabilities are matched regularly. Plan risks are managed through constant monitoring of projected and actual cash flows. Furthermore, the durations of financings are chosen in such a way that the maturities are diversified over time, so that an increase in the refinancing costs would have an effect only in the long term.

At the time of the filing for the opening of insolvency proceedings under self-administration, adequate liquidity was available to cover the expenses required for maintaining operations, taking into account transfer payments by the German Federal Employment Agency (Bundesagentur für Arbeit). A liquidity facility providing sufficient funds to maintain the business operations of Hallhuber was agreed. In connection with the insolvency proceedings, the cash flows are being closely monitored with a view to reducing liquidity risks.

Interest rate risk

Interest rate risks primarily relate to interest-bearing financial liabilities.

Sensitivity analyses are performed to quantify the interest rate risk from these financial liabilities. In view of the continued low interest rates, a +100 / -30 bp shift in the yield curve was assumed as of the balance sheet date to ensure that realistic scenarios are used for the analysis of the interest rate sensitivities.

Variable interest rate liabilities of KEUR 23,750 (31 October 2018: KEUR 30,750) were included in the analysis. The resulting interest payments expected until the maturity date are not hedged by financial derivatives. The resulting interest rate risk is also a cash flow risk with implications for the amount of future interest payments. The pre-tax effect on consolidated net income for the year is shown:

KEUR	November 1, 2018 – March 31, 2019		November 1, 2017 – October 31, 2018	
	+100 bp	-30 bp	+100 bp	-30 bp
Cash flow risks	405	–149	502	–171

Earnings effect of financial instruments

KEUR	Loans and receivables	Financial liabilities
From interest rates	212	–1,853
From losses of receivables and write-downs	–971	0
2018/19	**–759**	**–1,853**
From interest rates	94	–4,895
From losses of receivables and write-downs	–3,463	0
2017/18	**–3,369**	**–4,895**

Carrying amount and fair values by measurement categories

The table below shows the carrying amounts and the fair values of the individual financial assets and liabilities for each category of financial instruments pursuant to IFRS 9.

Financial instruments as of March 31, 2019 KEUR	Measurement IFRS 9			
	Measured at amortized cost		Measured at fair value	
	Carrying amount	For information: Fair value	Recognition in profit or loss (annual net profit/loss)	No recognition in profit or loss (other result)
Continuing operations				
Non-current financial assets				
Loans	295	295		
Equity instruments			45	
Current financial assets				
Trade receivables	37,785	587		
Other financial assets	4,901	4,901		
Cash and cash equivalents	70,580	70,580		
	113,561	**113,561**	**45**	**0**
Non-current liabilities				
Other liabilities	221,105	39,799		
Trade payables	33,722	16,819		
Other liabilities	2,847	1,878		
	260,933	**59,083**	**0**	**0**
Held for sale (Hallhuber)				
Current financial assets				
Trade receivables	2,519	2,519		

Financial instruments as of March 31, 2019 KEUR	Measurement IFRS 9			
	Measured at amortized cost		Measured at fair value	
	Carrying amount	For information: Fair value	Recognition in profit or loss (annual net profit/loss)	No recognition in profit or loss (other result)
Cash and cash equivalents	8,250	8,250		
	10,769	**10,769**		
Current liabilities				
Trade payables	10,988	10,988		
Financial liabilities	4,610	4,610		
	15,598	**15,598**	**0**	**0**

For the calculation of the fair value stated for information purposes, a uniform insolvency quota of 18% has been assumed for all insolvency liabilities. For all liabilities incumbent on the estate, the fair value is equal to the carrying amount.

As at the reporting date for the previous year, 31 October 2018, financial instruments were classified as follows. The table also shows the classification made in the previous year's financial statements under IAS 39:

Financial instruments as of March 31, 2019 KEUR	Measurement IFRS 9				
	Measured at amortized cost		Measured at fair value		IAS 39
	Carrying amount	For information: Fair value	Recognition in profit or loss (annual net profit/loss)	No recognition in profit or loss (other result)	
Non-current financial assets					
Loans	374	375			mac *
Equity instruments			42		mac
Current financial assets					
Trade receivables	37,123	37,123			mac
Other financial assets	6,871	6,871			mac
Cash and cash equivalents	35,065	35,065			mac
	79,433	**79,443**	**42**	**0**	**mac**
Non-current liabilities					
Financial liabilities	169,250	169,250			mac
Other liabilities	3,454	3,454			mac
Current liabilities					**mac**
Financial liabilities	57,755	57,755			mac
Trade payables	39,912	39,912			mac
Other liabilities	2,251	2,251			mac
	272,622	**272,622**	**0**	**0**	

* mac: measured at amortized cost

Fair values of financial assets and liabilities by measurement categories

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

The fair values of financial assets and liabilities are assigned to level 2 or 3 of the fair value hierarchy.

As in the previous year, no reclassifications between levels 1, 2 and 3 were made in the short fiscal year from 1 November 2018 to 31 March 2019.

Market comparison methods are used to determine the fair values of level 2. The fair values of currency forwards and currency options are based on valuations by banks. Given that similar contracts are traded in an active market, these valuations reflect the actual transactions for similar instruments. The fair value adjustments required in connection with the insolvency proceedings (level 3) were made on the basis of quota expectations.

G. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents comprise current liquid funds (KEUR 78,830; previous year: KEUR 35,065) less current liabilities to banks (KEUR 4,261; previous year: KEUR 5,903).

The cash flow statement describes the cash flows in the short fiscal year running from 1 November 2018 to 31 March 2019 and the previous year, divided into cash inflows and outflows from operating activities, from investing activities and from financing activities. Changes in the basis of consolidation and in exchange rates had no effect on cash and cash equivalents.

Cash outflow from investing activities comprises additions to property, plant and equipment, financial assets and income from fixed asset disposals. Financing activities comprise changes in other financial liabilities.

Between 1 November 2018 and 31 March 2019, cash inflow from operating activities includes payments for interest received in an amount of KEUR 221 (previous year: KEUR 94) and for interest paid in an amount of KEUR 1,202 (previous year: KEUR 4,785). Income tax payments of KEUR 111 were made (previous year: refunds of KEUR 51).

The following table shows the changes in non-current and current financial liabilities.

		Financing activities		
in KEUR	**October 31, 2018**	**Repayments with impact on cash flow**	**Reclassifications having no impact on cash flow / deferred interest**	**March 31, 2019**
Non-current financial liabilities				
Note loan 1	140,000	0	–140,000	0
Note loan 2	24,000	0	–24,000	0
Other loans	5,250	0	–5,250	0
	169,250	***0***	***–169,250***	***0***
Current financial liabilities				
Note loan 2	0	0	140,000	140,000
Other loans	31,000	0	24,000	55,000
	20,852	***0***	***5,253***	***26,105***
Total liabilities from financing activities	**51,852**	**0**	**169,253**	**221,105**
	221,102	**0**	**3**	**221,105**

Current account liabilities of KEUR 4,261 (previous year: KEUR 5,903), which are reported under current bank liabilities in the balance sheet, are offset within the cash and cash equivalents for the purposes of the cash flow statement.

Following terminations relating to the insolvency proceedings, the GERRY WEBER Group does not have any unused credit lines (previous year: EUR 58,9 million).

H. SEGMENT REPORTING

Report by business segments

For the fiscal year 1 November 2018 to 31 March 2019

in KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
Sales revenues by segment; thereof	**96,837**	**122,616**	**88,972**	**0**	**–3,886**	**304,538**
Sales revenues with external third parties	94,014	121,552	88,972	0	0	304,538
Inter-segment revenues	2,822	1,063	0	0	–3,886	0
EBIT	**–36,710**	**–91,084**	**–105,351**	**0**	**–2,302**	**–235,447**
Depreciation/amortization	43,540	94,203	89,947	0	0	227,691
EBITDA	**6,830**	**3,120**	**–15,403**	**0**	**–2,302**	**–7,756**
Personnel expenses	12,592	42,457	15,448	0	0	70,497
Interest income	93	119	10	0	0	222
Interest expenses	811	1,042	1,357	0	0	3,210
Assets	177,825	167,428	36,211	0	–6,573	374,890
Liabilities	167,180	179,496	34,211	0	–7,063	373,825
Investments in non-current assets	1,548	1,710	910	0	0	4,167
Number of employees (annual average)	552	3,310	1,633	0	0	5,494
Impairments recognized in profit/loss						
- of inventories	–12	264	0	0	0	252
- of trade receivables	–412	–641	0	0	0	–1,053

For the fiscal year 1 November 2017 to 31 October, 2018

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
Sales revenues by segment; thereof	**265,803**	**342,032**	**197,562**	**0**	**–10,631**	**794,766**
Sales revenues with external third parties	257,728	339,476	197,562	0	0	794,766
Inter-segment revenues	8,075	2,556	0	0	–10,631	0
EBIT	**16,779**	**–148,135**	**–61,163**	**0**	**348**	**–192,171**
Depreciation/amortization	12,714	83,568	48,865	0	0	145,147
EBITDA	**29,493**	**–64,567**	**–12,298**	**0**	**348**	**–47,024**
Personnel expenses	41,314	130,468	39,433	0	0	211,215
Interest income	64	14	16	0	0	94
Interest expenses	902	2,006	1,987	0	0	4,895
Assets	226,048	285,675	143,106	0	–13,339	641,490
Liabilities	69,648	135,442	204,088	0	–13,323	395,855
Investments in non-current assets	8,682	6,810	3,359	0	0	18,852
Number of employees (annual average)	664	3,733	2,009	0	0	6,405
Impairments recognized in profit/loss						
- of inventories	–464	–11	0	0	0	–475
- of trade receivables	–103	–4	0	0	0	–107

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). In deviation from the income statement, segment reporting still includes the figures for the HALLHUBER segment, which was reported as a discontinued operation in the consolidated balance sheet and income statement; its financial performance is, however, still reported to the Managing Board in the short fiscal year.

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

The "HALLHUBER" segment comprises the income and expenses as well as assets and liabilities of the HALLHUBER brand.

The segment information is based on the same recognition and valuation measures as the consolidated financial statements.

Transfer prices between the segments are fixed on terms equivalent to those that prevail in arm's length transactions.

The Managing Board of GERRY WEBER International AG has chosen earnings before interest and taxes (EBIT) and sales revenues as performance indicators for controlling and reporting.

Net interest income and tax expenses are viewed by management only at a Group-wide level.

Geographic information:

November 1, 2018 – March 31, 2019 **KEUR**	**Germany**	**Abroad**	**Total**
Sales revenues by regions	**193,960**	**110,578**	**304,538**
Non-current assets	97,242	19,131	116,373
Investments in non-current assets	3,600	568	4,168
Number of employees	4,378	1,116	5,494

November 1, 2017 – October 31, 2018 **KEUR**	**Germany**	**Abroad**	**Total**
Sales revenues by regions	**497,335**	**297,431**	**794,766**
Non-current assets	372,456	50,026	422,482
Investments in non-current assets	17,476	1,376	18,852
Number of employees	5,013	1,392	6,405

For the purposes of segment reporting by geographical segments, external sales are defined by customers' head offices. A regional distinction is made between "Germany" and "Abroad".

I. MISCELLANEOUS INFORMATION

Research and development

Research and development expenses amount to KEUR 1,291 (previous year: KEUR 4,421) and refer to the development of the collections.

Other financial liabilities / operating leases where the company is the lessee

In particular, the property leases comprise properties leased for the Group's own retail activities and offices used by Group companies.

KEUR	**March 31, 2019**	**October 31, 2018**
Within 1 year	40,763	97,159
Between 1 and 5 years	70,629	242,693
After 5 years	11,913	65,139

KEUR	March 31, 2019	October 31, 2018
	123,305	**404,991**

In the short fiscal year from 1 November 2018 - 31 March 2019, rental expenses in an amount of KEUR 24,679 (previous year: KEUR 105,392) were recognized. Store leases are usually signed for a period of 10 to 15 years. Some leases include renewal options. The leases contain price adjustment clauses that are typical of the industry and are linked to general inflation.

In conjunction with the store leases, the company frequently agrees to make contributions to the communal advertising expenses, which break down as follows:

KEUR	March 31, 2019	October 31, 2018
Within 1 year	1,099	1,979
Between 1 and 5 years	2,659	5,401
After 5 years	478	1,302
	4,236	**8,682**

In the short fiscal year from 1 November 2018 - 31 March 2019, the Group generated KEUR 1,322 (previous year: KEUR 2,804) from subleases. The table below shows the minimum lease payments from subleases:

KEUR	March 31, 2019	October 31, 2018
Within 1 year	3,716	3,934
Between 1 and 5 years	7,583	8,837
After 5 years	868	1,095
	12,167	**13,866**

In addition, the Group has the following other financial obligations from operating leases:

KEUR	March 31, 2019	October 31, 2018
Within 1 year	4,320	8,042
Between 1 and 5 years	344	1,144
	4,664	**9,186**

Expenses for these operating leases totalled KEUR 4,320 in the short fiscal year from 1 November 2018 - 31 March 2019 (previous year: KEUR 8,042).

Most of these are motor vehicle and IT leases, which usually have a term of three to five years and do not include any renewal options. There are no price adjustment clauses.

Order commitments for investments

The order commitments for investments and projects amounted to EUR 3.0 million as of 31 March 2019 (previous year: EUR 3.5 million), of which EUR 1.3 million (previous year: 2.7) concerned intangible assets.

Litigation

Adequate provisions have been established in the balance sheet for potential risks from pending court or arbitration proceedings. As of the balance sheet date, GERRY WEBER International AG or its subsidiaries were not involved in court or arbitration proceedings that have a major impact on the situation of the Group.

Related party disclosures

Related parties within the meaning of IAS 24 (Related Party Disclosures) are legal or natural persons that may exert influence over GERRY WEBER International AG and its subsidiaries or are subject to control or significant influence by Gerry Weber International AG. These include, in particular, the members of the corporate bodies of GERRY WEBER International AG. There are no unconsolidated entities as well as associates and joint ventures.

In the short fiscal year from 1 November 2018 - 31 March 2019 as well as in the previous year, transactions were made only with members of the corporate bodies and/or with companies that are controlled by such members. The table below shows the goods and services received (expenses) and the goods and services provided (income) from and for these companies:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Services provided by the Group		
Goods and services	2,923	5,432
Management and consulting services	72	175
Other services	93	1,052
Total	**3,088**	**6,659**
Services received by the Group		
Advertising services	0	3,780
Management and consulting services	0	0
Rental, leaseholds and leasing agreements	319	653
Hotel services	32	278
Other services	89	718
Total	**440**	**5,429**

By far the majority of the transactions listed above relates to companies that are controlled by members of the corporate bodies. Only the management and consulting services received by the Group relate directly to such members.

In addition, the Group had the following receivables and liabilities towards these related parties as at the balance sheet date, with the balances relating exclusively to companies controlled by members of the corporate bodies:

KEUR	March 31, 2019	October 31, 2018
Trade receivables	1,410	1,789

KEUR	March 31, 2019	October 31, 2018
Trade payables	41	100

All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions based on international price comparison methods. This also applies to the terms and conditions for trade receivables and trade payables as well as the loans.

No allowances or derecognitions relating to receivables from related parties were required. No guarantee or security was obtained or granted; nor do any financial assets serve as collateral.

There are no financial obligations from purchase commitments towards related parties.

Contracts and agreements

Sponsorship agreement with Gerry Weber Management & Event oHG

On 20 December 2012, a new sponsorship agreement was signed with Gerry Weber Management & Event oHG with effect from 1 January 2013. In this agreement, Gerry Weber Management & Event oHG undertakes, among other things, to carry out and market its activities under the "GERRY WEBER WORLD" umbrella brand during the contractual term. Pursuant to a supplement to the agreement dated 25 January 2017, the agreement was extended until 31 December 2022.

Based on an independent appraisal, sponsorship amounts totalling EUR 17.5 million were determined for the right to the name "GERRY WEBER WORLD" and for the sponsorship payments for the "GERRY WEBER OPEN" for the period from 1 January 2018 to 31 December 2022. Already in 2019 the sponsoring was discontinued for the event that took place after the date of the insolvency application.

Lease agreement with DALOU Grundstücks-GmbH & Co. KG

A lease agreement was signed on 5 June 2014 between the fully consolidated Gerry Weber Retail GmbH & Co. KG and DALOU Grundstücks-GmbH & Co. KG, Halle/Westphalia. The object of the agreement is the outlet store in "Ravenna Park". The space to be let was handed over at the end of 2015.

The agreement began on 1 October 2014 and has a fixed term until 30 September 2024 and includes a 5-year option right for the lessee. Obligations in the amount of KEUR 5,300 exist under this agreement.

Mr Ralf Weber is the sole limited partner of DALOU Grundstücks-GmbH and the sole managing director of its general partner, DALOU Verwaltungs GmbH, Halle/Westphalia.

Managing Board

- Alexander Gedat, Rosenheim, as of 20 February 2020 (Chief Executive Officer and Chairman of the Managing Board)
- Johannes Ehling, Feldafing, as of 20 April 2018 until 20 February 2020 (Chief Sales and Chief Digital Officer, Speaker of the Managing Board)
- Florian Frank, Hamburg, as of 2 October 2018 (Chief Restructuring Officer)
- Urun Gursu, Bielefeld, as of 1 March 2019 until 20 February 2020 (Chief Product Officer)

We refer with regard to Mr Alexander Gedat's further memberships to the section regarding the Supervisory Board. The other Managing Board members were and are not members of any other supervisory boards or controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Supervisory Board

- Alexander Gedat, Rosenheim, as of 3 December 2019 until 20 February 2020 (Chairman as of 19 December 2019 until 20 February 2020)
- Dr. Ernst F. Schröder, Bielefeld, until 11 April 2019 (Chairman until 11 April 2019)
- Manfred Menningen, Frankfurt am Main (Vice Chairman as of 23 August 2018 until 30 November 2019) until 30 November 2019 and as of 17 December 2019 (Vice Chairman as of 19 December 2019) (trade union representative)
- Alfred Thomas Bayard, Berne/Switzerland, until 30 November 2019
- Ute Gerbaulet, Düsseldorf, until 24 September 2019
- Christina Käßhöfer, Tutzing, as of 11 February 2020
- Christie Groves, London/United Kingdom, as of 3 December 2019 until 9 February 2020
- Alexander Hardieck, Halle/Westphalia, as of 3 September 2018 until 30 November 2019
- Dagmar Heuer, Billerbeck, as of 3 December 2019
- Milan Lazovic, London/United Kingdom, as of 3 December 2019

- Dr. Tobias Moser, Munich, as of 3 December 2019 (Chairman as of 20 February 2020)
- Sanjay Shama, London/United Kingdom, as of 3 December 2019
- Ralf Weber, Halle/Westphalia, 1 November 2018 until 30 November 2019
- Charlotte Weber-Dresselhaus, Halle/Westphalia, until 30 November 2019
- Olaf Dieckmann, Halle/Westphalia, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Barbara Jentgens, Frankfurt am Main, as of 17 December 2019 (trade union representative)
- Klaus Lippert, Halle/Westphalia, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Rena Marx, Herzebrock-Clarholz, as of 3 April 2018 until 30 November 2019 and as of 17 December 2019 (staff representative)
- Andreas Strunk, Bad Salzuflen, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Hans-Jürgen Wentzlaff, Bielefeld, until 30 November 2019 (staff representative)

The Supervisory Board members also sit on the following supervisory boards and controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Mr Alexander Gedat, businessman and former member of the Managing Board of Marc O'Polo AG, Rosenheim

Chairman of the Supervisory Board:

- Ahlers AG, Herford

Member of the Advisory Board:

- Fynch-Hatton GmbH, Mönchengladbach
- Sportalm GmbH, Kitzbühel/Austria

Dr. Ernst F. Schröder, former personally liable partner of August Oetker KG, Bielefeld

Chairman of the Supervisory Board:

- L. Possehl GmbH & Co., Lübeck
- S.A.S. Hôtel Le Bristol, Paris, France, (until 29 June 2018)
- S.A.S. Hôtel du Cap-Eden-Roc, Antibes, France, (until 29 June 2018)
- S.A.S. Château du Domaine St. Martin, Vence, France, (until 29 June 2018)

Member of the Supervisory Board:

- S.A. Damm, Barcelona

Chairman of the Advisory Board:

- Bankhaus Lampe KG, Düsseldorf, (until 31 July 2018)

Mr Manfred Menningen, Secretary of the Executive Board of IG Metall, Frankfurt

- Member of the Supervisory Board of Hella KGaA, Lippstadt
- Member of the Audit Committee of Hella KGaA, Lippstadt

Mr Alfred Thomas Bayard, businessman, Berne, Switzerland

President of the Administrative Board:

- SPN Invest AG, Visp, Switzerland
- Bayard Immobilien&Handels AG, Visp, Switzerland
- Rotten Verlags-AG, Brig, Switzerland
- Walliser Note AG, Visp, Switzerland

Member of the Administrative Board:

- Mode Bayard AG, Berne, Switzerland
- Bayard&Co. AG, Berne, Switzerland
- Soladis Krankenkasse, Visp, Switzerland
- Tennis&Sportcenter AG, Visp, Switzerland
- Menigs Druck und Verlag AG, Visp, Switzerland
- Menigs Medien AG, Visp, Switzerland
- Alpmedia AG, Visp, Switzerland
- Radio Rottu Oberwallis AG, Visp, Switzerland
- Valmedia AG, Visp, Switzerland
- S+Z Print AG, Visp, Switzerland
- IED Gruppe AG, Hägendorf, Switzerland

Ms Christie Groves, Portfolio Manager Whitebox Advisors LLP, London/United Kingdom

- No other mandates

Ms Ute Gerbaulet, personally liable partner of Bankhaus Lampe KG, Düsseldorf

- Member of the Supervisory Board of RWE AG, Essen
- Member of the Administrative Board of NRW Bank, Düsseldorf
- Member of the Audit Committee of NRW Bank, Düsseldorf
- Member of the Funding Committee of NRW Bank, Düsseldorf

Mr Alexander Hardieck, businessman, Halle/Westphalia

- No other mandates

Ms Dagmar Heuer, management consultant, Billerbeck

- No other mandates

Mr Milan Lazovic, Senior Analyst Whitebox Advisors LLP, London/United Kingdom

- No other mandates

Dr. Tobias Moser, attorney-at-law, Munich

- No other mandates

Mr Sanjay Shama, Director and Advisor Maltings Place SE I, London/United Kingdom

- No other mandates

Mr Ralf Weber, businessman, Steinhagen

- No other mandates

Ms Charlotte Weber-Dresselhaus, banker, Halle/Westphalia

- No other mandates

Mr Olaf Diekman, technical employee, Halle/Westphalia

- No other mandates

Ms Barbara Jentges, IG Metall, Executive Board FB business policy, Frankfurt am Main

- No other mandates

Mr Klaus Lippert, commercial employee, Halle/Westphalia

- No other mandates

Ms Rena Marx, commercial employee, Herzebrock-Clarholz

- No other mandates

Mr Andreas Strunk, technical employee, Bad Salzuflen

- No other mandates

Mr Hans-Jürgen Wentzlaff, second commissioner of IG Metall, Bielefeld

- No other mandates

Ms Christina Käßhöfer, management consultant, Tutzing

- No other mandates

Total compensation of the Managing Board

The table below shows the compensation paid to the individual members of the Managing Board by the parent company:

KEUR	2018 / 19 Basic salary	2018 / 19 Variable	2018/19 Total	2017 / 18 Basic salary	2017 / 18 Variable	2017/18 Total
Johannes Ehling[1]	301	125	426	362	175	537
Florian Frank[2]................	460	0	460	101	0	101
Dr. David Frink[3]............	0	0	0	258	0	258
Jörg Stüber[4]	0	0	0	461	0	461
Urun Gursu[5]	38	21	59	0	0	0
Ralf Weber[6]	0	0	0	712		712
	799	**146**	**945**	**1,182**	**175**	**1,357**

1 as of 1 April 2018
2 as of 2 October 2018, accounts are settled through a management company
3 until 16 November 2017
4 as of 1 January 2018 until 14 September 2018
5 as of 1 March 2019
6 until 31 October 2018

The variable components of the Managing Board compensation are basically performance-linked. There are no stock option plans or other remuneration models based on the share price.

Total compensation of the Supervisory Board

In accordance with the statutes, the Supervisory Board exclusively receives fixed compensation of KEUR 851 (previous year: KEUR 870) for its work for the parent company and the Group, which was provisioned for in the fiscal year. No variable compensation is granted.

The table below shows the compensation paid, constituting short-term benefits in accordance with IAS 24.17(a).

KEUR **Supervisory Board**	**2018 / 19** **Basic salary**	**2018/19** **Total**	**2017 / 18** **Basic salary**	**2017/18** **Total**
Dr. Ernst F. Schröder Chairman	75	75	180	180
Gerhard Weber[1] Vice Chairman	0	0	84	84
Udo Hardieck[2]	0	0	42	42
Alexander Hardieck[3]	25	25	9	9
Charlotte Weber-Dresselhaus	25	25	60	60
Alfred Thomas Bayard	25	25	60	60
Ute Gerbaulet	25	25	60	60
Olaf Dieckmann Staff representative	25	25	60	60
Klaus Lippert Staff representative	25	25	60	60
Annette von der Recke[4] Staff representative	0	0	15	15
Renate Marx[5] Staff representative	25	25	35	35
Andreas Strunk Staff representative	25	25	60	60
Hans-Jürgen Wentzlaff IG Metall	25	25	60	60
Manfred Menningen[6] Vice Chairman	38	38	66	66
Ralf Weber[7]	25	25	0	0
	363	**363**	**851**	**851**

1 Vice Chairman until 23 August 2018
2 until 11 July 2018
3 as of 3 September 2018
4 until 31 January 2018
5 as of 3 April 2018
6 Vice Chairman as of 23 August 2018
7 as of 1 November 2018

The staff representatives on the Supervisory Board remain entitled to a regular salary under their employment contracts.

Shares held by members of the Managing Board

As at the balance sheet date, members of the Managing Board directly and indirectly held 0 shares (previous year: 1,828,546 shares).

Shares held by members of the Supervisory Board

As at the balance sheet date, members of the Supervisory Board directly and indirectly held 726,153 shares (previous year: 21,904,749 shares).

Shareholdings

R + U Weber GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 21 March 2005 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 21 March 2005 and on that date amounted to 26.35%.

Hardieck Anlagen GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights).

Hardieck Anlagen-Verwaltungs-GmbH, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights). All of these voting rights are imputable to Hardieck Anlagen-Verwaltungs-GmbH pursuant to section 22 para. 1 sentence 1 No. 1 WpHG. Of the following controlled companies, 3% or more is imputable to Hardieck Anlagen-Verwaltungs-GmbH: Hardieck Anlagen GmbH & Co. KG.

Mr Ralf Weber, Germany, notified us pursuant to section 21 para. 1 WpHG on 16 June 2015 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 12 June 2015 and on that date amounted to 3.3204% (corresponding to 1,524,239 voting rights). 0.9411% of these voting rights (corresponding to 432,000 voting rights) are imputable to Mr Ralf Weber pursuant to section 22 para. 1 sentence 1, No. 1 WpHG.

BNY Mellon Service Kapitalanlage-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to section 21 para. 1 WpHG on 9 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 0.04% (corresponding to 20,000 voting rights).

Axxion S.A., Grevenmacher, Luxembourg, notified us pursuant to section 21 para. 1 WpHG on 6 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 8.62% (corresponding to 3,958,607 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 31 January 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 January 2017 and on that date amounted to 3.25% (corresponding to 1,493,203 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 21 March 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 March 2017 and on that date amounted to 2.98% (corresponding to 1,369,919 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 13 April 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 7 April 2017 and on that date amounted to 3.06% (corresponding to 1,405,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 19 April 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 10 April 2017 and on that date amounted to 2.99% (corresponding to 1,375,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 26 June 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 22 June 2017 and on that date amounted to 3.01% (corresponding to 1,382,283 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 June 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 28 June 2017 and on that date amounted to 2.99% (corresponding to 1,370,938 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 September 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 September 2017 and on that date amounted to 3.02% (corresponding to 1,386,285 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 12 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 5 October 2017 and on that date amounted to 2.98% (corresponding to 1,366,402 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 9 November 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 3 November 2017 and on that date amounted to 3.11% (corresponding to 1,428,674 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 22 November 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 November 2017 and on that date amounted to 2.97% (corresponding to 1,363,636 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 4 January 2018 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 29 December 2017 and on that date amounted to 3.24% (corresponding to 1,487,813 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 20 July 2018 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 29 December 2017 and on that date amounted to 2.94% (corresponding to 1,347,601 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, mainly together with Mr Alexander Hardiek in a community of heirs succeeding to Udo Hardiek, notified us pursuant to section 33 para. 1 WpHG on 12 December 2018 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 15% threshold of voting rights on 11 July 2018 and on that date amounted to 17.73% (corresponding to 8,141,205 voting rights).

Mr Alexander Hardiek, Halle/Westphalia, mainly together with Ms Nina Hardiek in a community of heirs succeeding to Udo Hardiek, notified us pursuant to section 33 para. 1 WpHG on 12 December 2018 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 15% threshold of voting rights on 11 July 2018 and on that date amounted to 17.89% (corresponding to 8,213,717 voting rights).

Mr Ralf Weber, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 15 February 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 11 February 2019 and on that date amounted to 2.99% (corresponding to 1,376,754 voting rights).

Axxion S.A. notified us pursuant to section 33 para. 1 WpHG on 19 March 2019 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 5% threshold of voting rights on 15 March 2019 and on that date amounted to 4.28% (corresponding to 1,964,746 voting rights).

Axxion S.A. notified us pursuant to section 33 para. 1 WpHG on 29 March 2019 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 27 March 2019 and on that date amounted to 2.05% (corresponding to 939,900 voting rights).

Whitebox General Partner LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights of WBOX 2018-3 Ltd., Cayman Islands, and of Robus SCSP SICAV-FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it both on the basis of the acquisition of voting shares and through the exercise of voting rights acting in concert through the conclusion of a shareholders agreement.

Whitebox Advisors LLC, Minneapolis, Minnesota, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights of WBOX 2018-3 Ltd., Cayman Islands, and of Robus SCSP SICAV-

FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it through the exercise of voting rights acting in concert.

Robus Capital Management Limited, London, United Kingdom, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights of Robus SCSP SICAV-FIAR, Luxembourg, and of WBOX 2018-3 Ltd., Cayman Islands, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it both on the basis of the acquisition of voting shares and through the exercise of voting rights acting in concert through the conclusion of a shareholders agreement as well as sub-proxy to exercise voting rights.

Mr Wolfgang Stolz, born on 26 March 1963, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights of Robus SCSP SICAV-FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, is imputable to him on the basis of sub-proxy to exercise voting rights.

Mr Gerhard Weber, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 25% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Mr Alexander Hardiek, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Transactions pursuant to section 15a of the German Securities Trading Act (WpHG)

Mr Ralf Weber, member of the Supervisory Board, sold 1,395,178 shares at prices ranging from EUR 0.28 per share to EUR 0.59 per share in the reporting year.

Mr Alexander Hardiek, member of the Supervisory Board, sold 129,085 shares at prices ranging from EUR 0.35 per share to EUR 0.52 per share in the reporting year.

Auditor's fees

The following auditor's fees were recognized as Group expenses:

KEUR	November 1, 2018 – March 31, 2019	November 1, 2017 – October 31, 2018
Audit services	325	480
Other confirmation services	0	15
Tax consulting services	103	163
Other services	20	47
	448	**705**

Audit services primarily comprise the fees for the audit of the consolidated financial statements as well as the statutory audits of Gerry Weber International AG and the consolidated subsidiaries. Other confirmation services provided to Gerry Weber International AG and the entities controlled by it essentially comprise landlord certificates. In addition, tax consulting services were provided, which primarily related to the preparation of tax returns as well as assistance in tax audits by the tax authorities. Other services essentially comprise fees for consultation services in company law matters.

German Corporate Governance Code / Statement required under section 161 of the German Stock Corporation Act (AktG)

The statement required under section 161 AktG was issued by the Managing Board and the Supervisory Board on 2 October 2018 and published on the website of GERRY WEBER International AG at www.gerryweber.com under Investors / Corporate Governance.

Insolvency proceedings and post balance sheet events

In the course of the fiscal year 2017/2018, the GERRY WEBER Group faced a growing number of internal and external crisis factors. These ultimately resulted in a comprehensive strategic, operational and financial restructuring exercise of the company, which was initiated in the fourth quarter of the fiscal year 2017/18 on the basis of a detailed restructuring report prepared by an independent accounting firm.

As of the reporting date 31 October 2018, GERRY WEBER International AG assessed the prospects of reaching an understanding with major creditors regarding an amended overall financing concept to be far more likely than not. The estimate and discretionary powers regarding the assets and liabilities recognized in the financial statements as of 31 October 2018 were exercised on this basis.

As a result of the failure of the talks between GERRY WEBER Group and its financing partners, which was not foreseeable on the balance sheet date, the parent company GERRY WEBER International AG on 25 January 2019 filed for the opening of insolvency proceedings in self-administration. An application for the opening of insolvency proceedings in self-administration was also filed for Gerry Weber Retail GmbH & Co. KG on 7 February 2019.

The Local Court of Bielefeld ordered the opening of insolvency proceedings in self-administration for GERRY WEBER International AG on 1 April 2019, as planned. The court appointed Stefan Meyer, of PLUTA Rechtsanwalts GmbH, as insolvency monitor for the proceedings. Business operations continued without restriction even after the self-administration proceedings had been opened. The insolvency proceedings in self-administration for Gerry Weber Retail GmbH & Co. KG were also opened as planned on 1 May 2019.

Upon the opening of the insolvency proceedings in self-administration, GERRY WEBER International AG applied to the Frankfurt Stock Exchange on 1 April 2019 for its shares to be moved from the Prime Standard to the General Standard. This application was approved and took effect on 24 July 2019. The switch from the Prime Standard to the General Standard for GERRY WEBER International AG was completed on 25 July 2019.

Following intense negotiations with the works council and the metal workers' union IG Metall, it was possible to sign broad-reaching agreements for implementing the ongoing restructuring process within the GERRY WEBER Group with the respective unions and employee representatives on 5 April 2019. Certain key elements for achieving a reconciliation of interests and defining social plans for staff of GERRY WEBER International AG, Gerry Weber Retail GmbH & Co. KG and Life-Style Fashion GmbH were defined and a collective agreement for securing the future of GERRY WEBER was concluded. The actions set out in the agreements were implemented without delay and are currently due to run until the planned completion of the repositioning process in late 2021. It was agreed that 1 April 2022 would be the earliest possible date for a reversion to the association-level collective agreement (Flächentarifvertrag).

On 8 July 2019, a fund managed by Robus Capital Management Ltd. assumed the majority interest in HALLHUBER held by GERRY WEBER International AG. Under the agreement, GERRY WEBER has since been holding a 12% stake in HALLHUBER. GERRY WEBER also received a cash payment of EUR 500,000 from Robus. Following the exercise of the purchase option by Robus Capital Management, HALLHUBER is no longer included in the consolidated financial statements as a fully consolidated subsidiary but merely as an equity interest.

On 15 July 2019, a binding investment agreement for financially restructuring the company under the insolvency plan was concluded. The investment agreement in the proceedings relating to GERRY WEBER International AG was concluded with the approval of the creditors' committee and the insolvency monitor, Stefan Meyer. Under the investment agreement, funds managed by financial investors Robus Capital Management Ltd. and Whitebox Advisors LLP will make a sum of up to EUR 49.2 million available for the long-term financial restructuring of GERRY WEBER International AG. It was also agreed that the creditors of GERRY WEBER International AG, who are to waive part of their claims, may generally decide whether to receive a cash settlement or to select any of a number of financial instruments for value recovery. A capital reduction with subsequent cash capital increase comprising the following steps was agreed as another key component of the insolvency plan for GERRY WEBER International AG to be presented to the creditors: reduction of share capital to almost zero, transfer of the remaining shares to Robus and Whitebox, subscription of new shares by Robus and Whitebox and creation of new conditional capital to be used to meet the conversion rights arising from convertible bonds made available to the creditors opting for such a convertible bond. In the context of these agreed steps it was also determined that the existing shareholders would withdraw from the company upon acceptance of the insolvency plan.

The restructuring plan for GERRY WEBER, which was already being implemented for months when the investment agreement was concluded in July 2019, was expressly confirmed and its implementation thus continued in the interests of the creditors. A creditors' meeting to decide on the insolvency plan was scheduled for Q3 2019.

A binding agreement was also agreed with the two aforementioned investors on 15 July 2019 in respect of the insolvency plan of Gerry Weber Retail GmbH & Co. KG.

At the creditors' meeting held on 18 September 2019, the insolvency plan was approved by large majority, with five of the six creditor groups of GERRY WEBER International AG voting in its favor. Only the shareholders group voted against the insolvency plan. One creditor also filed for minority protection pursuant to section 251 of the German Insolvency Code (InsO). The creditors of Gerry Weber Retail GmbH & Co. KG also approved an insolvency plan for the company on 18 September 2019.

The insolvency plan for GERRY WEBER International AG took legal effect on 25 October 2019. In a ruling passed on 25 October 2019, the Regional Court of Bielefeld, acting pursuant to section 253 (4) InsO, rejected a total of four appeals lodged by parties to the proceedings against the Local Court of Bielefeld's confirmation of the plan on 2 October 2019. The insolvency plan for Gerry Weber Retail GmbH & Co. KG then took legal effect on 22 November 2019.

Under the insolvency plan for GERRY WEBER International AG, the company's creditors are to receive a cash quota which is to be paid shortly after conclusion of the insolvency proceedings. They are also, in particular, to receive funds from future divestments by the company (Ravenna Park logistics centre, remaining stake in HALLHUBER). For reasons of insolvency law, it is impossible to offer quota satisfaction to the shareholders group before all claims of all creditors have been satisfied to 100%.

In addition to the cash quota, creditors with claims of at least EUR 2,500.00 will be given the option of acquiring fixed-rate (straight) bonds and major creditors with claims of at least EUR 333,333.33 will be given the option of acquiring convertible bonds in addition to the straight bonds.

Upon registration in the commercial register in late October 2019, the share capital of GERRY WEBER International AG was reduced from EUR 45,905,960 to EUR 8,733 (restructuring capital cut), before a capital increase to EUR 1,025,000 was performed. The new shares were subscribed in full by funds managed by Robus Capital Management Ltd. and Whitebox Advisors LLP. The old shares remaining in the wake of the capital cut were also transferred to these funds, which are now the sole owners of GERRY WEBER International AG. Robus and Whitebox provided funds of up to EUR 49.2 million which serve to finance the insolvency quotas set out in the two insolvency plans and to finance the business operations of the GERRY WEBER Group.

With these actions having been taken, the former shareholders withdrew from the company. Creditors of GERRY WEBER International AG who opted for convertible bonds are also to receive interests in the share capital following conditional capital increases at a later date.

The insolvency proceedings in self-administration relating to GERRY WEBER International AG were concluded in late December 2019. The insolvency proceedings in self-administration relating to Gerry Weber Retail GmbH & Co. KG is expected to be brought to a conclusion in late February 2020 at the latest. By resolution of the first general meeting since the insolvency plan took effect, which was held on 3 December 2019, new shareholder representatives were appointed to sit on the Supervisory Board of GERRY WEBER International AG. The employee representatives in the Supervisory Board were officially appointed by the Local Court of Gütersloh in December 2019.

The consolidated financial statements and the consolidated management report of GERRY WEBER International AG were approved by resolution of the Managing Board on 17 February 2020 for submission to the Supervisory Board.

The consolidated financial statements were published on 21 February 2020.

Exemption from disclosures pursuant to section 264 para. 3 of the German Commercial Code (HGB)

The following fully consolidated domestic subsidiaries took advantage of the options provided under section 264 para. 3 HGB with regard to the disclosure of their annual financial statements and the preparation of the management report:

- Gerry Weber Retail GmbH, Halle/Westphalia,
- Gerry Weber Logistics GmbH, Halle/Westphalia.

Publication of the consolidated financial statements

The consolidated financial statements in the legally required form will be examined and approved by the Supervisory Board of GERRY WEBER International AG at its meeting on 20 February 2020 and thus be approved for electronic publication in the Federal Gazette.

Halle/Westphalia, 20 February 2020

Managing Board

Alexander Gedat Florian Frank

INDEPENDENT AUDITOR'S REPORT (ENGLISH-LANGUAGE TRANSLATION)

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the combined group management report (zusammengefasster Konzernlagebericht) of Gerry Weber International AG as of and for the fiscal year ended March 31, 2019. The group management report is neither included nor incorporated by reference in this Prospectus.

To GERRY WEBER International Aktiengesellschaft, Halle/Westfalen

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of GERRY WEBER International Aktiengesellschaft, Halle/Westfalen, and its subsidiaries (the Group), which the consolidated statement of financial position as at March 31, 2019, and consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the short financial year from November 1, 2018 to March 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of GERRY WEBER International Aktiengesellschaft, which is combined with the Company's management report, for the short financial year from November 1, 2018 to March 31, 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Article 315e Abs. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at March 31, 2019, and of its financial performance for the short financial year from November 1, 2018 to March 31, 2019, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the short financial year from November 1, 2018 to March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Effect of the insolvency proceedings on accounting

❷ Recoverability of goodwill

❸ Measurement of inventories

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Effect of the insolvency proceedings on accounting

① In 2018, GERRY WEBER International AG prepared a restructuring plan and engaged a different audit firm to draw up a restructuring report in accordance with IDW S 6. That report arrived at a positive going concern forecast on condition that an agreement with major creditors would be reached on an amended overall financing plan, which was expected at the end of January 2019. However, the agreement unexpectedly fell through at the end of January 2019 and on January 25, 2019, GERRY WEBER International AG filed for the instigation of insolvency proceedings under self-administration. On February 7, 2019, a motion was also filed for the instigation of insolvency proceedings under self-administration for fully consolidated entity Gerry Weber Retail GmbH & Co. KG. The proceedings were opened on April 1, 2019 and May 1, 2019, respectively. Coordinated insolvency plans were subsequently drawn up for both companies to ensure their continued existence as a going concern. The insolvency plans entered into legal force on October 25, 2019 (GERRY WEBER International AG) and November 22, 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings in respect of GERRY WEBER International AG were suspended on December 31, 2019, and those in respect of Gerry Weber Retail GmbH & Co. KG are scheduled to be suspended on February 29, 2020. As of the October 31, 2018 reporting date, the Company's executive directors considered it highly likely that an agreement would be reached with major creditors on an amended overall financing plan, and as such assessed the unexpected rejection of the amended overall financing plan and the filing for insolvency proceedings as an unforeseeable event after the reporting period. In observance of the reporting date principle, under which the financial statements must reflect adjusting events that had already occurred or were identifiable based on the knowledge and estimates of the executive directors as of the end of the reporting period, the consolidated financial statements as of October 31, 2018 were drawn up on the assumption that the amended overall financing plan would be approved. Against this background, the executive directors took into consideration the accounting effects of the assumptions and measures in the restructuring plan underlying the IDW S 6 restructuring report on the recognition and measurement of the assets and liabilities reported in the consolidated financial statements as of October 31, 2018, and exercised their scope for estimates and judgment accordingly. This affected in particular the intangible assets, property plant and equipment, inventories and provisions recognized as of October 31, 2018.

The insolvency proceedings caused the planning to change and necessitated an updated restructuring plan and a new restructuring report, which was prepared in November 2019. This entailed further write-downs on non-current non-financial assets, increased write-downs on inventories, and expenses and further legal and consulting costs associated with the proceedings. On the other hand, the insolvency proceedings reduced the cost of closing unprofitable sales space, which led to the reversal of provisions for restructuring costs. Expenses also arose in connection with discontinuing the Hallhuber segment. These effects of the insolvency proceedings were taken into account in the consolidated financial statements as of March 31, 2019. In our view, this matter was of particular significance in the context of our audit given that preparing the consolidated financial statements in consideration of the effects of the insolvency proceedings is complex and is based to a large degree on estimates and assumptions made by the executive directors.

② As part of our audit, we used appropriate evidence to verify the timing of the insolvency proceedings relating to GERRY WEBER International AG and Gerry Weber Retail GmbH & Co. KG and their conclusion/planned conclusion. In addition, we involved our internal accounting specialists to assess the appropriateness of the executive directors' judgment that the rejection of the amended overall financing plan and filing for insolvency proceedings in

January 2019 was in each case an unforeseeable and thus non-adjusting event. In this connection, we also assessed the propriety of preparing the consolidated financial statements as of October 31, 2018 on the assumption that an amended overall financing plan would be approved, and of preparing the consolidated financial statements as of March 31, 2019 taking into account the planning modified due to the insolvency proceedings and the updated restructuring plan and restructuring report prepared in November 2019. In addition, among other things we interviewed the executive directors and inspected the underlying documents to assess the extent to which the events had occurred or were identifiable based on the knowledge and estimates of the Company's executive directors as of October 31, 2018, and thus whether they had to be taken into consideration in preparing the consolidated financial statements as of October 31, 2018 or the consolidated financial statements as of March 31, 2019. In addition, as part of our audit we examined the amended planning, the updated restructuring plan and the restructuring report prepared in November 2019. In this connection, we assessed the appropriateness of the assumptions made in the updated restructuring plan and verified whether the measures presented in the updated restructuring plan were properly derived on the basis of those assumptions. Among other things we interviewed employees from Corporate Controlling and the executive directors, obtained explanations of the assumptions made and measures derived form them, and assessed these on the basis of appropriate evidence. We also assessed the expertise and objectivity of the audit firm preparing the new restructuring report and the proper preparation of that restructuring report. In auditing the measurement of assets and liabilities, in particular of the fixed assets, inventories and provisions, we concluded by verifying whether the underlying carrying amounts and write-downs to be recognized were consistent with the assumptions and measures specified in the updated restructuring plan underlying the new IDW S 6 restructuring report. We were able to satisfy ourselves on the basis of these and other audit procedures that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated and that, as a whole, the effects of the insolvency proceedings were properly presented in the consolidated financial statements, taking into consideration the information available.

③ The Company's disclosures on applying the going concern basis of accounting and the carrying amounts recognized due to the restructuring plans are contained in sections A. "General information: Going concern basis of accounting", C. "Restructuring and other non-operating expenses", and I. "Other disclosures: Insolvency proceedings and events after the reporting period".

❷ Recoverability of goodwill

① In the consolidated financial statements of GERRY WEBER International AG, goodwill totaling EUR 44.4 million (6.9% of total assets) was reported under the "Intangible assets" balance sheet item as of the prior-year reporting date, October 31, 2018. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant group of cash-generating units, including the respective goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. As a result of the insolvency plan proceedings, an updated restructuring plan was prepared in the second half of 2019. The updated projections underlying this updated restructuring plan form the basis for the impairment test. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that, even after factoring in the fair value less costs of disposal, it was necessary to recognize write-offs totaling EUR 44.4 million with respect to the Hallhuber, Stores Norway and Stores Finland groups of cash-generating units. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adjusted projections underlying the updated restructuring plan, we assessed the appropriateness of the calculation, including by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also focused our testing on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations based on the restructuring plan and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on the goodwill included in the "Intangible assets" balance sheet item and the associated impairment test are contained in section D.1. "Notes to the balance sheet: Fixed assets" of the notes to the consolidated financial statements.

❸ Measurement of inventories

① Inventories totaling EUR 88 million (23.5% of total assets) are reported in the consolidated financial statements of GERRY WEBER International AG. These are textiles for womenswear that are subject to fashion-related and seasonal effects. In calculating the net realizable value of inventories, the Company applies discounts based on the collections in which the items are included. These are subject to collective write-down rates that reflect realization risks based on past experience. The realization risks are determined in the consolidated financial statements as of March 31, 2019 against the background of the restructuring plan updated in the second half of 2019 as a result of the insolvency proceedings. The measurement of inventories is based on estimates and assumptions made by the executive directors. Against this background and due to the amount of these material items, we consider these matters to be of particular significance in the context of our audit.

② As part of our audit, we began by verifying the Group's procedure for measuring inventories and assessed it for appropriateness. Among other things, we then used historical data to verify the write-down rates applied and assessed their consistent application over time. We also addressed the impact of the updated restructuring plan on the opportunities for realizing inventories, and for that purpose verified the appropriateness of the assumptions and estimates on the basis of interviews with the executive directors and other Group employees, and by inspecting the underlying documents and analytical assessments. Based on our audit procedures, we were able to satisfy ourselves overall that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure the proper measurement of inventories.

③ The Company's disclosures relating to the measurement methods applied with respect to the "Inventories" balance sheet item and the write-downs recognized are contained in sections B. "Accounting policies", C. "Restructuring and other non-operating expenses", and D.4 "Notes to the balance sheet: Inventories" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section „statement on corporate governance“ of the group management report
- the non-financial statement pursuant to § 289b (1) HGB and § 315b (1) HGB included in section „non-financial statement“ of the group management report

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditor by the Gütersloh Local Court on January 8, 2020. We were engaged by the supervisory board on January 20, 2020. We have been the group auditor of the GERRY WEBER International Aktiengesellschaft, Halle/Westfalen without interruption since the financial year 2012/2013.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Carsten Schürmann.

Bielefeld, February 20, 2020

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

sgd. Carsten Schürmann sgd. Burkhard Peters

Wirtschaftsprüfer Wirtschaftsprüfer

(German Public Auditor) (German Public Auditor)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE FISCAL YEAR ENDED OCTOBER 31, 2018 (IFRS)

CONSOLIDATED BALANCE SHEET AS OF OCTOBER 31, 2018

ASSETS

	Notes	October 31, 2018	October 31, 2017
		EUR	**EUR**
Non-current assets:			
Fixed Assets	(1)		
Intangible assets	(a)	148,620,308.52	229,890,012.75
Property, plant and equipment	(b)	205,171,959.32	272,923,792.05
Financial assets	(c)	415,361.02	2,082,198.47
Other non-current assets			
Other assets	(2)	96,497.08	150,738.00
Deferred tax assets	(3)	29,558,240.00	8,045,973.00
		383,862,365.94	**513,092,714.27**
Current assets:			
Inventories	(4)	147,164,877.31	163,389,427.50
Receivables and other assets			
Trade receivables	(5)	37,123,042.83	49,239,020.39
Other assets	(6)	16,394,497.68	21,033,247.76
Income tax receivables	(7)	3,407,031.43	6,574,924.65
Cash and cash equivalents	***(8)***	***35,064,934.61***	***36,577,519.61***
		239,154,383.86	**276,814,139.91**
Assets classified as held for sale	***(9)***	***18,473,334.69***	***0.00***
		257,627,718.55	***276,814,139.91***
		641,490,084.49	**789,906,854.18**

EQUITY AND LIABILITIES

	Notes	October 31, 2018	October 31, 2017
		EUR	EUR
Equity	***(10)***		
Subscribed capital	(a)	45,507,715.00	45,507,715.00
Capital reserve	(b)	102,386,942.97	102,386,942.97
Retained earnings	(c)	225,778,875.57	225,778,875.57
Accumulated other comprehensive income / loss according to IAS 39	(d)	445,121.82	−4,671,054.35
Exchange differences	(e)	−2,458,299.40	−2,506,222.45
Accumulated profit / loss	(f)	−126,025,114.78	46,252,325.31
		245,635,241.18	***412,748,582.05***
Non-current liabilities			
Provisions for personnel	(11)	250,426.19	291,024.99
Other provisions	(12)	6,133,000.00	8,598,360.00
Financial liabilities	(13)	169,250,000.00	218,250,000.00
Other liabilities	(14)	3,453,785.71	3,616,960.32
Deferred tax liabilities	(3)	25,895,450.00	30,880,801.00
		204,982,661.90	***261,637,146.31***
Current liabilities:			
Provisions for taxes	(15)	1,754,506.25	2,213,074.42
Provisions for personnel	(16)	13,781,519.27	12,216,626.01
Other provisions	(17)	61,983,034.95	10,055,824.18
Liabilities			
Financial liabilities	(18)	57,755,269.39	10,843,855.06
Trade payables	(19)	39,911,452.77	51,857,772,63
Other liabilities	(20)	15,686,398.78	28,333,973.52
		190,872,181.41	***115,521,125.82***
		641,490,084.49	**789,906,854.18**

CONSOLIDATED INCOME STATEMENT FOR THE FISCAL YEAR 2017/2018

	Notes	2017/18	2016/17
		EUR	EUR
Sales revenues	(21)	794,766,231.15	880,885,214.04
Other operating income	(22)	11,822,495.38	14,640,398.42
Changes in inventories	(23)	−14,600,306.44	−8,078,494.71
Cost of materials	(24)	−323,028,632.37	−356,743,114.00
Personnel expenses	(25)	−211,214,546.53	−192,026,377.86
Depreciation and amortization	(26)	−145,147,462.17	−47,850,938.85
Other operating expenses	(27)	−303,766,861.68	−279,333,138.70
Other taxes	(28)	−1,001,645.28	−1,191,365.60
Operating result		**−192,170,727.94**	**10,302,182.74**
Financial result	**(29)**		
Income from the fair value valuation of financial liabilities		19,671.26	17,654.19
Interest income		93,672.45	20,221.11
Depreciation on financial assets		0.00	−350,000.00
Incidental bank charges		−1,431,753.26	–1,752,620.70
Financial expenses		−4,894,930.05	−5,671,201.66
		−6,213,339.60	**−7,735,947.06**
Results from ordinary activities		**−198,384,067.54**	**2,566,235.68**
Income taxes	**(30)**		
Taxes of the fiscal year		−2,658,848.55	−4,777,400.17
Deferred taxes		28,765,476.00	1,429,655.16
		26,106,627.45	**−3,347,745.01**
Consolidated net profit / loss for the year		**−172,277,440.09**	**−781,509.33**
Earnings per share (basic)	(31)	−3.79	−0.02
Earnings per share (diluted)	(31)	−3.79	−0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR 2017/2018

	2017/2018 EUR	2016/2017 EUR
Consolidated net profit / loss for the year	−172,277,440.09	−781,509.33
Other comprehensive income		
Items that may be reclassified to profit and loss		
Currency translation: changes in the amount recognized in equity		
Currency translation: changes in the amount recognized in equity		
Changes in the balancing item for the currency translation of foreign subsidiaries	−111,795.95	−1,084,600.41
Cash flow hedges: changes in the amount recognized in equity		
Changes in the fair value of derivatives used for hedging purposes	7,308,816.17	−22,583,139.53
Income taxes		
On the components of other comprehensive income applicable income taxes	−2,032,921.00	7,141,669.00
	5,164,099.22	−16,526,070.94
Total result	**−167,113,340.87**	**−17,307,580.27**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the fiscal year 2017/18

(in €)	Notes	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to IAS 39	Exchange differences	Accumulated profit	Equity
Balance as at November 1, 2017		**45,507,715.00**	**102,386,942.97**	**225,778,875.57**	**−4,671,054.35**	**−2,506,222.45**	**46,252,325.31**	**412,748,582.05**
Comprehensive net loss							−172,277,440.09	−172,277,440.09
Other comprehensive income/ loss					5,116,176.17	47,923.05		5,164,099.22
Overall comprehensive result		**0.00**	**0.00**	**0.00**	**5,116,176.17**	**47,923.05**	**−172,277,440.09**	**−167,113,340.87**
Balance as at October 31, 2018	**(10)**	**45,507,715.00**	**102,386,942.97**	**225,778,875.57**	**445,121.82**	**−2,458,299.40**	**−126,025,114.78**	**245,635,241.18**

For the fiscal year 2016/17

(in €)	Notes	Capital Stock	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to IAS 39	Exchange differences	Accumulated profit	Equity
Balance as at November 1, 2016		**45,905,960.00**	**102,386,942.97**	**230,380,588.83**	**10,930,135.18**	**−1,581,341.04**	**58,477,449.64**	**446,499,735.58**
Consolidated net loss							−781,509.33	−781,509.33
Other comprehensive income/(loss)					−15,601,189.53	−924,881.41		−16,526,070.94
Overall comprehensive result		**0.00**	**0.00**	**0.00**	**−15,601,189.53**	**−924,881.41**	**−781,509.33**	**−17,307,580.27**
Repurchase of own shares		−398,245.00		−4,601,713.26				−-4,999,958.26
Dividend payments to the shareholders of the parent company							–11,443,615.00	–11,443,615.00
Balance as at October 31, 2017	**(9)**	**45,507,715.00**	**102,386,942.97**	**225,778,875.57**	**−4,671,054.35**	**−2,506,222.45**	**46,252,325.31**	**412,748,582.05**

CONSOLIDATED CASH FLOW STATEMENT FOR THE FISCAL YEAR 2017/2018

KEUR	2017/2018	2016/2017
Operating result	−192,170.7	10,302.2
Depreciation / amortization	145,147.5	47,850.9
Profit / loss from the disposal of fixed assets	2,282.2	481.8
Decrease in inventories	16,224.6	9,897.4
Decrease in trade receivables	12,116.0	14,046.3
Decrease in other assets that do not fall under investing or financing activities	5,355.4	877.5
Increase /decrease in provisions	50,986.1	−11,513.6
Decrease in trade payables	−11,946.3	−5,436.5
Decrease in other liabilities that do not fall under investing or financing activities	−3,000.8	−1,170.3
Income tax refunds / payments	50.5	−18.165.4
Cash inflows from operating activities	***25,044.5***	***47,170.3***
Income from borrowings	19.7	17.7
Interest received	93.7	20.2
Incidental bank charges	−1,431.8	−1,752.6
Interest paid	−4,784.9	−4,954.2
Cash inflows from current operating activities	***18,941.2***	***40,501.4***
Proceeds from the disposal of properties, plant, equipment and intangible assets	2,160.5	612.0
Cash outflows for investments in property, plant, equipment and intangible assets	−18,945.5	−38,193.8
Cash outflows for the acquisition of fully consolidated companies less cash and cash equivalents acquired	−3,247.0	−23,885.0
Cash inflows from the disposal of investment properties	0.0	49,101.0
Proceeds from the disposal of financial assets	1,671.5	91.6
Cash outflows for investments in financial assets	–4.7	–249.6
Cash outflows from investing activities	***−18,365.2***	***−12,523.8***
Dividend payment	0.0	−11,443.6
Cash outflows for the acquisition of own shares	0.0	−5,000.0
Cash outflows for the repayment of financial liabilities	−3,000.0	−30,695.6
Cash inflows / outflows from financing activities	***−3,000.0***	***−47,139.2***
Changes in cash and cash equivalents	−2,424.0	−19,161.6
Cash and cash equivalents at the beginning of the fiscal year	31,585.5	50,747.0
Cash and cash equivalents at the end of the fiscal year	29,161.5	31,585.5

Cash and cash equivalents consist of cash (KEUR 35,065; previous year: KEUR 36,577.5) less current liabilities to banks (KEUR 5,903; previous year: KEUR 4,992)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2017/2018

A. GENERAL INFORMATION

Company data

GERRY WEBER International AG, headquartered at Neulehenstraße 8, D-33790 Hal-le/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 Prime Standard segment of the stock exchange in Frankfurt. It is the ultimate parent company of the Group.

The main activities of the Group are described in the segment report.

The fiscal year began on 1 November 2017 and ended on 31 October 2018 (previous year: 1 November 2016 to 31 October 2017).

Accounting principles

Pursuant to EU Directive (EC) No. 1606/2002 in conjunction with section 315a para. 1 of the German Commercial Code (HGB), the consolidated financial statements of GERRY WEBER International AG, the parent company, for the year ended 31 October 2018 were prepared in accordance with the International Financial Reporting Standards (IFRS) as they are applicable in the European Union. The term "IFRS" also includes the applicable International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). All IFRS that were mandatory for the fiscal year 2017/2018 were applied to the extent that they had been endorsed by the European Union.

The consolidated financial statements are denominated in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR).

The income statement has been prepared using the total cost method.

Accounting based on the going concern principle

The insolvency proceedings opened on 1 April 2019 for the assets of GERRY WEBER International AG were terminated with effect from 31 December 2019. For more information, please refer to the section "Post balance sheet events" in the notes to the consolidated financial statements.

Accounting is based on the going concern principle.

New IASB regulations for first-time application in the fiscal year 2017/18

The following accounting standards and supplements to existing regulations became mandatory for the fiscal year from 1 November 2017 to 31 October 2018:

New regulations			**Impacts**
Improvement project 2014-2016	Improvement of IFRS (2014-2016) IFRS 1, IFRS 12, IAS 28	Collective standard for amendments or supplements to the corresponding regulations; part applicable in the fiscal year 2017/18	No material impact
Amendments to IAS 7	Cash Flow Statement	In conjunction with the Disclosure Initiative, additional disclosures are required in the notes to assess the changes in liabilities from financing activities	No material impact

New regulations			Impacts
Amendments to IAS 12	Deferred Tax	Recognition of deferred tax assets for unrealized gains	No material impact

New IASB regulations not applicable in the fiscal year 2017/18:

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact on the GERRY WEBER Group
Amendments to IFRS 3	Business combinations	Amendments to the definition of a business	Oct. 22, 2018	Jan. 1, 2020	Not yet	No impact
Amendments to IFRS 9	Financial Instruments	Classification of certain financial instruments with prepayment features	Oct. 12, 2017	Jan. 1, 2019	Mar. 22, 2018	No material impact.
IFRS 16	Leases	The lessee must recognize longer-term leases in the form of a right of use and a liability in the balance sheet	Jan. 13, 2016	Jan. 1, 2019	Oct. 31, 2017	Significant increase in fixed assets and liabilities by between EUR 225 million and EUR 250 million. Shift between operating result and financial result by between EUR 6.5 million and EUR 7.5 million p.a.**
IFRS 17	Insurance Contracts	Principles for the accounting of insurance contracts: replaces the former transitional standard IFRS 4	May 18, 2017	Jan. 1, 2021	Not yet	No impact
IFRS 9	Financial Instruments	Rules regarding the recognition of impairment losses, changes in the classification and measurement of financial assets	Jul. 7, 2014	Jan. 1, 2018	Nov. 22, 2016	No material impact
IFRS 15	Revenue from Contracts with Customers	Principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer	Sep. 11, 2015	Jan. 1, 2018	Sep. 22, 2016	In view of our current business activity, we do not expect any material impact

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact on the GERRY WEBER Group
Amendments to IFRS 15	Clarification regarding IFRS 15	The clarification relates to the identification of performance obligations, principal versus agent considerations, licensing and the transition guidance	Apr. 12, 2016	Jan. 1, 2018	Oct. 31, 2017	In view of our current business activity, we do not expect any material impact
Amendments to IAS 19	Employee Benefits	Plan amendments, curtailments or settlements	Feb. 7, 2018	Jan. 1, 2019	Mar. 14, 2019	No material impact
Amendments to IAS 28	Investments in Associates and Joint Ventures	Obligation to apply IFRS 9 to long-term interests in associates or joint ventures	Oct. 12, 2017	Jan. 1, 2019	Feb. 11, 2019	No impact
Amendments to IAS 40	Investment Property	Transfer of investment property	Dec. 8, 2016	Jan. 1, 2018	Mar. 14, 2018	No impact
Improvement project 2017	Improvement of IFRS (2015 – 2017) IFRS 3, IFRS 11, IAS 12, IAS 23	Collective standard for amendments or supplements to the corresponding regulations	Dec. 12, 2017	Jan. 1, 2019	Mar. 21, 2019	The impact that would result from application is still being reviewed
IFRIC 22	Foreign Currency Transactions and Advance Consideratio n	Accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	Dec. 8, 2018	Jan. 1, 2018	Mar. 28, 2018	No material impact
IFRIC 23	Uncertainty over Income Tax Treatments	Clarifies uncertainties over income tax treatments under IAS 12	Jun. 7, 2017	Jan. 1, 2019	Oct. 23, 2018	The impact that would result from application is still being reviewed
Improvement project 2014-2016	Improvement of IFRS (2014-2016) IFRS 1, IFRS 12, IAS 28	Collective standard for amendments or supplements to the corresponding regulations	Dec. 8, 2016	Jan. 1, 2017 / Jan. 1, 2018	Feb. 7, 2018	No material impact
Amendments to IFRS 2	Share-based Payments	Classification and measurement of share-based transactions	Jun. 20, 2016	Jan. 1, 2018	Feb. 26, 2018	No impact
Amendments to IFRS 4	Insurance Contracts	Application of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Sep. 12, 2016	Jan. 1, 2018	Nov. 3, 2017	No impact
Amendments to the IFRS framework	Amendments to various standards		Mar. 29, 2018	Jan. 1, 2020	Not yet	The impact that would result from application is still being reviewed

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact on the GERRY WEBER Group
Amendments to IAS 1 and IAS 28	Definition of "material"	Clarification of the definition of materiality	Oct. 31, 2018	Jan. 1, 2020	Not yet	The impact that would result from application is still being reviewed
Amendments to IFRS 9, IAS 39 and IFRS 7	Financial Instruments	Interest Rate Benchmark Reform, published in September 2019, transposition into EU law still pending, first-time adoption expected in the fiscal year 2020/2021	Sep. 26, 2019	Jan. 1, 2020	Not yet	The impact that would result from application is still being reviewed

* In November the EFRAG announced that the European Commission will not propose the IFRS interim standard for transposition into EU law due to the very limited user group.

** The bandwidths relate to the first reporting date or the first fiscal year in which the standard is to be applied (31 December 2019 / short fiscal year from 1 April to 31 December 2019)

The company plans to adopt the new or amended standards for the first time in the year in which they come into force.

Basis of consolidation

The consolidated financial statements comprise GERRY WEBER International AG as the parent company and the subsidiaries listed below:

- Life-Style Fashion GmbH, Halle/Westphalia,
- Gerry Weber Retail GmbH & Co KG, Halle/Westphalia,
- E-Gerry Weber Digital GmbH, Halle/Westphalia,
- Gerry Weber Iberica S.L. U., Palma de Mallorca, Spain,
- GERRY WEBER FAR EAST Ltd., Hong Kong, China,
- Gerry Weber France s.a.r.l., Paris, France,
- Gerry Weber Denmark ApS, Albertslund, Denmark,
- Gerry Weber Dis Ticaret Ltd. Sirkuti, Istanbul, Turkey,
- Gerry Weber Ireland Ltd., Dublin, Ireland,
- Gerry Weber GmbH, Vienna, Austria,
- GERRY WEBER Italia GmbH, Italy,
- GERRY WEBER UK Ltd., London, United Kingdom,
- Gerry Weber GmbH, Raeren, Belgium,
- GERRY WEBER ASIA Ltd., Hong Kong, China,
- Gerry Weber Shanghai Co. Ltd., Shanghai, China,

- GERRY WEBER Polska Sp. z o.o., Warsaw, Poland,
- Gerry Weber Logistics GmbH, Halle/Westphalia,
- GW Media GmbH, Halle/Westphalia,
- GERRY WEBER Incompany B.V., Amsterdam, Netherlands,
- GERRY WEBER Retail B.V., Amsterdam, Netherlands,
- GERRY WEBER Sweden AB, Malmö, Sweden,
- GERRY WEBER CZ s.r.o., Prague, Czech Republic,
- ARW Gerry Weber Belux BVBA, Brussels, Belgium,
- ARW Gerry Weber Retail NV, Brussels, Belgium,
- COAST RETAIL -Gerry Weber Coast NV, Nieuwpoort, Belgium,
- GERRY WEBER SK S.R.O., Bratislava, Slovakia,
- GERRY WEBER Finland OY, Helsinki, Finland,
- GERRY WEBER Wholesale Fashion GmbH, Glattpark, Switzerland,
- GERRY WEBER Canada Ltd., Moncton, Canada,
- Gerry Weber Outlet BVBA, Brussels, Belgium,
- Gerry Weber Norge AS, Trondheim, Norway,
- TB Fashion GERRY WEBER GmbH, Halle/Westphalia,
- Brentrup Sp. z o.o., Lodz, Poland,
- Hallhuber GmbH, Munich,
- Hallhuber Beteiligungs GmbH, Munich,
- OOO Gerry Weber RUS, Moscow, Russia,
- Gerry Weber Trading (Shanghai) Co. Ltd., Shanghai, China
- Gerry Weber S.R.L., Bucharest, Romania,
- Gerry Weber Retail Verwaltungs GmbH, Halle/Westphalia,

All companies are wholly owned. The option to acquire the remaining shares (49%) in TB Fashion GERRY WEBER GmbH, Halle/Westphalia, which had already been fully consolidated, was exercised in the fiscal year.

Changes in the basis of consolidation resulted from the sale of Gerry Weber Support S.R.L., Bucharest, Romania, as well as the establishment of Gerry Weber S.R.L., Bucharest, Romania.

The consolidated subsidiaries have the same balance sheet date as the parent company or have been included in the consolidated financial statements on the basis of interim financial statements.

Consolidation principles

Subsidiaries are all companies controlled by the Group. Pursuant to IFRS 10, the GERRY WEBER Group has control over an investee if it has power over the relevant activities, is exposed to variable returns and has the ability to affect those returns through its power over the investee. This is generally the case where the voting rights exceeds 50%. When assessing whether the Group has control, the existence and the effect of potential voting rights which are currently exercisable or convertible are taken into account.

Subsidiaries are consolidated (full consolidation) from the time at which control is transferred to the Group. They are deconsolidated at the time when control ends.

The effects of intra-group transactions are eliminated. Receivables and liabilities between the consolidated entities are netted, intercompany profits and losses are eliminated and intra-group income is offset against the corresponding expenses. Deferred taxes as required pursuant to IAS 12 are established for temporary differences on consolidation.

Business combinations

Subsidiaries are accounted for using the acquisition method. The cost of acquisition is equivalent to the fair value of the assets surrendered, the equity instruments issued and the liabilities incurred and/or assumed at the time of the transaction. It also includes the fair values of all assets or liabilities resulting from contingent consideration agreements. Assets, liabilities and contingent liabilities which are identifiable in the context of a business combination are initially recognized at their fair value at the time of acquisition.

Where mutual call and put options for the non-acquired shares are agreed for company acquisitions, it is examined, in each individual case, whether the owner-specific rewards and risks are economically attributable to the GERRY WEBER Group already at the time the option agreement is signed. In these cases, a purchase price liability needs to be recognized for the conditional liability (liabilities from minority options), which is recognized at cost. Non-controlling interests in the amount of the option are not recognized.

Acquisition-related costs are recognized as an expense at the time they are incurred.

Any contingent consideration is measured at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are measured in accordance with IAS 39 and any resulting gain or loss is recognized in profit or loss. A contingent consideration classified as equity will not be remeasured and its subsequent settlement will be recognized in equity.

Goodwill

Goodwill is recognized at the value that arises from the surplus of the acquisition costs, the amount of the non-controlling interests in the company acquired as well as the fair value of any previously held equity interests as of the acquisition date above the equity interest of the Group in the net assets measured at fair value. If the acquisition costs are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognized directly in the income statement.

Business combinations pursuant to IFRS 3

The GERRY WEBER Group made no such acquisition in the past fiscal year.

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 annual 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. Exchange differences are recognized in profit or loss.

Given that the consolidated foreign companies mainly operate in their currency area, their financial statements are prepared in the local currency according to the concept of the functional currency and translated into euros as at the balance sheet date. Assets and liabilities with the exception of equity are translated at the closing rate. Effects from the currency translation of the equity are recognized in equity without affecting income. The items of the income statement are translated at average annual exchange rates. Exchange differences resulting from different translation rates in the balance sheet and the income statement are recognized in equity without affecting income.

The exchange rates on which the currency translation is based and which have an influence on the consolidated financial statements have developed as follows:

Currencies		**Closing Rate**		**Average annual exchange rate**	
1 EUR in		**October 31, 2018**	**October 31, 2017**	**2017/18**	**2016/17**
Denmark	DKK	7.46	7.44	7.45	7.44
Great Britain	GBP	0.89	0.88	0.88	0.87
Hong Kong	HKD	8.88	9.08	9.31	8.65
Canada	CAD	1.49	1.50	1.53	1.45
Romania	RON	4.66	4.60	4.65	4.55
Russia	RUB	74.41	67.87	72.92	65.58
Turkey	TRY	6.22	4.42	5.45	3.96
USA	USD	1.13	1.16	1.19	1.11
China	CNY	7.89	7.72	7.79	7.55
Switzerland	CHF	1.14	1.16	1.16	1.10
Poland	PLN	4.34	4.24	4.25	4.29
Sweden	SEK	10.40	9.74	10.19	9.62
Czech Republic	CZK	25.92	25.67	25.59	26.57
Norway	NOK	9.55	9.52	9.60	9.22

B. ACCOUNTING AND VALUATION PRINCIPLES

With the exception of certain items such as derivative financial instruments, the GERRY WEBER Group prepares its balance sheet using the cost method. The accounting and valuation methods used for the individual items are explained in greater detail below.

Goodwill

Goodwill arising on consolidation and representing the amount by which the cost of an acquisition exceeds the Group's share in the fair value of the subsidiary's net assets is recognized in accordance with IFRS 3 and tested for impairment annually as at the balance sheet date and whenever there are indications of impairment. Impairment losses are immediately recognized as an expense and not reversed in subsequent periods.

Other intangible assets

Purchased intangible assets are recognized at cost for each category, taking ancillary costs and cost reductions into account, and amortized using the straight-line method.

Development expenditure is recognized as an expense as the capitalization requirements of IAS 38 do not apply due to a lack of separability. This expenditure mainly comprises the cost of the development of the collections and is mostly of a short-term nature.

The amortization calculated pro rata temporis in the year of acquisition, is mainly based on the following ordinary useful lives:

	Useful Life
Software...	3-5 years
Supply rights..	3-5 years
Advantageous lease agreements	5-15 years
Customer bases...	5-10 years
Brand rights	5-30 years

Property, plant and equipment

Property, plant and equipment is recognized at cost for each category, less scheduled straight-line depreciation.

The acquisition cost comprises the purchase price, ancillary costs and cost reductions. The cost of internally generated assets includes direct costs as well as directly attributable portions of the overheads. Borrowing costs are taken into account for qualifying assets. Leasehold improvements, dismantling costs were also capitalized at their present value. An average interest rate of 2.5% (previous year: 2.5%) p.a. was applied.

No investment-related government grants were received.

Determined pro rata temporis in the year of acquisition, the depreciation amounts are mainly based on the following useful lives:

	Useful life
Building components and leasehold improvements	10-50 years
Plant and machinery	3-15 years
Other plant, furniture and fixtures	1-15 years

Property, plant and equipment are written down for impairment in accordance with IAS 36 where required.

The ordinary useful lives are based on estimated values. Leasehold improvements in rented retail properties were up to now written off at an annual rate of 3% using the straight-line method, as it was assumed that they would regularly be used for more than 30 years. In view of changing shopping habits and declining footfall in shopping streets, it is assumed that the decision to operate a store will be made anew each time the minimum rental period expires. The remaining useful lives were therefore adjusted to the contractually agreed remaining rental periods with effect from 1 November 2017. As a result, depreciation increased by KEUR 10,248 compared to the continuation of the previous useful lives. Depreciation over the entire remaining useful life as at the balance sheet date is reduced by this amount; while depreciation will initially increase in the next four periods, it will be significantly lower in the following periods.

Gains or losses from the derecognition of an item of property, plant and equipment are determined as the difference between the proceeds from the sale and the carrying amounts of the item of property, plant and equipment and recognized under other operating income or other operating expenses in the income statement.

Impairment of non-financial assets

Non-financial assets (property, plant and equipment, intangible assets including goodwill) are tested for impairment ("triggering events") on every balance sheet date. If such triggering events are identified, an estimate of the recoverable amount of the respective asset is made. Regardless of whether a triggering event is identified, intangible assets with infinite useful lives and goodwill acquired in a business combination are tested for impairment on an annual basis. The recoverable amount is the higher of the fair value of an asset less costs of disposal and its value in use. The value in use is equivalent to the present value of the expected cash flows. To discount the expected cash flows, a weighted average cost of capital is used, which reflects the risks of the asset. If no recoverable amount can be determined for an asset, the recoverable amount for the smallest identifiable group of assets (cash-generating unit or CGU) is determined which can be assigned to the respective asset. If the carrying amount of an asset or a CGU or group of CGUs exceeds the recoverable amount, the asset is immediately written down through profit / loss. If there is an impairment loss in a CGU or group of CGUs, any existing goodwill is first written off. The remaining impairment loss proportionally reduces the remaining non-current assets of the CGU or group of CGUs.

Impairment losses were recognized in each case to the recoverable amount, which was determined as the value in use.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until substantially all activities necessary to prepare the asset for its intended use are complete. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

When determining the amount of the borrowing costs eligible for capitalization in a period, all investment income from the temporary investment of the borrowings is deducted from the borrowing costs.

Other borrowing costs are expensed in the period in which they are incurred.

Financial Instruments

IAS 39 defines a financial instrument as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets comprise cash and cash equivalents, trade receivables as well as loans and receivables originated by the enterprise and derivative financial assets.

Financial liabilities include trade payables, liabilities to banks, derivative financial liabilities and other financial liabilities.

To the extent relevant for the GERRY WEBER Group, financial assets and financial liabilities are divided into the following categories:

- financial assets or financial liabilities recognized at fair value through profit or loss,
- available-for-sale financial assets,
- loans and receivables,
- held-to-maturity financial assets,
- financial liabilities recognized at amortized cost.

Financial assets and liabilities are assigned to the above categories upon initial recognition.

The category "recognized at fair value through profit or loss" comprises the earn-out payments expected as of 31 October 2017 (prior year reporting date) from the purchase of a retail company in Germany.

Where permissible and required, reclassifications are made as of the end of the fiscal year. No reclassifications were made in the fiscal year 2017/18 and the previous year.

If no active market exists and the fair value cannot be reliably measured, equity instruments are measured at amortized cost.

Financial assets

All regular purchases and sales of financial assets are recognized in the balance sheet as of the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets are measured at fair value upon initial recognition. Transaction costs directly attributable to the acquisition are recognized for all financial assets not classified as "financial assets or financial liabilities recognized at fair value through profit or loss".

The fair values recognized in the balance sheet are usually identical with the market prices of the financial assets. If these are not available, they are calculated using accepted measurement models and current market parameters. The measurement methods include the use of the latest transactions between knowledgeable, willing parties in an arm's length transaction, the comparison with the fair value of another, essentially identical financial instrument, the analysis of discounted cash flows and the use of other measurement models.

Cash and cash equivalents recognized in the balance sheet comprise cash, bank balances as well as current deposits and are measured at amortized cost.

After initial recognition, trade receivables as well as other loans and receivables are measured at amortized cost if they are of a long-term nature, possibly using the effective interest rate method, less impairment. Gains and losses are recognized in net profit/loss for the period upon derecognition, impairment or settlement of the receivables.

The category "recognized at fair value through profit or loss" comprises derivative financial instruments which do not qualify for hedge accounting pursuant to IAS 39 although they represent a hedge from an economic point of view.

Gains or losses on financial assets recognized at fair value through profit or loss are always recognized in profit or loss.

Financial assets not assigned to the category "recognized at fair value through profit or loss" are tested for impairment at each balance sheet date.

The carrying amounts of financial assets not recognized at fair value through profit or loss are tested for objective evidence of impairment at each balance sheet date. There is objective evidence of impairment in the following cases: evidence of financial difficulty of a customer or customer group, default or delinquency in interest or principal payments, the probability of bankruptcy as well as facts indicating a measurable reduction in estimated future cash flows such as unfavorable changes in the payment situation of the borrower or the economic situation which are consistent with the default. The impairment loss for financial assets recognized at amortized cost is equivalent to the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate of the financial asset. If, in a subsequent period, an increase in the fair value is determined, the impairment is reversed up to an amount no higher than amortized cost.

A financial asset is derecognized when the contractual rights to cash flows from that financial asset expire or are transferred. In the context of such a transfer, substantially all rewards and risks associated with ownership of the financial asset or control of the financial asset must be transferred.

No financial assets are posted as collateral for liabilities or contingent liabilities.

Financial liabilities

Financial liabilities are measured at fair value upon initial recognition.

Derivatives not forming part of an effective hedging relationship are assigned to the category "financial liabilities recognized at fair value through profit or loss" if they have a negative fair value. Conditional purchase price obligations from company acquisitions also fall in this category. Gains and losses from subsequent measurement are recognized through profit or loss.

After initial recognition, trade payables and interest-bearing loans are measured at amortized cost using the effective interest rate method. Gains and losses arising in this process are recognized in profit or loss upon derecognition or repayment of the liabilities. A financial liability is derecognized when the underlying obligation is settled, is cancelled or expires.

As in the previous year, no liabilities from finance leases existed as of the balance sheet date.

Derivative financial instruments

The GERRY WEBER Group uses derivative financial instruments exclusively in the form of cash flow hedges to hedge exchange rate risks from its operating activities.

The cash flow hedges serve to hedge the foreign currency risk in the procurement or sale of goods. The Group uses currency forwards and currency options. These are contractual arrangements for the purchase or sale of two defined currencies at a given time at a fixed price.

When using hedges, suitable derivatives are assigned to certain hedged items. The requirements of IAS 39 regarding the qualification for hedge accounting are met with the following exception: As of the balance sheet date, there were a few currency forwards/options which did not meet the requirements for hedge accounting in accordance with IAS 39. Changes in the fair value of these derivative financial instruments are recognized in profit or loss.

According to IAS 39, all derivative financial instruments must be recognized at their fair value regardless of the purpose or intention for which they are used.

If the financial instruments used are effective hedges in the context of a hedging relationship as defined in IAS 39 (cash flow hedges), fluctuations in the fair value have no effect on profit or loss during the term of the derivative. Fluctuations in the fair value are recognized in the respective equity item. The value accumulated in equity is recognized in profit or loss for the period upon maturity of the hedged cash flow. Where an ineffective portion of the value changes of the hedges exists, these are recognized in profit or loss.

Transactions not qualifying for hedge accounting should be classified as a financial asset or a financial liability recognized at fair value through profit or loss and classified as such upon initial recognition. Positive fair value is included in other assets, while negative fair value is included in other liabilities. Income generated and expenses incurred are included in other operating income and other operating expenses, respectively.

The fair value is generally equivalent to the current or market value. If no active market exists, the fair value is mostly determined by banks using accepted calculation methods.

Determination of fair values

A number of accounting methods and disclosures of the GERRY WEBER Group require the determination of the fair values of financial and non-financial assets and liabilities.

To the extent possible, the GERRY WEBER Group uses available market data to determine the fair value of an asset or a liability. Based on the input factors used for the measurement methods, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1 fair value measurements result from quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

- Level 2 fair value measurements are based on parameters that correspond to unquoted prices for assets and liabilities as in Level 1 (data), either directly derived (i.e. as prices) or indirectly derived.

- Level 3 fair value measurements result from models which use parameters that are not based on observable market data to measure assets or liabilities (non-observable parameters, assumptions).

The Group has a hedging policy of only using effective derivatives to hedge currency risks. With the exception of the above-mentioned derivatives not qualifying for hedge accounting, the material and formal hedge accounting requirements of IAS 39 were fulfilled both on the day the hedges were signed and on the balance sheet date.

Current tax

Actual tax is the expected tax liability or tax asset on the taxable income or tax loss for the fiscal year based on tax rates that apply for the taxation period as well as all adjustments of tax liabilities of previous years. Discernible tax risks for pending tax audits were taken into account.

Deferred Tax

Deferred tax is recognized for all temporary differences between the tax base of the assets and liabilities and their carrying amounts in the IFRS statements ("liability method"). Deferred tax is measured at the respective tax rates (and tax regulations) valid or about to be adopted in law as of the balance sheet date and which are expected to be valid at the time of the recognition of the tax claim or the settlement of the deferred tax liability.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In accordance with IAS 1.70, deferred tax assets and deferred tax liabilities are recognized as non-current and are not discounted.

Inventories

In accordance with IAS 2, inventories are measured at average purchase and conversion costs. Conversion costs include direct costs as well as adequate indirect materials and labor costs. No borrowing costs are capitalized.

Where required, inventories were written down to lower net realizable values. When the circumstances which previously caused inventories to be written down no longer exist, the amount of the write-down is reversed.

The costs of conversion of finished goods are assessed based on the realizable selling price.

Intercompany profits resulting from sales within the Group are eliminated.

Non-current assets held for sale

This item includes non-current assets for which a sales contract had already been signed as at the balance sheet date. In accordance with IFRS, these assets are recognized at the lower of the carrying amount and the fair value less costs of disposal.

Other provisions

Provisions are recognized in accordance with the relevant regulations (especially IAS 19 and IAS 37). They are established when legal or constructive obligations exist as a result of a past event and a reliable estimate can be made of the amount of the outflow of resources required to settle the obligation. In the case of individual risks, the provision is valued as the most probable settlement amount taking into account all discernible risks. When calculating the restructuring provisions related to the FIT4GROWTH programme, contractually agreed compensation payments as well as severance payments, which were calculated on the basis of the notices of termination already given, were primarily taken into account. As a result, the calculation of the provisions was not subject to major high uncertainties with wide ranges of values.

Non-current provisions are discounted and recognized at their present value on the basis of a pre-tax rate. As of 31 October 2018, non-current provisions were discounted at an average rate of 2.5% (previous year: 2.5%). Increases in provisions resulting purely from interest compounding are recognized as interest expenses through profit or loss in the income statement.

Other liabilities / liabilities from minority options

The liability from minority options reported as of 31 October 2017 (prior year reporting date) resulted from the purchase of a retail company in Germany and was recognized at fair value. The strike price of the option was dependent on the future EBIT of the target company. The amount was recognized on the basis of an EBIT plan. Adjustments were made via the income statement. The remaining liability was repaid in full in the reporting year. No liabilities from minority options were reported as of the balance sheet date.

Rental and lease agreements

Where rental and lease agreements are concerned, the company examines, in accordance with IAS 17, whether the risks and rewards and, hence, the economic ownership lie with the lessor or the lessee. Under a finance lease, the lessee is the economic owner; under an operating lease, the lessor is the economic owner. The GERRY WEBER Group has leased sales spaces on a large scale under operating leases; some of these sales spaces are sublet. On a small scale, the company lets its own sales spaces to third parties. Income and expenses relating to operating leases are recognized in the income statement for the duration of the lease.

Realization of income and expenses

Sales revenues are measured at the fair value of the consideration received or to be received. Sales revenues comprise the consideration from the sale of goods and are recognized net of turnover tax, returns, rebates and price discounts. The Group recognizes sales revenues when the amount of the revenues can be reliably measured, when it is probable that economic benefit will flow to the company and when the specific criteria for each type of activity described below are met. The Group makes estimates based on historical figures – taking customer-specific, transaction-specific and contract-specific features into account.

(a) Sale of goods – Wholesale

The Group produces and sells a range of ladieswear to wholesalers. As a general rule, revenues from the sale of goods are recognized when a Group entity has delivered products to a wholesaler, when the sales channel and the sales price of the product are at the discretion of the wholesaler and when there are no unmet obligations which could affect the wholesaler's acceptance of the goods. Delivery will be deemed to have occurred only after all goods have been sent to the stipulated place, the risk of obsolescence and loss has passed to the wholesaler and either the wholesaler has accepted the goods in accordance with the provisions of the purchase contract or the Group has objective indications that all conditions of acceptance have been met. In addition, partnership schemes have been agreed with some customers. Partnership schemes help to improve the presentation of the GERRY WEBER collections at the point of sale and to generate higher income for both parties through a better pricing policy. In this context, possibilities to return merchandise within a limited time-frame and value range were granted. Provisions for anticipated returns have been established for this purpose with an impact on sales revenues. This calculation is based on expected return rates. Moreover, consignment contracts have been signed with selected partners, under which the merchandise remains the property of GERRY WEBER until it is sold to the final consumer. Sales revenues are therefore recognized only after the merchandise has been sold to the final customer.

(b) Sale of goods – Retail

The Group operates a chain of retail stores selling ladieswear. Revenues from the sale of goods are recognized when a Group entity has sold products to an end consumer. Retail sales are usually settled in cash or by credit card.

Historical information is used as the basis to estimate the rate of returns and the creation of an appropriate provision at the time of sale.

(c) Internet revenues

Revenues from the web-based sale of goods are recognized at the time when the risks and benefits from the goods pass to the customer, i.e. upon delivery. Provisions for internet credit items are calculated on the basis of the expected returns; this calculation is based on historical return rates.

Capital reserve and retained earnings

When repurchasing own shares, the nominal value of the shares is deducted from subscribed capital and the portion of the purchase price that exceeds the nominal value is deducted from free retained earnings.

Assumptions, estimates and discretionary decisions

Accounting based on the going concern principle

The consolidated financial statements of the GERRY WEBER Group were prepared on a going concern basis. For more information, please refer to the section "Post balance sheet events" in the notes to the consolidated financial statements.

Impairment of non-financial assets

When testing intangible assets, especially goodwill and property, plant and equipment of the company-managed retail stores, certain basic assumptions were made with regard to the recoverable amount. Within this framework, the expected cash flows for the impairment tests are derived from planned budgets for the cash-generating units or groups of cash-generating units and discounted. Management assumes that the assumptions and estimates on which the discounted cash flows are based are adequate. Changes in the economic conditions and the sec-tor-specific growth assumptions may, however, have an impact on the impairment tests that may lead to impairment in future. The basic assumptions made to determine the recoverable amount for the different cash-generating units are explained in greater detail in paragraph C. Intangible assets / goodwill.

Accounting for acquisitions

Acquisitions typically result in the recognition of goodwill reflecting the difference between the consideration and the amount of the non-controlling interests in the acquired company and its assets and liabilities. Upon initial recognition, all identifiable assets and liabilities are recognized at fair value. These fair values constitute a key estimate. If intangible assets are identified, the fair value is determined using adequate measurement techniques, depending on the type of the intangible asset. These measurements are based on different input factors and partly on management's assumptions regarding the future performance of the assets and the discount rates used.

Acquisitions have resulted in liabilities from minority options, which are recognized at fair value. The strike price of the minority options depends on the expected EBIT of the individual companies. In the event of deviations from the expected EBIT, liabilities from minority options should be adjusted through profit or loss in the income statement.

Provisions

GERRY WEBER operates in numerous countries, where the company is exposed to the most diverse conditions. Due to the complexity of the international rules and regulations, it is possible that deviations between the actual events and the assumptions made and/or changes in such assumptions require future adjustments of the provisions recognized in the balance sheet. Provisions are established for the potential effects of individual facts based on reasonable estimates. Potential differences between the original estimate and the actual outcome may have an impact on the net assets, financial and earnings position of the GERRY WEBER Group in the respective period.

Inventories

To account for inventory risks, inventories are written down to the expected lower selling price. The costs of conversion of finished goods are calculated retrospectively, based on the realizable selling price.

Write-downs of receivables

The recoverability of trade receivables is assessed on the basis of the estimated probability of default. Overdue receivables are written down using individually determined percentage rates. If the financial situation of a customer deteriorates, the amount of the actually required derecognition may exceed the write-downs, which may have an adverse impact on the earnings position.

Derivative financial instruments

The assumptions made to measure derivative financial instruments are based on market conditions prevailing at the balance sheet date and thus reflect the fair value. For more details, please refer to E. Additional disclosures and explanations regarding financial instruments.

C. RESTRUCTURING AND OTHER NON-OPERATING EXPENSES

In the course of the fiscal year 2017/18, the GERRY WEBER Group faced a growing number of internal and external crisis factors. These ultimately resulted in a comprehensive strategic, operational and financial restructuring exercise, which was initiated in the fourth quarter of the fiscal year on the basis of a detailed restructuring report ("Sanierungsgutachten") prepared by an independent accounting firm.

Caused by the surprising failure of the talks between GERRY WEBER Group and its financing partners, Gerry Weber International AG applied for the opening of insolvency proceedings with debtor-in-possession status on 25 January 2019, which were opened on 1 April 2019. Insolvency proceedings for Gerry Weber Retail GmbH & Co KG were filed on 7 February 2019. The proceedings were opened on 1 May 2019.

A coordinated insolvency plan was drawn up for both companies, which became legally effective on 25 October 2019 for GERRY WEBER International AG and on 22 November 2019 for Gerry Weber Retail GmbH & Co. KG, respectively. In the context of the implementation of the insolvency plans, the proceedings were concluded on 31 December 2019 for GERRY WEBER International AG and 29 February 2020 for Gerry Weber Retail GmbH & Co. KG. The companies will continue as going concerns on this basis.

The restructuring exercise initiated by the company as of 31 October 2018 resulted in impairment of non-current non-financial assets, provisions for restructuring and other expenses, increased inventory write-downs as well as legal and consulting costs. In addition, the useful lives of leasehold improvements in rented retail properties were reassessed.

Other material non-operating expenses relate to litigation risks as well as a subsequent purchase price payment agreed in the fiscal year for a fully consolidated retail company.

In total, the following non-operating expenses had a negative impact on the result of the GERRY WEBER Group:

KEUR	**Cost of materials**	**Personnel expenses**	**Depreciation /amortization**	**Other operating expenses**	**Total**
Impairments losses (IAS 36)					
Goodwill			42,471		42,471
Other intangible assets			26,594		26,594
Property, plant and equipment (store closures)			20,206		20,206
Closure costs				21,780	21,780
Severance payments		26,040			26,040
Impairment of inventories	12,923				12,923
Legal and consulting costs				5,468	5,468
Changes in the useful lives of leasehold improvements		978		9,033	10,011
	12,923	**27,018**	**89,271**	**36,281**	**165,493**

D. NOTES TO THE BALANCE SHEET

Fixed assets

No security interests in fixed asset items have been provided for liabilities of the Group.

(a) Intangible assets / goodwill

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
Nov. 1, 2017	***226,662***	***87,165***	***25,987***	***339,813***
Exchange differences	204	–39	0	165
Additions	7,170	0	5,232	12,403
Reclassification	5,725	0	–7,150	–1,425
Disposals	–4,516	0	–21,497	–26,013
Oct. 31, 2018	***235,245***	***87,125***	***2,572***	***324,943***
Depreciation/amortization				
Nov. 1, 2017	***109,659***	***264***	***0***	***109,923***
Exchange differences	–43	0	0	–43
Additions	27,716	42,472	21,497	91,685
reclassifications	0	0	0	0
Disposals	–3,745	0	–21,497	–25,242
Oct. 31, 2018	***133,586***	***42,736***	***0***	***176,322***
Carrying amount Oct. 31, 2017	**117,003**	**86,900**	**25,987**	**229,890**
Carrying amount Oct. 31, 2018	**101,659**	**44,389**	**2,572**	**148,620**

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
Nov. 1, 2016	***213,327***	***87,675***	***15,312***	***316,315***
Exchange differences	–400	–511	0	–910
Additions	11,257	0	13,856	25,114
Reclassification	3,850	0	–3,182	668
Disposals	–1,373	0	0	–1,373
Oct. 31, 2017	***226,662***	***87,165***	***25,987***	***339,813***
Depreciation/amortization				
Nov. 1, 2016	***89,826***	***264***	***0***	***90,091***
Exchange differences	–270	0	0	–270
Additions	21,127	0	0	21,127
Reclassifications	0	0	0	0

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Disposals	–1,025	0	0	–1,025
Oct. 31, 2017	***109,659***	***264***	***0***	***109,923***
Carrying amount Oct. 31, 2016	**123,501**	**87,411**	**15,312**	**226,224**
Carrying amount Oct. 31, 2017	**117,003**	**86,900**	**25,987**	**229,890**

Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets

Exclusive rights of supply

Intangible assets include exclusive rights of supply to Houses of GERRY WEBER operated by third parties in an amount of KEUR 11,148 (previous year: KEUR 12,373). Depreciation of these rights of supply amount to KEUR 4,444 in the fiscal year 2017/2018 (previous year: KEUR 4,028), disposals at residual carrying amounts totalled KEUR 771. Additions in the fiscal year amounted to KEUR 3,990.

Lease agreements

The item also comprises purchased advantageous lease agreements for stores in an amount of KEUR 6,756 (previous year: KEUR 13,986). The amortization of these assets amounted to KEUR 7,230 in the fiscal year 2017/2018 (previous year: KEUR 4,583). The amortization for the fiscal year also includes impairment losses of KEUR 2,742 caused by the restructuring.

The rents stipulated in the lease agreements taken over in the context of the business combinations of the past fiscal years are clearly below the market level. These advantages were capitalized at the present value. The present value was determined based on the remaining duration of the lease agreements using a duration-specific discount rate. The advantageous lease agreements recognized as depreciable intangible assets are written off over the remaining term of the leases using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/amortization".

Customer relationships

As of 31 October 2018, customer relationships were recognized as intangible assets in the amount of KEUR 12,936 (previous year: KEUR 19,497). The amortization of these assets amounted to KEUR 6,808 in the fiscal year 2017/2018 (previous year: KEUR 4,827). This amount includes impairment losses of KEUR 1,981 caused by the restructuring, which essentially relate to Norway and Finland.

Customer relationships were identified in the context of the business combinations of the past fiscal years. They were capitalized at the present value. The present value was determined based on an assumed useful life of five to eight years using a duration-specific discount rate. The customer relationships recognized as depreciable intangible assets are written off using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/amortization".

"CHANTAL" and "Maehle" brand names

In the context of the takeover of T. Angen Kapesenteret AS, the "CHANTAL" brand name in the amount of KEUR 711 was acquired. In the context of the takeover of Joh. Maehle & Co AS, the "Maehle" brand name in the amount of KEUR 213 was acquired. As these brand names are no longer intended to be used, the residual carrying amounts totalling KEUR 374 were fully written off in the fiscal year in the context of the restructuring.

"Hallhuber" brand name

In the context of the takeover of Hallhuber, the "Hallhuber" brand name was acquired and shown under intangible assets valued at KEUR 54,000. The brand, which is recognized as an amortizable intangible asset, is written off over a period of 30 years using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/amortization".

Goodwill

As of 31 October 2018, goodwill was recognized at a carrying amount of KEUR 44,389 (previous year: KEUR 86,900) and results from the positive difference arising from business combinations.

The following goodwill is recognized:

KEUR	October 31, 2018	October 31, 2017
Stores Austria	2,136	2,136
Stores Germany	3,495	3,495
Stores Netherlands	10,675	10,675
Concessions Netherlands	1,161	1,161
Stores Belgium	6,198	6,198
Stores Norway	0	9,627
Stores Finland	0	1,384
Hallhuber stores	20,724	52,224
	44,389	**86,900**

Goodwill is primarily attributable to the "Retail Gerry Weber" segment, save for the Hallhuber goodwill, which is attributable to the "Retail Hallhuber" segment. In these segments, the individual sales spaces are defined as cash-generating units.

For the purpose of impairment tests, goodwill is assigned to groups of cash-generating units. These groups of cash-generating units represent the lowest corporate level at which goodwill is monitored for internal management purposes.

In the context of the impairment test, the carrying amount of the respective group of cash-generating units is compared with its recoverable amount. The recoverable amount is determined as the value in use on the basis of the future cash flows, which are based on internal planning. Sensitive planning premises include sales growth, net profit expectations, estimates of replacement investments in the store network as well as personnel expenses as a percentage of sales for the individual stores. The projections refer to the fixed term of the respective lease agreements. The planning period ranges from one to seven years.

In the context of the restructuring of the GERRY WEBER Group's business activities, impairment tests were carried out on the basis of the multi-year budgets underlying the restructuring concept valid as of the balance sheet date. In this context, the following impairment losses on goodwill were recognized:

KEUR	
Stores Hallhuber (Hallhuber segment)	31,500
Stores Norway (GERRY WEBER Core Retail segment)	9,588
Stores Finland (GERRY WEBER Core Retail segment)	1,384
	42,472

Due to consistent risk structures (e.g. economic outlook, interest rates), the cash flows determined in connection with the impairment tests were discounted using a weighted average cost of capital (WACC) before taxes of 10.33% (previous year: 9.35%) and after taxes of 7.71% (previous year: 6.94%) based on market data. GERRY WEBER uses constant growth rates of 1% (as in the previous year) to extrapolate the cash flows beyond the detailed planning period of three years. In view of the restructuring of the GERRY WEBER Group, the factors influencing the discount rate were adjusted with respect to the peer group as well as the debt capital interest rate compared to the previous year.

Besides new openings and closures of individual sales spaces, like-for-like revenue growth of 1% to 2% is assumed in the detailed planning period, depending on the individual locations; investments are assumed to be on a par with depreciation/amortization, with investments remaining below depreciation/amortization during the detailed period and approaching the latter only towards the end of the detailed planning period.

If the assumptions are adjusted, the need for write-downs may increase accordingly. For instance,

(1) an increase in the discount rate before taxes by one percentage point to 11.33%, will increase impairment by EUR 15.8 million;

(2) a reduction in the growth factor used to determine the perpetuity by one percentage point will increase impairment by EUR 5.1 million; and

(3) a 5% reduction in the operating result will increase impairment by EUR 6.0 million.

The effects described above are almost exclusively attributable to Hallhuber, at EUR 15.1 million (1), EUR 5.0 million (2) and EUR 5.6 million (3), respectively.

Advance payments

In connection with the Group's IT project costs (ERP systems) to be capitalized, payments in advance of KEUR 25,987 were recognized as of 31 October 2017. Additional payments in advance of KEUR 5,232 were made in the fiscal year 2017/18. An amount of KEUR 7,150 was reclassified to "Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets" in the fiscal year.

In connection with the restructuring of the GERRY WEBER Group, the existing projects, in particular the renewal/expansion of the ERP system, were reviewed and impairment losses on IT project costs of KEUR 21,497 were recognized.

Additions to other intangible assets mainly relate to purchased software.

(b) Property, plant and equipment

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
Nov. 1, 2017	***236,023***	***70,390***	***101,014***	***512***	***407,938***
Exchange differences	–102	–41	–143	0	–286
Additions	1,027	899	4,146	419	6,491
Reclassifications	0	0	1,425	0	1,425
Disposals	–6,301	–2,981	–6,813	–46	–16,142
Reclassification in accordance with IFRS 5	–24,125	0	0	0	–24,125
Oct. 31, 2018	***206,521***	***68,267***	***99,628***	***884***	***375,302***
Depreciation/amortization					
Nov. 1, 2017	***60,402***	***12,017***	***62,596***	***0***	***135,015***
Exchange differences	–24	–41	–109	0	–174
Additions	35,043	3,427	14,992	0	53,463
Reclassifications	0	0	0	0	0
Disposals	–3,677	–2,955	–5,890	0	–12,522
Reclassification in accordance with IFRS 5	–5,652	0	0	0	–5,621
Oct. 31, 2018	***86,093***	***12,447***	***71,589***	***0***	***170,129***
Carrying amount Oct. 31, 2017	**175,621**	**58,373**	**38,418**	**512**	**272,924**

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Carrying amount Oct. 31, 2018	**120,428**	**55,820**	**28,039**	**884**	**205,172**

KEUR	Land, leasehold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
Nov. 1, 2016	***234,823***	***68,895***	***99,318***	***2,294***	***405,330***
Exchange differences	–20	–67	–289	–13	–389
Additions	4,923	1,419	6,779	107	13,227
Reclassifications	371	268	378	–1,685	–668
Disposals	–4,075	–125	–5,172	–191	–9,562
Oct. 31, 2017	***236,023***	***70,390***	***101,014***	***512***	***407,938***
Depreciation/amortization					
Nov. 1, 2016	***53,336***	***8,568***	***55,448***	***0***	***117,352***
Exchange differences	–2	–64	–178	0	–244
Additions	10,884	3,568	12,272	0	26,724
Reclassifications	10	0	–10	0	0
Disposals	–3,825	–56	–4,936	0	–8,817
Oct. 31, 2017	***60,402***	***12,017***	***62,596***	***0***	***135,015***
Carrying amount Oct. 31, 2016	**181,487**	**60,327**	**43,870**	**2,294**	**287,979**
Carrying amount Oct. 31, 2017	**175,621**	**58,373**	**38,418**	**512**	**272,924**

The item "Land, leasehold rights and buildings, including buildings on third-party land" comprises company properties in Halle/Westphalia and, as of 31 October 2017 (prior year reporting date), also in Düsseldorf and in Romania.

An owner-occupied and rented property in Düsseldorf ("Hall 29") was reclassified to current assets as a non-current asset held for sale due to a sales agreement concluded in October 2018.

Leasehold improvements and facilities for rented retail properties are shown under "buildings on third-party land" and the item "Furniture, fixtures and other equipment ".

In addition to straight-line depreciation, which increased compared to the previous year with regard to leasehold improvements due to changes in the estimated useful lives (see section B.), impairment losses of KEUR 20,206 were recognized in connection with the restructuring. These impairment losses relate to the residual carrying amounts of all leasehold improvements and shop facilities of the sales spaces that are no longer to be operated under the restructuring concept.

(c) Financial assets

KEUR	Investments	Other loans	Total
Acquisition / Production Costs			
Nov. 1, 2017	***306***	***2,840***	***3,147***
Exchange differences	0	0	0
Additions	3	1	5
Reclassifications	0	0	0
Disposals	0	–1,671	–1,671
Oct. 31, 2018	***310***	***1,170***	***1,480***
Depreciation/amortization			
Nov. 1, 2017	***264***	***800***	***1,064***
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
Oct. 31, 2018	***264***	***800***	***1,064***
Carrying amount Oct. 31, 2017	**42**	**2,040**	**2,082**
Carrying amount Oct. 31, 2018	**45**	**370**	**415**

KEUR	Investments	Other loans	Total
Acquisition / Production Costs			
Nov. 1, 2016	***301***	***2,687***	***2,989***
Exchange differences	0	0	0
Additions	5	244	250
Reclassifications	0	0	0
Disposals	0	–92	–92
Oct. 31, 2017	***306***	***2,840***	***3,147***
Amortisation			
Nov. 1, 2016	***264***	***450***	***714***
Exchange differences	0	00	0
Additions	0	350	350
Reclassifications	0	00	0
Disposals	0	00	0
Oct. 31, 2018	***264***	***800***	***1,064***
Carrying amount Oct. 31, 2016	**37**	**2,237**	**2,274**
Carrying amount Oct. 31, 2017	**42**	**2,040**	**2,082**

Itemized breakdown

KEUR	October 31, 2018	October 31, 2017
Long-term loans	157	1,727
Long-term deposits	112	178
Rent deposits	105	136
Shares in limited partnerships	35	35
Shares in foreign corporations	7	7
	415	**2,082**

Financial assets were recognized at amortized cost, which is equivalent to the fair value taking potential impairments into account. As a general rule, the shares in limited partnerships and the shares in foreign corporations are recognized at cost as the fair value cannot be reliably determined. There is no active market in these shares. A long-term loan was written down in full (KEUR 350) in the previous year.

(2) Other assets (non-current)

Other non-current assets exclusively comprise non-financial assets and have terms of up to four years.

(3) Deferred taxes

The following deferred tax assets and liabilities were stated to reflect recognition and valuation differences of the individual balance sheet items:

KEUR	Deferred tax assets		Deferred tax liabilities	
	Oct. 31, 2018	Oct. 31, 2017	Oct. 31, 2018	Oct. 31, 2017
Non-current assets	7,714	780	24,067	28,818
Current assets	4,783	853	1,267	1,727
Non-current provisions	1,188	2,093	0	0
Current provisions	7,394	0	0	0
Current liabilities	1,296	0	0	0
Tax loss carryforward	7,060	2,318	0	0
Changes in equity not stated through profit or loss according to IAS 39	123	2,002	191	0
	29,558	**8,046**	**25,895**	**30,881**

The expenses or income from temporary differences stated in the income statement are equivalent to the change in the respective balance sheet items unless they were offset against equity.

Of the deferred tax assets relating to non-current assets, an amount of KEUR 0 (previous year: KEUR 514) relates to goodwill in the amount of KEUR 0 (previous year: KEUR 2,056), as this is tax-deductible.

Tax loss carryforwards amount to EUR 97.9 million (previous year: EUR 23.8 million). They mainly refer to the companies in Germany, Spain, Ireland, Belgium and Norway. The resulting deferred tax assets in the amount of EUR 29.4 million (previous year: EUR 5.4 million) were written down in an amount of EUR 22.3 million (previous year: EUR 3.2 million) as the realization of the respective tax advantages is unlikely in the medium term.

Of the unrecognized deferred tax assets on tax loss carryforwards, amounts to EUR 3.6 million (previous year: EUR 3.0 million) will expire in one to thirteen years.

If deferred taxes arise at Group companies which posted losses in the current period or the previous years, these are capitalized only if management assumes that the company will generate profits in the future which justify the recoverability of the deferred tax assets. Except for the deferred taxes on loss carryforwards, no deferred taxes were capitalized for these companies in the current year and the previous year.

Deferred tax assets and deferred tax liabilities were not netted, as they were of minor importance.

(4) Inventories

KEUR	October 31, 2018	October 31, 2017
Raw materials and supplies	8,683	10,307
Work in progress	8,856	11,650
Finished goods and merchandise	129,626	141,432
	147,165	**163,389**

The usual reservations of ownership apply.

The impairment resulting from the regular sales-oriented measurement of inventories amounted to KEUR 2,894 (previous year: KEUR 2,419). The expenses are included in the cost of materials. In addition, KEUR 12,923 was written off for sales measures planned in connection with the restructuring.

(5) Trade receivables

Trade receivables in an amount of KEUR 37,123 (previous year: KEUR 49,239) have a maturity of less than one year, with the vast majority being due in less than three months.

Allowances for doubtful accounts amounted to KEUR 2,495 (previous year: KEUR 2,393). Any existing trade credit insurance is taken into account in the calculation of the allowances.

Expenses and income for trade receivables are recognized in other operating expenses and income.

(6) Other assets (current)

Other assets in an amount of KEUR 16,394 (previous year: KEUR 21,033) have a maturity of less than one year.

Other assets comprise:

KEUR	October 31, 2018	October 31, 2017
Financial assets		
Supplier balance	7,208	7,447
Bonus claims	25	238
Rent receivable	243	17
Receivables from insurance companies	0	75
Currency forwards and currency options	636	0
	8,111	***7,777***
Non-financial assets		
Tax claims	3,478	3,673
Prepaid expenses	4,619	6,200
HR receivables	95	1,149
Receivables relating to GERRY WEBER Open	0	767
Other	91	1,467
	8,283	***13,256***
	16,394	**21,033**

With regard to the positive market values of the currency forwards and currency options, please refer to paragraph E. Additional disclosures and explanations regarding financial instruments.

(7) Claims for income tax refunds

Income tax refund claims of KEUR 3,407 (previous year: KEUR 6,575) relate to domestic corporate income tax and trade tax as well as to the solidarity surcharge associated with corporate income tax.

(8) Cash and cash equivalents

Apart from current accounts with banks, this item comprises cheques, payments in transit and cash.

Current accounts are held with various banks in different currencies.

(9) Non-current assets held for sale

This item comprises KEUR 18,473 for the "Hall 29" property in Düsseldorf as of 31 October 2018. In October 2018, a contract for the sale of the property was signed. It is recognized at the carrying amount. The fair value less costs of disposal exceeds the carrying amount.

(10) Equity

Changes in equity are shown in the consolidated statement of changes in equity.

As a general rule, the Group manages its capital with the aim of maximizing the income for the stakeholders by optimizing the debt-to-equity ratio. In this context, the company aims to ensure that all Group companies can operate as a going concern. The capital structure is managed centrally by the parent company. Regular reporting processes have been established to monitor targets and the achievement of objectives. With the insolvency proceedings filed on 25 January 2019 and opened on 1 April 2019, the satisfaction of creditors' interests takes priority.

Equity and total assets amounted to:

	October 31, 2018	October 31, 2017	Change
Equity in KEUR	245,635	412,749	–167,133
Equity in % of total capital	38%	52%	–14%
Debt in KEUR	395,855	377,158	18,697
Debt in % of total capital	62%	48%	14%
Total capital (equity and debt) in KEUR	**641,490**	**789,907**	**–148,417**

Equity comprises the subscribed capital and the reserves of the Group. Debt is defined as current and non-current financial liabilities, provisions and other liabilities.

(a) Subscribed capital

The subscribed capital of GERRY WEBER International AG is divided into 45,905,960 (previous year: 45,905,960) fully paid-up bearer shares with a par value of EUR 1.00.

The Supervisory Board is entitled to amend the statutes from time to time to properly reflect the respective utilization of the authorised capital as well as after expiry of the authorization.

The Managing Board is authorised to determine the details of the execution of a conditional capital increase with the consent of the Supervisory Board. For this purpose, the share capital has been conditionally increased by up to EUR 4,590,590 through the issue of up to 4,590,590 new bearer shares. The Annual General Meeting of 26 April 2018 additionally authorised the Managing Board to repurchase own shares representing up to 10 percent of the share capital by 25 April 2023.

398,245 bearer shares were repurchased between March and June 2017 at a cost of EUR 4,999,958.

As of the reporting date, the subscribed capital, reduced by the nominal value of the repurchased shares of EUR 398,245, is stated at EUR 45,507,715.00. The amount of EUR 4,601,713 that exceeds the nominal amount was deducted from retained earnings. No repurchased shares were sold in the fiscal year.

(b) Capital reserve

The capital reserve includes the premiums on the shares issued plus the premiums paid in the sale of own shares exceeding the amount recognized in retained earnings as well as the nominal value of the shares.

(c) Retained earnings

Retained earnings comprise the profits generated by the consolidated companies in the past which were not distributed or converted into share capital as well as earnings effects resulting from consolidation measures in the previous years less the pro-rate share premiums paid for the acquisition of own shares.

(d) Accumulated other comprehensive income/loss according to IAS 39

This item includes the effects of the remeasurement of financial instruments after taxes being accounted for in equity. All of the financial instruments used by the company are currency hedges.

KEUR	October 31, 2018	October 31, 2017	Change
Positive fair values of financial instruments	636	0	636
Negative fair values of financial instruments	0	–6,673	6,673
Deferred tax assets	0	2,002	–2,002
Deferred tax liabilities	–191	0	–191
	445	**–4,671**	**5,116**

The tax effects of KEUR 2,193 (previous year: KEUR 6,686) shown in the statement of comprehensive income relate to changes in the fair values of the currency hedges.

Of the other comprehensive income, an amount of KEUR -1,078 (previous year: KEUR -10,341) was reclassified to the cost of materials with a positive effect on the result, while an amount of KEUR 0 (previous year: KEUR -135) was reclassified to sales revenues in the income statement.

(e) Exchange differences

This item comprises the differences arising from the currency translation of the financial statements of foreign subsidiaries which are not prepared in EUR.

(f) Accumulated loss

The table below shows the changes in accumulated loss (previous year: accumulated profit):

KEUR	
Carried forward 1 Nov. 2017	46,252
Dividend payment in 2018	0
Net income for the year 2017/18	–172,277
Accumulated loss as of 31 Oct. 2018	–126,025

(11) Provisions for personnel (non-current)

An amount of KEUR 250 (previous year: KEUR 291) resulted from offsetting the assets used to secure the old-age part-time obligations against the corresponding provisions as of 31 October 2018, which is shown under "Provisions for personnel (non-current)".

(12) Other provisions (non-current)

This item includes an amount of KEUR 6,133 (previous year: KEUR 8,598) resulting from the company's obligation to remove leasehold improvements.

These provisions are established on the basis of the expected settlement amounts as well as the agreed lease terms. Uncertainties exist with regard to the cost estimates and the actual time at which the provisions will be used. An amount of KEUR 151 (previous year: KEUR 274) was added to these provisions.

Interest expenses in the amount of KEUR 151 (previous year: KEUR 155) from unaccrued interest on provisions were recognized. Expected cash outflows accrue within a period of 5 to 10 years.

(13) Financial liabilities (non-current)

The table below shows the structure of liabilities and their maturities as of the balance sheet date 31 October 2018. In the context of the restructuring plan, new maturities were to be agreed with the creditors.

KEUR	October 31, 2018	October 31, 2017
Liabilities to bank and insurance companies	169,250	218,250

The table below shows the main contractual terms of the non-current loan liabilities to banks and insurance companies as at the balance sheet date of the fiscal year 2017/18: The effects of the insolvency proceedings are described under "Post balance sheet events".

KEUR	Carrying amount 2017/18	Carrying amount 2016/17	Maturity until month/year	Nominal interest rate % p.a.	Effective interest rate % p.a.
Note loan 1					
Tranche 1 (fixed)	40,000	40,000	03/2020	1.13	1.19
Tranche 2 (fixed)	60,000	60,000	03/2022	1.44	1.49
Tranche 3 (fixed)	40,000	40,000	03/2025	2.00	2.03
	140,000	***140,000***			
Note loan 2 *					
Tranche 3 (fixed)	0	23,500	11/2018	2.19	2.30
Tranche 4 (variable)	0	7,500	11/2018	1.06	1.17
Tranche 5 (fixed)	24,000	24,000	11/2020	2.80	2.88
	24,000	***55,000***			
Other loans					
Loan bank 1	5,250	8,250	06/2021	0.89	0.89
Loan bank 2	0	15,000	05/2019	0.85	0.85
	5,250	***23,250***			
	169,250	**218,250**			

* Tranches 1 and 2 were repaid already in the previous year.

Non-current financial liabilities with a maturity of more than 5 years represented KEUR 40,000 (previous year: KEUR 40,000).

The differences between the carrying amounts and the fair values of the non-current financial liabilities are described in paragraph F. Additional disclosures and explanations regarding financial instruments.

Other liabilities (non-current)

KEUR	October 31, 2018	October 31, 2017
Financial liabilities		
Liabilities from minority options	0	3,247
Payment of remaining purchase price for acquisitions	3,454	330
Other	0	40
	3,454	**3,617**

The takeover of Joh. Maehle & Co AS resulted in a liability of KEUR 330 in the previous year, which was repaid in full in the year under review. The liabilities from minority options existing in the previous year related to a domestic retail company. The option was exercised early. In this context, payments totalling KEUR 3,500 were made. In addition, a subsequent purchase price increase of KEUR 4,848 was agreed, which is due in several tranches by August 2022.

Provisions 31 Oct. 2018 and 31 Oct. 2017 (current)

The table below shows the changes in, and the composition of, the provisions:

Type of provision in KEUR	Carried forward Nov. 1, 2017	Utilization	Reversals	Additions	As of October 31, 2018
(15) Tax provisions	**2,213**	**2,093**	**0**	**1,634**	**1,754**

Type of provision in KEUR	Carried forward Nov. 1, 2017	Utilization	Reversals	Additions	As of October 31, 2018
(16) Provisions for personnel					
Bonuses	2,150	2,133	18	2,071	2,070
Vacation	3,834	3,834	0	3,696	3,696
Partial retirement (current)	146	146	0	125	125
Special annual payment	3,699	3,699	0	3,294	3,294
Severance payments	1,471	1,195	171	3,620	3,725
Other	917	890	27	872	872
	12,217	***11,897***	***216***	***13,678***	***13,782***
(17) Other provisions					
Guarantees	549	549		505	505
Outstanding invoices	4,237	4,124	113	3,874	3,874
Audit fees	703	662	41	661	661
Restructuring	0	0	0	49,414	49,414
Supervisory Board compensation	870	870	0	870	870
Other	3,697	3,584	113	6,659	6,659
	10,056	***9,789***	***267***	***61,983***	***61,983***

Type of provision in KEUR	Carried forward Nov. 1, 2016	Utilization	Reversals	Additions	As of October 31, 2017
(15) Tax provisions	**11,206**	**11,206**	**0**	**2,213**	**2,213**
(16) Provisions for personnel					
Bonuses	3,315	3,315	0	2,150	2,150
Vacation	4,124	4,124	0	3,834	3,834
Partial retirement (current)	92	92	0	146	146
Special annual payment	3,511	3,511	0	3,699	3,699
Severance payments	4,247	3,520	279	1,023	1,471
Other	910	862	48	917	917
	16,199	***15,424***	***327***	***11,769***	***12,217***
(17) Other provisions					
Guarantees	267	267	0	549	549
Outstanding invoices	4,530	4,393	137	4,237	4,237
Audit fees	645	563	82	703	703
Restructuring	6,609	5,702	907	0	0
Supervisory Board compensation	870	870	0	870	870
Other	5,047	4,752	295	3,697	3,697
	17,968	***16,547***	***1,421***	***10,056***	***10,056***

Provisions of KEUR 49,414 were established in connection with the restructuring. These are composed as follows:

KEUR	October 31, 2018
Social plan and severance payment obligations	26,040
Expected dismantling and compensation payments for store closures	21,780
Miscellaneous	1,594
	49,414

In October 2018, the staff representatives were informed about the planned job cuts under a social plan still to be negotiated. Provisions in the amount of the expected costs were taken into account in the consolidated financial statements.

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

The table below shows the main contractual bases of the current financial liabilities that existed as of the balance sheet date of fiscal year 2017/18. The effects of the insolvency proceedings are described under "Post balance sheet events".

KEUR	**October 31, 2018**	**October 31, 2017**
Thereof liabilities to banks	57,663	10,651

The amounts have an average nominal interest rate of 0.86% to 2.00% (previous year: 0.89% to 2.00%) and an average effective interest rate of 0.86% to 2.00% (previous year: 0.89% to 2.00%).

Current financial liabilities also include tranches 3 and 4 of note loan 2 in the total amount of EUR 31.0 million, which would have been due in November 2018. A standstill agreement until the end of January 2019 was agreed for these tranches before the balance sheet date.

Due to the short-term maturities no significant differences exist between market values and the carrying amounts of the other current financial liabilities

(19) Trade payables

Liabilities from the delivery of goods are subject to the usual reservations of ownership.

(20) Other liabilities

KEUR	**October 31, 2018**	**October 31, 2017**
Financial liabilities		
Currency forwards and currency options	0	6,673
Liabilities to customers	1,069	595
Subsequent purchase price for a fully consolidated retail company...	1,183	0
	2,251	***7,268***
Non-financial liabilities		
Other taxes (especially wage and turnover tax)................................	4,877	8,941
Customer vouchers, bonus cards and goods on return	1,834	3,607
Liabilities to personnel	1,679	2,854
Deferred income	2,101	2,359
Social security	225	703
Other liabilities	2,720	2,602
	13,435	***21,066***
	15,686	**28,334**

E. NOTES TO THE INCOME STATEMENT

(21) 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.

Sales revenues include licensing fees in an amount of KEUR 1,183 (previous year: KEUR 1,727) for the utilization of the name rights.

Revenues are deemed to be realized once the service has been provided in full and the opportunities and risks have passed to the buyer.

(22) Other operating income

Other operating income comprises the following:

KEUR	2017/18	2016/17
Rental income	7,786	6,721
Income from the provision of motor vehicles	1,288	1,269
Income from the reversal of provisions and allowances	452	1,566
Exchange gains	341	1,593
Income from own work	0	175
Income from asset disposal	6	26
Other	1,951	3,290
	11,822	**14,640**

The rental income primarily results from leased investment property as well as income from the sub-letting of rented stores not used by the company.

(23) Changes in Inventories changes and (24) cost of materials

KEUR	2017/18	2016/17
Change in inventories	14,600	8,078
Expenses for raw materials and supplies and purchased goods	42,854	52,598
Expenses for services purchased	280,175	304,145
	323,029	***356,743***
	337,629	**364,821**

Expenses for services purchased include expenses for cut-make-trim (intermediate contractors) as well as expenses for the procurement of goods manufactured by third parties according to our specifications ("full package services").

After arrival of the goods in our shipping centre, it is no longer possible to distinguish between CMT goods and FPS goods. As a result, all finished goods added to our inventories must be shown under inventory changes in the income statement.

The cost of materials includes restructuring-related depreciation in the amount of KEUR 12,923.

(25) Personnel expenses

KEUR	2017/18	2016/17
Wages and salaries	181,081	161,721
Social security contributions	30,134	30,306
	211,215	**192,026**

The GERRY WEBER Group concludes partial retirement agreements according to the "block model". In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 2.40% (previous year: 2.88%) based on a salary trend of 1.00% p.a. (previous year: 1.00% p.a.). The computations are based on the Heubeck mortality tables 2018 G. Discount on staff turnover is not required.

No provisions were established in the fiscal year for potential future obligations of the GERRY WEBER Group arising from the use of old-age part-time options, as this probability was estimated at zero.

Personnel expenses of the previous year included restructuring-related expenses (severance payments) in the amount of KEUR 26,040.

Average number of employees:

	2017/18		2016/17	
	Total	**Germany**	**Total**	**Germany**
Blue-collar workers	61	0	260	0
White-collar workers	6,303	4,971	6,619	5,259
Trainees/apprentices	41	41	42	42
	6,405	***5,013***	***6,921***	***5,302***

Depreciation/amortization

The composition of depreciation and amortization can be seen from the changes in the individual fixed asset components. In the fiscal year 2017/18, increased impairment losses in the amount of KEUR 89,271 (previous year: KEUR 3,377) were recognized in connection with the restructuring. To determine the impairment losses, the full remaining carrying amounts relating to closed stores were primarily used in both the previous year and the current fiscal year.

Other operating expenses

Other operating expenses comprise the following:

KEUR	**2017/18**	**2016/17**
Rent, space costs	141,359	148,582
Restructuring expenses	36,281	0
Advertising, trade fairs	29,900	29,744
Freight, packaging, logistics*	22,084	21,990
IT costs	19,030	14,581
Commissions*	8,838	9,327
Legal, consulting and real estate agent costs	8,099	9,456
Other personnel expenses	5,889	8,149
Insurance, contributions, fees	4,421	4,921
Collection development	4,340	5,096
Travelling expenses	3,888	4,213
Vehicles	3,567	3,622
Losses on receivables / allowances	3,463	948
Office and communications	2,699	3,149
Maintenance	2,299	2,472
Loss from asset disposal	2,288	507
Del credere and credit card commissions	2,271	2,222
General administration	1,904	2,352
Supervisory Board compensation	870	870
Exchange rate fluctuations	170	4,240
Other	106	2,893
	303,767	**279,333**

*Prior year figures adjusted

For the restructuring costs, see the section "Restructuring and other non-operating expenses".

(28) Other taxes

This item mainly comprises property and motor vehicle taxes as well as council taxes in the United Kingdom.

(29) Financial result

KEUR	2017/18	2016/17
Interest income	94	20
Result from fair value measurement of financial liabilities	20	18
Depreciation of financial assets	0	–350
Incidental bank charges	–1,432	–1,753
Interest expenses	–4,895	–5,671
	–6,213	**–7,736**

Incidental bank charges essentially comprise fees for letters of credit.

(30) Income taxes

The table below shows the main components of income tax expenses (income tax gain recognized for 2017/2018):

KEUR	2017/18	2016/17
Tax expenses of the fiscal year	2,399	4,517
Tax expenses of prior years	260	260
Deferred taxes	–28,765	–1,430
	–26,107	**3,348**

Deferred taxes were generally calculated based on the applicable tax rates of each company. A standard tax rate of 30% (previous year: 30%) was applied to calculate deferred taxes on consolidation measures shown in profit and loss.

The reconciliation of expected tax expenses with reported tax expenses is as follows:

KEUR	2017/18	2016/17
Profit before taxes on income	–198,384	2,566
Group tax rate	30.00%	30.00%
Expected tax expenses	–59,515	770
Non-taxable amortization of goodwill	12,741	0
Non-recognition of deferred tax assets due to operating losses and utilization of those assets	18,320	566
Taxes on trade tax additions/deductions	1,509	1,683
Taxes on non-deductible operating expenses	176	227
Off-period tax expenses/income	638	260
Tax effect on non-taxable expenses and non-taxable income	45	–250
Other	–21	92
Actual tax expenses 13.2% (previous year: 130.5%)	**–26,107**	**3,348**

(31) Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net income/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 amounts on which the calculation is based were determined as follows:

KEUR	2017/18	2016/17
Consolidated net loss attributable to ordinary shareholders of the parent company	–172,277	–782

Number of ordinary shares	Shares
Voting shares on 1 November 2016	45,905,960
Purchase of own shares in fiscal 2016/17	398,245
Voting shares on 31 October 2017	45,507,715
Purchase of own shares in fiscal 2017/18	0
Voting shares on 31 October 2018	45,507,715

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights.

In the fiscal year 2017/18, 45,507,715 shares were outstanding (2016/17: 45,695,674).

Earnings per share amount to EUR -3.79 (previous year: EUR -0.02). Basic earnings per share are identical with diluted earnings per share.

The accumulated profits were used to pay out a dividend of EUR 0.00 (previous year: EUR 0.25) per share.

F. ADDITIONAL DISCLOSURES AND EXPLANATIONS REGARDING FINANCIAL INSTRUMENTS

Maturity analysis of financial assets

The maturities analyses of the financial assets are shown below:

KEUR	Neither written-down nor due as of the balance sheet date	Not written down as of the reporting date but due since:					Gross value of the written-down receivables
		<1 month	1 to 3 months	3 to 6 months	6 to 12 months	>12 months	
Loans	157	0	0	0	0	0	0
Trade receivables	28,387	2,631	1,692	95	2,432	0	4,381
Other assets	8,111	0	0	0	0	0	0
Carrying amount Oct. 31, 2018	***36,655***	***2,631***	***1,692***	***95***	***2,432***	***0***	***4,381***
Loans	1,727	0	0	0	0	0	500
Trade receivables	40,196	3,062	1,575	88	1,073	0	5,638
Other assets	7,778	0	0	0	0	0	0
Carrying amount Oct. 31, 2017	***49,701***	***3,062***	***1,575***	***88***	***1,073***	***0***	***6,138***

Write-down schedule

KEUR	Previous year	Addition	Consumption	Reversal	Reporting year
Loans	500	0	500	0	0
Trade receivables	2,393	1,642	1,305	235	2,495
Other assets	0	0	0	0	0
2017/18	***2,893***	***1,642***	***1,805***	***235***	***2,495***
Loans	150	350	0	0	500

Trade receivables	1,293	1,331	98	133	2,393
Other assets	0	0	0	0	0
2016/17	***1,443***	***1,681***	***98***	***133***	***2,893***

Trade credit insurance is taken out for the trade receivables, which cover about 73% (previous year: 75%) of the respective total receivables. In addition, the creditworthiness of the counter-parties is examined. In the other cases, the default risks are equivalent to the carrying amounts.

Contractual remaining terms of financial liabilities

The table below shows the contractual remaining maturities of the financial liabilities as of the **balance sheet date** of the fiscal year 2017/18 The figures are based on undiscounted cash flows, based on the earliest day on which the GERRY WEBER Group may be obliged to pay. The effects of the insolvency proceedings are described under "Post balance sheet events".

KEUR	**Carrying amount**	**Undiscounted cash flows**			**Total**
		Up to 1 year	**1 to 5 years**	**More than 5 years**	
Note loan	195,000	31,000	124,000	40,000	195,000
Loans	23,250	18,000	5,250	0	23,250
Liabilities from company acquisitions	4,636	0	4,636	0	4,636
Other financial liabilities	8,663	8,663	0	0	8,663
Financial liabilities (total)	***231,550***	***57,663***	***133,886***	***40,000***	***231,550***
Trade liabilities	39,911	39,911	0	0	39,911
Carrying amount Oct. 31, 2018	***271,461***	***97,575***	***133,886***	***40,000***	***271,461***
Note loan	195,000	0	155,000	40,000	195,000
Loans	26,250	3,000	23,250	0	26,250
Liabilities from company acquisitions	3,577	0	3,577	0	3,577
Other financial liabilities	7,691	7,651	40	0	7,691
Financial liabilities (total)	***232,518***	***10,651***	***181,867***	***40,000***	***232,518***
Trade liabilities	51,858	51,858	0	0	51,858
Carrying amount Oct. 31, 2017	***284,375***	***62,508***	***181,867***	***40,000***	***284,375***

The short-term cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets. To cover short-term cash outflows, GERRY WEBER International AG additionally has a sufficient funding reserve in the amount of cash and cash equivalents and unused credit lines available as of the balance sheet.

The contractually agreed remaining maturities of the financial liabilities as of the reporting date result in the following future interest payments for the GERRY WEBER Group.

Future interest payments

The table below shows the contractual undiscounted interest payments of the financial liabilities as of the balance sheet date of the fiscal year 2017/2018. The effects of the insolvency proceedings are described under "Post balance sheet events".

KEUR	**Undiscounted interest payments**			**Total**
	Up to 1 year	**1 to 5 years**	**More than 5 years**	
Note loan	2,788	6,916	1,600	11,304
Loans	111	0	0	111
Other financial liabilities	90	0	0	90
As of Oct. 31, 2018	***2,989***	***6,916***	***1,600***	***11,505***

Note loan	3,378	8,904	2,400	14,682
Loans	183	187	0	370
Other financial liabilities	75	0	0	75
As of Oct. 31, 2017	***3,635***	***9,091***	***2,400***	***15,126***

Accounting for derivative financial instruments and hedges

All derivatives are recognized in the balance sheet at their fair value. Some derivatives do not qualify for hedge accounting, although they represent a hedge from an economic point of view. The relations between hedging instruments and hedged items as well as the risk management objectives and strategies in conjunction with the individual hedges are documented.

Financial derivatives

GERRY WEBER exclusively uses market financial derivatives with sufficient market liquidity. These are currency forwards and currency options. The present strategy provides for the use of hedges to limit the currency risks. The transactions are made exclusively with banks of excellent credit standing. Risks are managed centrally by GERRY WEBER International AG.

The nominal amount is the sum total of all purchase and sale amounts underlying the transactions. The financial instruments as of the reporting date serve to hedge against currency risks from the operating activities. No financial derivatives are used for speculation purposes.

The company hedges expected cash flows from the currency areas in which the GERRY WEBER Group has material operations; these include the US dollar area and the United Kingdom.

Nominal amount of financial derivatives

	Nominal amount as of October 31, 2018				**Nominal amount as of October 31, 2017**			
KEUR	**Up to 12 months**	**12 to 24 months**	**More than 24 months**	**Total**	**Up to 12 months**	**12 to 24 months**	**More than 24 months**	**Total**
Currency forwards and currency options								
in the procurement of goods	114,301	25,518	0	139,818	160,690	132,188	0	292,878
in the sale of goods	0	0	0	0	2,355	0	0	2,355

Fair values of the financial derivatives

Currency forwards and currency options qualifying for hedge accounting.

	Nominal amount		**Nominal amount translated at the closing rate**	
KEUR	**October 31, 2018**	**October 31, 2017**	**October 31, 2018**	**October 31, 2017**
Currency forwards and currency options				
Currency forwards and currency options in the procurement of goods	139,818	292,878	140,454	286,205
in the sale of goods	0	0	0	0

Changes in the carrying amounts are recognized in equity and are shown in the statement of comprehensive income.

As of 31 October 2018, negative effects (before deduction of deferred taxes) from fair value measurement in the amount of KEUR -636 (previous year: KEUR 6,673) were recognized in equity.

There are no currency forwards and currency options not qualifying for hedge accounting. All derivates qualify for hedge accounting.

The fair values do not necessarily represent the amounts that can be generated in future under current market conditions prevailing at that time.

The table below shows the carrying amounts of the financial derivatives which are equivalent to the fair values. A difference is made between derivatives qualifying for hedge accounting pursuant to IAS 39 and derivatives not qualifying for hedge accounting.

Derivative financial instruments

KEUR	Carrying amount October 31, 2018	Carrying amount October 31, 2017
Assets		
Currency forwards and currency options		
Qualifying for hedge accounting (cash flow hedges)	636	0
Not qualifying for hedge accounting...	0	0
Liabilities		
Currency forwards and currency options		
Qualifying for hedge accounting (cash flow hedges)	0	6,673
Not qualifying for hedge accounting...	0	0

The carrying amounts of the financial assets are recognized as other assets or as other liabilities.

Financial Instruments

Financial risk management

As a result of its international activities, the GERRY WEBER Group is exposed to a number of financial risks. These include, in particular, the effects of changes in exchange rates and interest rates. The risk management system of GERRY WEBER is geared to reducing risks.

The Managing Board defines the general risk management guidelines and thus determines the general approach to hedging exchange rate and interest rate risks and the use of derivative financial instruments. For further information on financial market risks and financial risk management, please refer to the Group management report.

Exchange rate risk

The GERRY WEBER Group is exposed to exchange rate risks relating to different foreign currencies, especially the US dollar, the Canadian dollar and the British pound. To mitigate these risks, currency forward and option contracts are signed with banks of excellent credit standing. The net requirement/surplus of the respective currencies is hedged at close to 100%.

Sensitivity analyses were performed to quantify the exchange rate risk. This is done on the basis of a hypothetical 5% change in the exchange rate.

The tables below show the pre-tax effect including the exchange rate hedges:

October 31, 2018 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	8,979	–153,341	–144,362	–52
GBP	1,896	–18	1,878	–89

October 31, 2017 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	9,794	–289,887	–280,093	165
GBP	4,504	–19	4,486	–214

Counterparty risk

The GERRY WEBER Group is exposed to default risks on financial assets (loans, receivables and other assets), invested cash and cash equivalents and positive fair values of derivatives. The creditworthiness of counterparties to financial assets is monitored by the accounting department. In addition, del credere cover is provided by insurers and other parties such as central regulators. As a general rule, money transactions and financial instruments are signed only with a defined group of banks of excellent credit standing. The creditworthiness of these banks is monitored continuously and classified using quantitative and qualitative factors.

Liquidity risk

Liquidity risks may arise from the lack of available follow-up financing (liquidity risk in the narrower sense) as well as from delays in planned cash inflows and unplanned payments (plan risk). The liquidity risk is monitored continuously on the basis of the budget prepared for the budget year and the following years. New and unplanned business transactions (e.g. acquisitions) are incorporated continuously. In addition, the maturity profiles of financial assets and liabilities are matched regularly. Plan risks are managed through constant monitoring of projected and actual cash flows. Furthermore, the durations of financings are chosen in such a way that the maturities are diversified over time, so that an increase in the refinancing costs would have an effect only in the long term. Unplanned payments are covered by credit lines from banks.

Interest rate risk

Interest rate risks primarily relate to interest-bearing financial liabilities. The GERRY WEBER Group manages interest rate risks by raising long-term loans and through a high equity ratio. The financial liabilities of the GERRY WEBER Group mostly carry fixed interest rates agreed for long durations.

Sensitivity analyses are performed to quantify the interest rate risk from these financial liabilities. In view of the continued low interest rates, a +100 / -30 bp shift in the yield curve was assumed as of the balance sheet date to ensure that realistic scenarios are used for the analysis of the interest rate sensitivities.

Variable interest rate liabilities of KEUR 30,750 (31 October 2017: KEUR 33,750) were included in the analysis. The resulting interest payments expected until the maturity date are not hedged by financial derivatives. The resulting interest rate risk is also a cash flow risk with implications for the amount of future interest payments. The pre-tax effect on consolidated net income for the year is shown:

KEUR	2017/18		2016/17	
	+100 bp	-30 bp	+100 bp	-30 bp
Cash flow risks	502	–171	608	–213

Earnings effect of financial instruments

KEUR	Loans and receivables	Financial liabilities
From interest rates	94	–4,895
From losses of receivables and write-downs	–3,463	0
2017/18	**–3,369**	**–4,895**
From interest rates	20	–5,671
From losses of receivables and write-downs	–948	0
2016/17	**–928**	**–5,671**

Carrying amount and fair values by measurement categories

The table below shows the carrying amounts and the fair values of the individual financial assets and liabilities for each category of financial instruments and reconciles them with the corresponding balance sheet items. The fair values of cash and cash equivalents, of current receivables, of trade payables and of other current financial liabilities are largely identical with the carrying amounts. This is primarily due to the short maturities of such instruments.

KEUR	Measured at amortized cost		Measured at fair value	Non-financial assets and liabilities	
	Carrying amount October 31, 2018	**Fair value October 31, 2018**	**Carrying amount October 31, 2018**	**Carrying amount October 31, 2018**	**Carrying amount in the balance sheet October 31, 2018**
Financial assets	**416**	**416**			**416**
Loans and receivables	374	374			374
Available-for-sale financial assets	42	42			42
Trade receivables (current)	**37,123**	**37,123**			**37,123**
Loans and receivables	37,123	37,123			37,123
Other assets (current)	**7,476**	**7,476**	**636**	**8,283**	**16,395**
Derivatives qualifying for hedge accounting			636		636
Loans and receivables	7,476	7,476			7,476
Non-financial assets				8,283	8,283
Cash and cash equivalents	**35,065**	**35,065**			**35,065**
Loans and receivables	35,065	35,065			35,065
Total financial assets	**80,080**		**636**		**88,999**
Financial liabilities (non-current)	**169,250**	**169,250**			**169,250**
Measured at amortized cost	169,250	169,250			169,250
Other liabilities (non-current)	**3,454**	**0**	**3,454**		**3,454**
Measured at amortized cost	0	0			0
Liabilities from company acquisitions	3,454	0	3,454		3,454
Financial liabilities (current)	**57,754**	**57,754**			**57,754**
Measured at amortized cost Bond	57,754	57,754			57,754
Trade liabilities (current)	**39,911**	**39,911**			**39,911**
Measured at amortized cost	39,911	39,911			39,911
Other liabilities	**2,252**	**1,069**	**1,183**	**13,436**	**15,688**

KEUR	Measured at amortized cost		Measured at fair value	Non-financial assets and liabilities	
	Carrying amount October 31, 2018	**Fair value October 31, 2018**	**Carrying amount October 31, 2018**	**Carrying amount October 31, 2018**	**Carrying amount in the balance sheet October 31, 2018**
Measured at amortized cost	1,069	1,069			
Negative fair value of financial instruments			0		0
Liabilities from company acquisitions	1,183		1,183		1,183
Non-financial liabilities				13,436	13,436
Total financial liabilities	**272,621**		**4,637**		**286,057**

KEUR	Measured at amortized cost		Measured at fair value	Non-financial assets and liabilities	
	Carrying amount October 31, 2017	**Fair value October 31, 2017**	**Carrying amount October 31, 2017**	**Carrying amount October 31, 2017**	**Carrying amount in the balance sheet October 31, 2017**
Financial assets	**2,083**	**2,083**			**2,083**
Loans and receivables	2,041	2,041			2,041
Available-for-sale financial assets	42	42			42
Trade receivables (current)	**49,239**	**49,239**			**49,239**
Loans and receivables	49,239	49,239			49,239
Other assets (current)	**7,777**	**7,777**	**0**	**13,256**	**21,033**
Derivatives qualifying for hedge accounting			0		0
Loans and receivables	7,777	7,777			7,777
Non-financial assets				13,256	13,256
Cash and cash equivalents	**36,578**	**36,578**			**36,578**
Loans and receivables	36,578	36,578			36,578
Total financial assets	**95,677**		**0**		**108,933**
Financial liabilities (non-current)	**218,250**	**218,250**			**218,250**
Measured at amortized cost	218,250	218,250			218,250
Other liabilities (non-current)	**3,617**	**40**	**3,577**		**3,617**
Measured at amortized cost	40	40			40
Liabilities from company acquisitions	3,577		3,577		3,577
Financial liabilities (current)	**10,844**	**10,844**			**10,844**
Measured at amortized cost	10,844	10,844			10,844
Bond	0		0		0
Trade liabilities (current)	**51,858**	**51,858**			**51,858**
Measured at amortized cost	51,858	51,858			51,858
Other liabilities	**595**	**595**	**6,673**	**21,066**	**28,334**
Measured at amortized cost	595	595	6,673		0
Non-financial liabilities	0			21,066	21,066

KEUR	Measured at amortized cost		Measured at fair value	Non-financial assets and liabilities	
	Carrying amount October 31, 2017	Fair value October 31, 2017	Carrying amount October 31, 2017	Carrying amount October 31, 2017	Carrying amount in the balance sheet October 31, 2017
Total financial liabilities ..	**285,164**		**10,250**		**312,903**

Fair values of financial assets and liabilities by measurement categories

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

The fair values of financial assets and liabilities are assigned to level 2 of the fair value hierarchy.

As in the previous year, no reclassifications between levels 1, 2 and 3 were made in the fiscal year 2017/18.

Market comparison methods are used to determine the fair values of level 2. The fair values of currency forwards and currency options are based on valuations by banks. Given that similar contracts are traded in an active market, these valuations reflect the actual transactions for similar instruments.

G. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents comprise current liquid funds (KEUR 35,065; previous year: KEUR 36,577) less current liabilities to banks (KEUR 5,903; previous year: KEUR 4.992).

The cash flow statement describes the cash flows in the fiscal year 2017/2018 and the previous year, divided into cash inflows and outflows from operating activities, from investing activities and from financing activities. Changes in the basis of consolidation and in exchange rates had no effect on cash and cash equivalents.

Cash outflow from investing activities comprises additions to property, plant and equipment, financial assets and investment properties as well as income from fixed asset disposals. Financing activities comprise changes in other financial liabilities.

In the fiscal year 2017/2018, cash inflow from operating activities includes payments for interest received in an amount of KEUR 94 (previous year: KEUR 20) and for interest paid in an amount of KEUR 4,785 (previous year: KEUR 4,954). Income tax refunds of KEUR 7,924 were received (previous year: refunds of KEUR 599).

The table below shows the changes in non-current and current financial liabilities.

KEUR	Financing Activities			
	October 31, 2017	Cash repayments	Non-cash reclassifications	October 31, 2018
Non-current financial liabilities				
Note loan 1	140,000	0	0	140,000
Note loan 2	55,000	0	–31,000	24,000
Other loans	23,250	0	–18,000	5,250
	218,250	***0***	***–49,000***	***169,250***
Current financial liabilities				
Note loan 2	0	0	31,000	31,000
Other loans	5,852	–3,000	18,000	20,852
	5,852	***–3,000***	***49,000***	***51,852***
	224,102	**–3,000**	**0**	**221,102**

Current account liabilities in the amount of KEUR 5,903 (previous year: KEUR 4,992), which are shown in the balance sheet under current liabilities to banks, are offset under cash and cash equivalents for the purposes of the cash flow statement.

The GERRY WEBER Group has an unused credit line in an amount of EUR 58.9 million (previous year: EUR 60.2 million).

H. SEGMENT REPORTING

Fiscal year 2017/2018 KEUR	**Wholesale GERRY WEBER**	**Retail GERRY WEBER**	**Retail HALLHUBER**	**Other**	**Consolidation**	**Total**
Sales revenues by segments	**265,803**	**342,032**	**197,562**	**0**	**–10,631**	**794,766**
thereof:						
sales with external third parties	257,728	339,476	197,562	0	0	794,766
Intersegment revenues	8,075	2,556	0	0	–10,631	0
EBIT	**16,779**	**–148,135**	**–61,163**	**0**	**348**	**–192,171**
Depreciation/amortization	12,714	83,568	48,865	0	0	145,147
EBITDA	**29,493**	**–64,567**	**–12,298**	**0**	**348**	**–47,024**
Personnel expenses	41,314	130,468	39,433	0	0	211,215
Interest income	64	14	16	0	0	94
Interest expenses	902	2,006	1,987	0	0	4,895
Assets	226,048	285,675	143,106	0	–13,339	641,490
Liabilities	69,648	135,442	204,088	0	–13,323	395,855
Investments in non-current assets	8,682	6,810	3,359	0	0	18,852
Number of employees (annual average)	664	3,733	2,009	0	0	6,405
Impairments recognized in profit/loss						
- of inventories	–464	–11	0	0	0	–475
- of trade receivables	–103	–4	0	0	0	–107

Fiscal year 2016/2017 KEUR	**Wholesale GERRY WEBER**	**Retail GERRY WEBER**	**Retail HALLHUBER**	**Other**	**Consolidation**	**Total**
Sales revenues by segments)	**301,972**	**395,667**	**194,312**	**0**	**–11,066**	**880,885**
thereof:						
sales with external third parties	293,994	392,579	194,312	0	0	880,885
Intersegment revenues	7,979	3,087	0	0	–11,066	0
EBIT	**23,973**	**–11,146**	**–2,474**	**0**	**–51**	**10,302**
Depreciation/amortization	10,646	23,630	13,575	0	0	47,851
EBITDA	**34,618**	**12,484**	**11,101**	**0**	**–51**	**58,153**
Personnel expenses	39,079	114,663	38,284	0	0	192,026
Interest income	10	9	2	0	0	21
Interest expenses	1,104	3,264	1,303	0	0	5,671
Assets	248,648	358,691	189,738	0	–7,170	789,907
Liabilities	63,605	119,642	201,615	0	–7,704	377,158
Investments in non-current assets	16,479	13,512	8,203	0	0	38,194
Number of employees (annual average)	757	4,099	2,065	0	0	6,921
Impairments recognized in profit/loss						

Fiscal year 2016/2017 KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
- of inventories	–159	1,571	0	0	0	1,413
- of trade receivables	–875	39	0	0	0	–836

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).

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

The "HALLHUBER" segment comprises the income and expenses as well as assets and liabilities of the HALLHUBER brand.

The segment information is based on the same recognition and valuation measures as the consolidated financial statements.

Transfer prices between the segments are fixed on terms equivalent to those that prevail in arm's length transactions.

The Managing Board of GERRY WEBER International AG has chosen earnings before interest and taxes (EBIT) and sales revenues as performance indicators for controlling and reporting.

Net interest income and tax expenses are viewed by management only at a Group-wide level.

Geographic information:

2017/18 KEUR	Germany	Abroad	Total
Sales revenue by Region	**497,335**	**297,431**	**794,766**
Non-current assets	372,456	50,026	422,482
Investments in non-current assets......................................	17,476	1,376	18,852
Number of employees	5,013	1,392	6,405

2016/17 KEUR	Germany	Abroad	Total
Sales revenue by Region	**541,226**	**339,659**	**880,885**
Non-current assets	454,404	58,689	513,093
Investments in non-current assets......................................	35,767	2,427	38,194
Number of employees	5,302	1,620	6,921

For purposes of segment reporting by geographical segments, external sales are defined by customers' head offices. A regional distinction is made between "Germany" and "Abroad".

I. OTHER INFORMATION

Research and development

Research and development expenses recognized under expenses amount to KEUR 4,421 (previous year: KEUR 4,921) and refer to the development of the collections.

Contingencies

There is a payment obligation for shares in partnerships in an amount of KEUR 13 (previous year: KEUR 13).

Other financial liabilities / operating leases where the company is the lessee

In particular, the property leases comprise properties leased for the Group's own retail activities and offices used by Group companies.

KEUR	**October 31, 2018**	**October 31, 2017**
Within 1 year	97,159	99,301
Between 1 and 5 years	242,693	264,192
After 5 years	65,139	94,496
	404,991	**457,989**

In the fiscal year 2017/18, rental expenses in an amount of KEUR 105,392 (previous year: KEUR 114,759) were recognized. Store leases are usually signed for a period of 10 to 15 years. Some leases include renewal options. The leases contain price adjustment clauses that are typical of the industry and are linked to general inflation.

In conjunction with the store leases, the company frequently agrees to make contributions to the communal advertising expenses, which break down as follows:

KEUR	**October 31, 2018**	**October 31, 2017**
Within 1 year	1,979	2,077
Between 1 and 5 years	5,401	6,269
After 5 years	1,302	2,445
	8,682	**10,791**

In the fiscal year 2017/18, the Group generated KEUR 2,804 (previous year: KEUR 2,691) from subleases. The table below shows the minimum lease payments from subleases:

KEUR	**October 31, 2018**	**October 31, 2017**
Within 1 year	3,934	3,751
Between 1 and 5 years	8,837	10,313
After 5 years	1,095	1,832
	13,866	**15,896**

In addition, the Group has the following other financial obligations from operating leases:

KEUR	**October 31, 2018**	**October 31, 2017**
Within 1 year	8,042	7,898
Between 1 and 5 years	1,144	1,262
	9,186	**9,160**

Expenses for these operating leases totalled KEUR 8,042 in the fiscal year 2017/2018 (previous year: KEUR 7,898).

Most of these are motor vehicle and IT leases, which usually have a term of three to five years and do not include any renewal options. There are no price adjustment clauses.

Operating leases where the company is the lessor

The "Hall 29" order centre in Düsseldorf, which is used by the company itself, generates rental income from the letting of premises to other textile manufacturers. The leases usually have a term of five years. The rent is inflation-linked. The leases include a one-time renewal option for the tenant, usually for another five years. No purchase options have been agreed. The table below shows the remaining minimum leases until the end of the respective contractual period:

KEUR	October 31, 2018	October 31, 2017
Within 1 year	11	1,790
Between 1 and 5 years	0	4,253
After 5 years	0	22
	11	**6,065**

The "Hall 30" property in Düsseldorf, which was sold in the previous year, generated rental income from the letting of premises to other textile manufacturers. The leases usually had a term of four years. The rent was inflation-linked. The leases included a one-time renewal option for the tenant, usually for another four to six years. No purchase options have been agreed.

Lease agreements in which the GERRY WEBER Group is the lessor are classified as operating leases pursuant to IAS 17. Rental income is recognized on a straight-line basis over the term of the respective lease agreement.

As of 31 October 2018, the purchase commitment for investments in non-current assets amounted to EUR 3.5 million (previous year: EUR 2.3 million), of which EUR 2.7 million (previous year: EUR 2.0 million) related to intangible assets.

Litigations

Adequate provisions have been established in the balance sheet for potential risks from pending court or arbitration proceedings. As of the balance sheet date, Gerry Weber International AG or its subsidiaries were not involved in court or arbitration proceedings that have a major impact on the situation of the Group.

Related party disclosures

Related parties within the meaning of IAS 24 are legal or natural persons that may exert influence over GERRY WEBER International AG and its subsidiaries or are subject to control or significant influence by Gerry Weber International AG. These include, in particular, the members of the executive bodies of GERRY WEBER International AG. There are no unconsolidated entities as well as associates and joint ventures.

In the fiscal year 2017/18 as well as in the previous year, transactions were made only with members of the executive bodies and/or with companies that are controlled by such members. The table below shows the goods and services received (expenses) and the goods and services provided (income) from and for these companies:

KEUR	2017/18	2016/17
Services provided by the Group		
Goods and services	5,432	7,164
Management and consulting services	175	175
Other services	1,052	257
Total	**6,659**	**7,596**
Services received by the Group		
Advertising services	3,780	3,850
Management and consulting services	0	30
Rental, leaseholds and leasing agreements	653	653
Hotel services	278	244
Other services	718	660
Total	**5,429**	**5,437**

The transactions listed above essentially relate to companies that are controlled by members of the executive bodies. Only the management and consulting services received by the Group relate directly to such members.

In addition, the Group had the following receivables and liabilities towards these related parties as at the balance sheet date, with the balances relating exclusively to companies controlled by members of the executive bodies:

KEUR	**October 31, 2018**	**October 31, 2017**
Trade receivables	1,789	916

KEUR	**October 31, 2018**	**October 31, 2017**
Credit receivables from loans	0	1,517

KEUR	**October 31, 2018**	**October 31, 2017**
Trade payables	100	321

All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions based on international price comparison methods. This also applies to the terms and conditions for trade receivables and trade payables as well as the loans.

No allowances or derecognitions relating to receivables from related parties were required. No guarantees or securities were obtained or granted; nor do financial assets serve as collateral.

There are no financial obligations from purchase commitments towards related parties.

Contracts and agreements

Sponsorship agreement with Gerry Weber Management & Event oHG

On 20 December 2012, a new sponsorship agreement was signed with Gerry Weber Management & Event oHG with effect from 1 January 2013, 00:00 h.

In this agreement, GERRY WEBER Management & Event oHG undertakes, among other things, to carry out and market its activities under the "GERRY WEBER WORLD" umbrella brand. These activities include, in particular, all sports and entertainment events related to the GERRY WEBER Stadium, the GERRY WEBER Event & Convention Center, the GERRY WEBER Sportpark and the GERRY WEBER Sportpark Hotel. The agreement runs from 1 January 2013 to 31 December 2017 and includes two renewal options for periods of five years each. Pursuant to a supplement to the agreement dated 25 January 2017, the option was exercised and the agreement was renewed for five years until 31 December 2022.

Based on an independent appraisal, sponsorship amounts totalling EUR 21.5 million were determined for the right to the name "GERRY WEBER WORLD" and for the sponsorship payments for the "GERRY WEBER OPEN" for the period from 1 January 2018 to 31 December 2022.

Consultancy agreement with Mr Udo Hardieck

Mr Udo Hardieck provided consulting services in the amount of KEUR 0 in the fiscal year 2017/2018 (previous year: KEUR 30).

Lease agreement with DALOU Grundstücks-GmbH & Co. KG

On 5 June 2014, a lease agreement was signed between Gerry Weber Retail GmbH, which is a fully consolidated company of the Group, and DALOU Grundstücks-GmbH & Co. KG, Halle/Westphalia. The object of the agreement is the outlet store in "Ravenna Park". The space to be let was handed over at the end of 2015.

The agreement commenced on 1 October 2014 and has a fixed term until 30 September 2024 and includes a 5-year option right for the lessee. Obligations in the amount of KEUR 5,300 arise under this agreement.

Mr Ralf Weber is sole limited partner of DALOU Grundstücks-GmbH and sole Managing Director of its general partner, DALOU Verwaltungs GmbH, Halle/Westphalia.

Managing Board

- Ralf Weber, Steinhagen, until 31 October 2018 (Corporate Development and Sales, CEO)
- Jörg Stüber, Halle/Westphalia, from 16 November 2017 to 14 September2018 (Finance, Investor Relations, Central Purchasing, Compliance and IT)
- Johannes Ehling, Feldafing, from 20 April 2018 (Chief Sales and Chief Digital Officer, Spokesman of the Managing Board)
- Florian Frank, Hamburg, from 2 October 2018 (Chief Restructuring Officer)
- Urun Gursu, Bielefeld, from 1 March 2019 (Chief Product Officer)
- Dr. David Frink, until 16 November 2017 (Finance, Logistics, IT, Administration and Human Resources)

Dr. David Frink was a member of the Supervisory Board of DSC Arminia Bielefeld GmbH & Co. KGaA, Bielefeld (until 16 November 2017).

None of the Managing Board members was a member of other supervisory boards or control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Supervisory Board

- Alexander Gedat, Rosenheim, from 3 December 2019 (Chairman from 19 December 2019)
- Dr. Ernst F. Schröder, Bielefeld, until 11 April 2019 (Chairman until 11 April 2019)
- Manfred Menningen, Frankfurt am Main (Vice Chairman from 23 August 2018)
- Gerhard Weber, Halle/Westphalia, until 23 August 2018 (Vice Chairman until 23 August 2018)
- Mr Alfred Thomas Bayard, Bern, Switzerland, until 30 November 2019
- Ute Gerbaulet, Düsseldorf, until 24 September 2019
- Alexander Hardieck, Halle/Westphalia, from 3 September 2018 to 30 November 2019
- Udo Hardieck, Halle/Westphalia, until 11 July 2018
- Dagmar Heuer, Billerbeck, from 3 December 2019
- Milan Lazovic, London, United Kingdom, from 3 December 2019
- Dr. Tobias Moser, Munich, from 3 December 2019
- Sanjay Shama, London, United Kingdom, from 3 December 2019
- Ralf Weber, Halle/Westphalia, 1 November 2018 to 30 November 2019
- Charlotte Weber-Dresselhaus, Halle/Westphalia, until 30 November 2019
- Olaf Dieckmann, Halle/Westphalia (staff representative)
- Mrs. Barbara Jentgens, Frankfurt am Main, from 17 December 2019 (staff representative)
- Klaus Lippert, Halle/Westphalia (staff representative)

- Annette von der Recke, Bielefeld, until 31 January 2018 (staff representative)
- Rena Marx, Herzebrock-Clarholz , from 3 April 2018 (staff representative)
- Andreas Strunk, Bad Salzuflen (staff representative)
- Hans-Jürgen Wentzlaff, Bielefeld, until 30 November 2019 (staff representative)

The Supervisory Board members also sit on the following supervisory boards and controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Mr Alexander Gedat, businessman and former member of the Management Board of Marc O' Polo AG, Rosenheim

Chairman of the Supervisory Board:

Ahlers AG, Herford

Member of the advisory council:

Fynch-Hatton GmbH, Mönchengladbach

Sportalm GmbH, Kitzbühel, Austria

Dr. Ernst F. Schröder, former personally liable partner of August Oetker KG, Bielefeld

Chairman of the Supervisory Board:

L. Possehl GmbH & Co., Lübeck

S.A.S. Hôtel Le Bristol, Paris, France (until 29 June 2018)

S.A.S. Hôtel du Cap-Eden-Roc, Antibes, France (until 29 June 2018)

S.A.S. Château du Domaine St. Martin, Vence, France (until 29 June 2018).

Member of the Supervisory Board:

S.A. Damm, Barcelona.

Chairman of the advisory council:

Bankhaus Lampe KG, Düsseldorf, (until 31 July 2018)

Mr Manfred Menningen, Secretary of the Board Chairman of IG Metall, Frankfurt

Member of the Supervisory Board of Hella KGaA, Lippstadt

Member of the Audit Committee of Hella KGaA, Lippstadt

Mr Gerhard Weber, entrepreneur, Halle/Westphalia

No other mandates

Mr Alfred Thomas Bayard, entrepreneur, Bern, Switzerland

President of the Supervisory Board:

SPN Invest AG, Visp, Switzerland

Bayard Immobilien & Handels AG, Visp, Switzerland

Rotten Verlags-AG, Brig, Switzerland

Walliser Note AG, Visp, Switzerland

Member of the Supervisory Board:

Mode Bayard AG, Bern, Switzerland

Bayard & Co. AG, Bern, Switzerland

Soladis Krankenkasse, Visp, Switzerland

Tennis & Sportcenter AG, Visp, Switzerland

Menigs Druck und Verlag AG, Visp, Switzerland

Menigs Medien AG, Visp, Switzerland

Alpmedia AG, Visp, Switzerland

Radio Rottu Oberwallis AG, Visp, Switzerland

Valmedia AG, Visp, Switzerland

S+Z Print AG, Visp, Switzerland

IED Gruppe AG, Hägendorf, Switzerland

Mrs Christie Groves, Portfolio Manager at Whitebox Advisors LLP, London, United Kingdom

No other mandates

Mrs Ute Gerbaulet, personally liable partner of Bankhaus Lampe KG, Düsseldorf

Member of the Supervisory Board of REWE AG, Essen

Member of the Supervisory Board of NRW Bank, Düsseldorf

Member of the Audit Committee of NRW Bank, Düsseldorf

Member of the Promotional Committee of NRW Bank, Düsseldorf

Mr Alexander Hardieck, entrepreneur, Halle/Westphalia

No other mandates

Mr Udo Hardieck, entrepreneur, Halle/Westphalia

No other mandates

Mrs. Dagmar Heuer, management consultant, Billerbeck

No other mandates

Mr Milan Lazovic, Senior Analyst at Whitebox Advisors LLP, London, United Kingdom

No other mandates

Dr. Tobias Moser, lawyer, Munich

No other mandates

Mr Sanjay Shama, Director and Advisor of Maltings Place SE I, London, United Kingdom

No other mandates

Mr Ralf Weber, entrepreneur, Steinhagen

No other mandates

Ms Charlotte Weber-Dresselhaus, banker, Halle/Westphalia

No other mandates

Mr Olaf Diekmann, technical employee, Halle/Westphalia

No other mandates

Mrs. Barbara Jentges, IG Metall, Vorstand FB Betriebspolitik, Frankfurt am Main

No other mandates

Mr Klaus Lippert, commercial employee, Halle/Westphalia

No other mandates

Mrs. Rena Marx, commercial employee, Herzebrock-Clarholz

No other mandates

Ms Annette von der Recke, commercial employee, Bielefeld

No other mandates

Mr Andreas Strunk, technical employee, Bad Salzuflen

No other mandates

Mr Hans-Jürgen Wentzlaff, second commissioner of IG Metall, Bielefeld

No other mandates

Total compensation of the Managing Board

The table below shows the compensation paid to the individual members of the Managing Board, mostly by the parent company:

KEUR	**2017/18 Fixum**	**2017/18 Variabel**	**2017/18 Total**	**2016/17 Fixum**	**2016/17 Variabel**	**2016/17 Total**
Ralf Weber	712	0	712	712	190	902

KEUR	2017/18 Fixum	2017/18 Variabel	2017/18 Total	2016/17 Fixum	2016/17 Variabel	2016/17 Total
Johannes Ehling[1]	362	175	537	0	0	0
Norbert Steinke[2]	0	0	0	25	100	125
Dr. David Frink[3]	258	0	258	593	175	768
Jörg Stüber[4]	461	0	461	0	0	0
Florian Frank[5]	101	0	101	0	0	0
	1,894	**175**	**2,069**	**1,330**	**465**	**1,795**

1 Since 1 April 2018
2 A payment of KEUR 861.8 was made in connection with the premature departure of Norbert Steinke from the Managing Board of GERRY WEBER International AG.
3 Until 20 November 2017.
4 From 20 November 2017 until 2 August 2018.
5 From 2 October 2018, settled through a management company.

As a general rule, the variable components of the compensation of the Managing Board are determined on a performance basis. There are no stock option plans or other compensation models based on the share price.

Total compensation of the Supervisory Board

In accordance with the statutes, the Supervisory Board exclusively receives fixed compensation of KEUR 851 (previous year: KEUR 870) for its work for the parent company and the Group, which was provisioned for in the fiscal year. No variable compensation is granted.

The table below shows the compensation paid to the individual members of the Supervisory Board, which are short-term benefits in accordance with IAS 24.17 (a).

KEUR	2017/18 Basic salary	2017/18 Total	2016/17 Basic salary	2016/17 Total
Supervisory Board				
Dr. Ernst F. Schröder				
Chairman	180	180	180	180
Gerhard Weber[1]				
Vice Chairman	84	84	90	90
Udo Hardieck[2]	42	42	60	60
Alexander Hardieck[3]	9	9	0	0
Charlotte Weber Dresselhaus	60	60	60	60
Alfred Thomas Bayard	60	60	60	60
Ute Gerbaulet	60	60	60	60
Olaf Dieckmann				
Staff representative........................	60	60	60	60
Klaus Lippert				
Staff representative........................	60	60	60	60
Annette von der Recke[4]				
Staff representative........................	15	15	60	60
Renate Marx[5]				
Staff representative........................	35	35	0	0
Andreas Strunk				
Staff representative........................	60	60	60	60
Hans-Jürgen Wentzlaff				
IG Metall	60	60	60	60
Manfred Menningen[6]				
Vice Chairman	66	66	60	60
	851	**851**	**870**	**870**

1 Vice Chairman until 23 August 2018
2 Vice Chairman until 23 August 2018
3 from 3 September 2018
4 4 until 31 January 2018
5 from 3 April 2018

6 Vice Chairman from 23 August 2018

The staff representatives on the Supervisory Board remain entitled to a regular salary under their employment contracts.

Shares held by the Managing Board

As at the balance sheet date, the Managing Board directly and indirectly held 1,828,546 shares (previous year: 1,823,046 shares).

Shares held by the Supervisory Board

As at the balance sheet date, members of the Supervisory Board directly and indirectly held 21,904,749 shares (previous year: 21,729,929 shares).

Shareholdings

R + U Weber GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 21 March 2005 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 21 March 2005 and on that date amounted to 26.35%.

Hardieck Anlagen GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights).

Hardieck Anlagen-Verwaltungs-GmbH, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights). All of these voting rights are imputable to Hardieck Anlagen-Verwaltungs-GmbH pursuant to section 22 para. 1 sentence 1 No. 1 WpHG. Of the following controlled company, 3% or more is imputable towards Hardieck Anlagen-Verwaltungs-GmbH: Hardieck Anlagen GmbH & Co. KG.

Mr Ralf Weber, Germany, notified us pursuant to section 21 para. 1 WpHG on 16 June 2015 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 12 June 2015 and on that date amounted to 3.3204% (corresponding to 1,524,239 voting rights). 0.9411% of these voting rights (corresponding to 432,000 voting rights) are imputable to Mr Ralf Weber pursuant to section 22 para. 1 sentence 1, No. 1 WpHG.

BNY Mellon Service Kapitalanlage-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to section 21 para. 1 WpHG on 9 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 0.04% (corresponding to 20,000 voting rights).

Axxion S.A., Grevenmacher, Luxemburg, notified us pursuant to section 21 para. 1 WpHG on 6 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 8.62% (corresponding to 3,958,607 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 31 January 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 January 2017 and on that date amounted to 3.25% (corresponding to 1,493,203 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 21 March 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 March 2017 and on that date amounted to 2.98% (corresponding to 1,369,919 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 13 April 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 7 April 2017 and on that date amounted to 3.06% (corresponding to 1,405,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 19 April 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 10 April 2017 and on that date amounted to 2.99% (corresponding to 1,375,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 26 June 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 22 June 2017 and on that date amounted to 3.01% (corresponding to 1,382,283 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 June 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 28 June 2017 and on that date amounted to 2.99% (corresponding to 1,370,938 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 September 2017 that its share of the voting rights in GERRY WEBER International AG, Hal-le/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 September 2017 and on that date amounted to 3.02% (corresponding to 1,386,285 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 12 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 5 October 2017 and on that date amounted to 2.98% (corresponding to 1,366,402 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 9 November 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 3 November 2017 and on that date amounted to 3.11% (corresponding to 1,428,674 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 22 November 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 November 2017 and on that date amounted to 2.97% (corresponding to 1,363,636 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 4 January 2018 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 29 December 2017 and on that date amounted to 3.24% (corresponding to 1,487,813 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 20 July 2018 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 28 December 2017 and on that date amounted to 2.94% (corresponding to 1,347,601 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, mainly together with Mr Alexander Hardieck in community of heirs of Udo Hardieck, notified us pursuant to section 33 para. 1 WpHG on 12 December 2018 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, exceeded the 15% threshold of voting rights on 11 July 2018 and on that date amounted to 17.73% (corresponding to 8,141,205 voting rights).

Mr Alexander Hardieck, Halle/Westphalia, mainly together with Ms Nina Lauterbach in community of heirs of Udo Hardieck, notified us pursuant to section 33 para. 1 WpHG on 12 December 2018 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, exceeded the 15% threshold of voting rights on 11 July 2018 and on that date amounted to 17.89% (corresponding to 8,213,717 voting rights).

Mr Ralf Weber, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 15 February 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 3% threshold of voting rights on 11 February 2019 and on that date amounted to 2.99% (corresponding to 1,376,754 voting rights).

Axxion S.A. notified us pursuant to section 33 para. 1 WpHG on 19 March 2019 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 5% threshold of voting rights on 15 March 2019 and on that date amounted to 4.28% (corresponding to 1,964,746 voting rights).

Axxion S.A. notified us pursuant to section 33 para. 1 WpHG on 29 March 2019 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 27 March 2019 and on that date amounted to 2.05% (corresponding to 939,900 voting rights).

Whitebox General Partner LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by WBOX 2018-3 Ltd., Cayman Islands, and Robus SCSP SICAV-FIAR, Luxembourg, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it both due to the acquisition of shares with voting rights and due to coordinated exercise of voting rights (acting in concert) through the conclusion of a shareholders' agreement.

Whitebox Advisors LLC, Minneapolis, Minnesota, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by WBOX 2018-3 Ltd., Cayman Islands, and Robus SCSP SICAV-FIAR, Luxembourg, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it due to coordinated exercise of voting rights (acting in concert).

Robus Capital Management Limited, London, United Kingdom, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by Robus SCSP SICAV-FIAR, Luxembourg, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights). In this context, it indicated that the voting rights are attributed to it both due to the acquisition of shares with voting rights and due to coordinated exercise of voting rights (acting in concert) through the conclusion of a shareholders' agreement as well as the sub-authorization to exercise voting rights.

Mr Wolfgang Stolz, born on 26 March 1963, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, held by Robus SCSP SICAV-FIAR, Luxembourg, are attributed to him due to a sub-authorization to exercise voting rights.

Mr Gerhard Weber, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 25% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Mr Alexander Hardieck, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Transactions pursuant to section 15a of the German Securities Trading Act (WpHG)

Mr Ralf Weber, then Chairman of the Managing Board, purchased 5,500 shares at a price of EUR 8.52 per share and sold 697,541 shares at a price of EUR 5.33 per share in the fiscal year.

Gerhard Weber, then member of the Supervisory Board, purchased 5,000 shares at a price of EUR 8.52 per share in the year under review.

Auditor's fees

The following auditor's fees were recognized as Group expenses:

KEUR	2017/18	2016/17
Audit services..	480	479

KEUR	2017/18	2016/17
Other confirmation services	15	13
Tax consulting services	163	180
Other services	47	170
	705	**842**

Audit services primarily comprise the fees for the audit of the consolidated financial statements as well as the statutory audits of Gerry Weber International AG and the consolidated subsidiaries. Other confirmation services provided to Gerry Weber International AG and the entities controlled by it essentially comprise landlord certificates. In addition, tax consulting services were provided, which primarily related to the preparation of tax returns as well as assistance in tax audits by the tax authorities. Other services essentially comprise fees for consultation services in company law matters.

German Corporate Governance Code / Statement required under section 161 AktG

The statement required under section 161 of the German Stock Corporation Act was issued by the Managing Board and the Supervisory Board on 2 October 2018 and published on the website of GERRY WEBER International AG at www.gerryweber.com under Investors / Corporate Governance.

Post balance sheet events

In the course of the fiscal year 2017/18, the GERRY WEBER Group faced a growing number of internal and external crisis factors. These ultimately resulted in a comprehensive strategic, operational and financial restructuring exercise, which was initiated in the fourth quarter of the fiscal year on the basis of a detailed restructuring report ("Sanierungsgutachten") to be prepared by an independent accounting firm.

As of the reporting date of 31 October 2018, GERRY WEBER International AG rated the prospects of success for an agreement with major creditors on a modified overall financing concept as highly probable. On this basis, the estimation and discretionary powers were exercised with regard to the assets and liabilities reported in the financial statements.

Caused by the failure of the talks between GERRY WEBER Group and its financing partners, which could not be foreseen as of the balance sheet date, GERRY WEBER International AG applied for the opening of insolvency proceedings under its own management (Insolvenz in Eigenverwaltung) on 25 January 2019, which were opened on 1 April 2019. Insolvency proceedings for Gerry Weber Retail GmbH & Co KG were filed on 7 February 2019. The proceedings for Gerry Weber Retail GmbH & Co KG were opened as of 1 May 2019.

On 7 February 2019, a bridge loan in the amount of EUR 10 million for the Hallhuber GmbH subsidiary was agreed with an investor, Robus Capital Management Ltd. In addition, Robus acquired receivables of GERRY WEBER Group member companies towards Hallhuber at a purchase price of EUR 1 million. At the same time, a call option for Hallhuber GmbH and Hallhuber Beteiligungs GmbH was agreed; in this context, it was agreed that, if the option were exercised, GERRY WEBER would either retain a 14% stake in Hallhuber or a 12% stake plus a cash purchase price of EUR 500,000. The call option for Hallhuber was to be exercisable only after various conditions had been met, which was assumed to be the case in May 2019. As a result, the Hallhuber segment became a discontinued operation pursuant to IFRS 5. When the option was exercised on 2 July 2019, 88% of the shares in Hallhuber Beteiligungs GmbH (and thus indirectly in Hallhuber GmbH) were transferred to Robus.

On 15 July 2019, a binding investment agreement for the financial restructuring of the company was concluded as part of an insolvency plan. The investment agreement in the proceedings of GERRY WEBER International AG was signed with the consent of the creditors' committee and the insolvency monitor, attorney Stefan Meyer. Under the investment agreement, funds managed by the financial investors Robus Capital Management Ltd. and Whitebox Advisors LLP will make available an amount of up to € 49.2 million for the sustainable financial restructuring of GERRY WEBER International AG. It was also agreed that the creditors of GERRY WEBER International AG who are to waive part of their claims generally have a choice between cash compensation and various financial instruments to reinstate value. As a further material component of the insolvency plan for GERRY WEBER International AG to be submitted to the creditors, a capital reduction and a subsequent cash capital increase with the following steps were agreed upon: reduction in share capital to almost zero, transfer of remaining shares to Robus and Whitebox, subscription of new shares by Robus and Whitebox and creation of new conditional capital to service the convertible bonds made available to creditors who opt for such convertible bonds. With these steps, the existing shareholders would also leave the company upon acceptance of the insolvency plan.

According to the insolvency plan of GERRY WEBER International AG, the company's creditors receive a cash quota, which is to be paid out promptly after conclusion of the insolvency proceedings. In addition, they will in particular receive funds from future disinvestments of the company (Ravenna Park Logistics Centre, remaining stake in HALLHUBER). Under German insolvency law, no quota satisfaction is possible for the group of shareholders before all creditors have been satisfied with all claims at 100%.

Creditors whose claims amount to at least EUR 2,500.00 will be offered optional straight bonds in addition to the cash quota, while major creditors whose claims amount to at least EUR 333,333.33 will be offered convertible bonds in addition to straight bonds.

With the entries made in the commercial register at the end of October 2019, the share capital of GERRY WEBER International AG was reduced from EUR 45,905,960 to EUR 8,733 (restructuring capital cut) and subsequently increased to EUR 1,025,000. The new shares were fully subscribed by the funds managed by Robus Capital Management Ltd. and Whitebox Advisors LLP. The old shares remaining after the capital cut were also transferred to these funds, which, consequently, have since been the sole owners of GERRY WEBER International AG. Robus and Whitebox have made available up to EUR 49.2 million to finance the insolvency ratios in both insolvency plans and to finance working capital for the GERRY WEBER Group. With these measures, the previous shareholders have left the company. On the basis of conditional capital increase measures in the insolvency plan, those creditors of GERRY WEBER International AG who have chosen convertible bonds are also to participate in the share capital at a later date.

The coordinated insolvency plans for GERRY WEBER International AG and Gerry Weber Retail GmbH & Co. KG became legally effective on 25 October 2019 (GERRY WEBER International AG) and 22 November 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings of GERRY WEBER International AG were concluded with effect from 31 December 2019. The going concern is thus secured, so that accounting is based on the assumption that the company will continue as a going concern.

Ralf Weber resigned from the Managing Board of GERRY WEBER International AG with effect from 1 November 2018 and was appointed member of the Supervisory Board on 12 November 2018. Mr Florian Frank was appointed to the Managing Board as Chief Restructuring Officer (CRO) on 13 November 2018. On 19 February2019, the Supervisory Board of GERRY WEBER International AG appointed Mr Urun Gursu as an additional member of the company's Managing Board. In his capacity as Chief Product Officer (CPO), Mr. Gursu has been responsible for Product and Creation since 1 March 2019.

On 15 January 2020, the Managing Board resolved that the consolidated financial statements and the Group management report of GERRY WEBER International AG be submitted to the Supervisory Board.

The consolidated financial statements will be published on 22 January 2020.

Exemption from disclosures pursuant to section 264 para. 3 of the German Commercial Code (HGB)

The following fully consolidated domestic subsidiaries took advantage of the options provided under section 264 para. 3 of the German Commercial Code (HGB) with regard to the disclosure of their annual accounts and the preparation of the management report:

- Life-Style Fashion GmbH, Halle/Westphalia,

- Gerry Weber Retail GmbH, Halle/Westphalia,

- Gerry Weber Logistics GmbH, Halle/Westphalia.

Publication of the consolidated financial statements

The consolidated financial statements in the legally required form will be examined and endorsed by the Supervisory Board of GERRY WEBER International AG at its meeting on 21 January 2020 and thus be approved for electronic publication in the Federal Gazette.

Halle/Westphalia, 20 January 2020

Managing Board

Johannes Ehling Florian Frank Urun Gursu

INDEPENDENT AUDITOR'S REPORT (ENGLISH-LANGUAGE TRANSLATION)

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the combined group management report (zusammengefasster Konzernlagebericht) of Gerry Weber International AG as of and for the fiscal year ended October 31, 2018. The group management report is neither included nor incorporated by reference in this Prospectus.

To GERRY WEBER International Aktiengesellschaft, Halle/Westfalen

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of GERRY WEBER International Aktiengesellschaft, Halle/Westfalen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at October 31, 2018, and consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from November 1, 2017 to October 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of GERRY WEBER International Aktiengesellschaft, which is combined with the Company's management report, for the financial year from November 1, 2017 to October 31, 2018. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at October 31, 2018, and of its financial performance for the financial year from November 1, 2017 to October 31, 2018, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from November 1, 2017 to October 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Effect of the insolvency proceedings on accounting

❷ Recoverability of goodwill

❸ Measurement of inventories

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Effect of the insolvency proceedings on accounting

① In 2018, GERRY WEBER International AG prepared a restructuring plan and engaged an audit firm to draw up a restructuring report in accordance with IDW S 6. That report arrived at a positive going concern forecast on condition that an agreement with major creditors would be reached on an amended overall financing plan, which was expected at the end of January 2019. However, the agreement unexpectedly fell through at the end of January 2019 and on January 25, 2019, GERRY WEBER International AG filed for the instigation of insolvency proceedings under self-administration. On February 7, 2019, a motion was also filed for the instigation of insolvency proceedings under self-administration for fully consolidated entity Gerry Weber Retail GmbH & Co. KG. The proceedings were opened on April 1, 2019 and May 1, 2019, respectively. Coordinated insolvency plans were subsequently drawn up for both companies to ensure their continued existence as a going concern. The insolvency plans entered into legal force on October 25, 2019 (GERRY WEBER International AG) and November 22, 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings in respect of GERRY WEBER International AG were suspended on December 31, 2019, and those in respect of Gerry Weber Retail GmbH & Co. KG are scheduled to be suspended on February 29, 2020. As of the October 31, 2018 reporting date, the Company's executive directors considered it highly likely that an agreement would be reached with major creditors on an amended overall financing plan, and as such assessed the unexpected rejection of the amended overall financing plan and the filing for insolvency proceedings as an unforeseeable event after the reporting period. In observance of the reporting date principle, under which the financial statements must reflect adjusting events that had already occurred or were identifiable based on the knowledge and estimates of the executive directors as of the end of the reporting period, the consolidated financial statements were drawn up on the assumption that the amended overall financing plan would be approved. Against this background, the executive directors took into consideration the accounting effects of the assumptions and measures in the restructuring plan underlying the IDW S 6 restructuring report on the recognition and measurement of the assets and liabilities reported in the financial statements, and exercised their scope for estimates and judgment accordingly. This affected in particular the intangible assets, property plant and equipment, inventories and provisions recognized in the balance sheet. In our view, this matter was of particular significance in the context of our audit given that preparing the consolidated financial statements in consideration of the effects of the insolvency proceedings is complex and is based to a large degree on estimates and assumptions made by the executive directors.

② As part of our audit, we used appropriate evidence to verify the timing of the insolvency proceedings relating to GERRY WEBER International AG and Gerry Weber Retail GmbH & Co. KG and their conclusion/planned conclusion. In addition, we involved our internal accounting specialists to assess the appropriateness of the executive directors' judgment that the rejection of the amended overall financing plan and filing for insolvency proceedings in January 2019 was in each case an unforeseeable and thus non-adjusting event, and consequently whether it was due and proper to prepare the consolidated financial statements on the assumption that the amended overall financing plan would be approved. In addition, among other things we interviewed the executive directors and inspected the underlying documents to assess the extent to which the events had occurred or were identifiable based on the knowledge and estimates of the Company's executive directors as of the end of the reporting period, and thus the extent to which they did or did not have to be taken into consideration in preparing the consolidated financial statements. As part of our audit, we also addressed the restructuring plan and restructuring report in accordance with IDW S 6, which were prepared by the executive directors and a different audit firm, respectively, before the end of the reporting date and during work to prepare the consolidated financial statements, up to the rejection of the amended overall financing plan. In this connection, we assessed the appropriateness of the assumptions made in the restructuring plan and verified whether the measures presented in the restructuring plan were properly derived on the basis of those assumptions. Among other things we interviewed employees from Corporate Controlling and the executive directors, obtained explanations of the assumptions made and measures derived form them, and assessed these on the basis of appropriate evidence. We also assessed the expertise and objectivity of the audit firm preparing the restructuring report and the proper preparation of the restructuring report. In auditing the measurement of assets and liabilities, in particular of the fixed assets, inventories and provisions, we concluded by verifying whether the underlying carrying amounts and write-downs to be recognized were consistent with the assumptions and measures specified in the restructuring plan underlying the IDW S 6 restructuring report. We were able to satisfy ourselves on the basis of these and other audit procedures that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated and that, as a whole, the effects of the insolvency proceedings were properly presented in the consolidated financial statements, taking into consideration the information available.

③ The Company's disclosures on applying the going concern basis of accounting and the carrying amounts recognized due to the restructuring plan are contained in sections A. "General information: Going concern basis of accounting", C. "Restructuring and other non-operating expenses", and I. "Other disclosures: Events after the reporting period".

❷ Recoverability of goodwill

① In the consolidated financial statements of GERRY WEBER International AG, goodwill totaling EUR 44.4 million (6.9% of total assets) was reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant group of cash-generating units, including the respective goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the Group's projections underlying the restructuring plan form the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that, even after factoring in the fair value less costs of disposal, it was necessary to recognize write-downs totaling EUR 42.5 million with respect to the Hallhuber, Stores Norway and Stores Finland groups of cash-generating units. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the projections underlying the restructuring plan, we assessed the appropriateness of the calculation, including by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also focused our testing on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations based on the restructuring plan and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on the goodwill included in the "Intangible assets" balance sheet item and the associated impairment test are contained in section D.1. "Notes to the balance sheet: Fixed assets" of the notes to the consolidated financial statements.

❸ Measurement of inventories

① Inventories totaling EUR 147 million (22.9% of total assets) are reported in the consolidated financial statements of GERRY WEBER International AG. These are textiles for womenswear that are subject to fashion-related and seasonal effects. In calculating the net realizable value of inventories, the Company applies discounts based on the collections in which the items are included. These are subject to collective write-down rates that reflect realization risks based on past experience. The realization risks were determined in the consolidated financial statements as of October 31, 2018 against the background of the restructuring plan. The measurement of inventories is based on estimates and assumptions made by the executive directors. Against this background and due to the amount of these material items, we consider these matters to be of particular significance in the context of our audit.

② As part of our audit, we began by verifying the Group's procedure for measuring inventories and assessed it for appropriateness. Among other things, we then used historical data to verify the write-down rates applied and assessed their consistent application over time. We also addressed the impact of the restructuring plan on the opportunities for realizing inventories, and for that purpose verified the appropriateness of the assumptions and estimates on the basis of interviews with the executive directors and other Group employees, and by inspecting the underlying documents and analytical assessments. Based on our audit procedures, we were able to satisfy ourselves overall that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure the proper measurement of inventories.

③ The Company's disclosures relating to the measurement methods applied with respect to the "Inventories" balance sheet item and the write-downs recognized are contained in sections B. "Accounting policies", C. "Restructuring and other non-operating expenses", and D.4 "Notes to the balance sheet: Inventories" of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section „statement on corporate governance“ of the group management report

- the non-financial statement pursuant to § 289b (1) HGB and § 315b (1) HGB included in section „non-financial statement“ of the group management report

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 26, 2018. We were engaged by the supervisory board on May 18, 2018. We have been the group auditor of the GERRY WEBER International Aktiengesellschaft, Halle/Westfalen without interruption since the financial year 2012/2013.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Carsten Schürmann.

Bielefeld, January 20, 2020

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

sgd. Carsten Schürmann	sgd. Burkhard Peters
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE FISCAL YEAR ENDED OCTOBER 31, 2017 (IFRS)

CONSOLIDATED INCOME STATEMENT FOR THE FISCAL YEAR 2016/2017

	Nots	2016/2017	2015/2016
		EUR	EUR
Sales revenues	(20)	880,885,214.04	900,791,023.19
Other operating income	(21)	14,640,398.42	46,347,546.16
Changes in inventories	(22)	−8,078,494.71	12,726,338.91
Cost of materials	(23)	−356,743,114.00	−369,801,186.41
Personnel expenses	(24)	−192,026,377.86	−202,708,288.62
Depreciation and amortization	(25)	−47,850,938.85	−63,450,557.04
Other operating expenses	(26)	−279,333,138.70	−308,719,634.71
Other taxes	(27)	−1,191,365.60	−1,364,556.53
Operating result		**10,302,182.74**	**13,820,684.95**
Financial result	**(28)**		
Income from the fair value valuation of financial liabilities		17,654.19	19,959.99
Interest income		20,221.11	42,897.76
Depreciation on financial assets		−350,000.00	0.00
Incidental bank charges		−1,752,620.70	−1,906,662.74
Financial expenses		−5,671,201.66	−6,801,949.62
Financial result		−7,735,947.06	−8,645,754.61
Results from ordinary activities		**2,566,235.68**	**5,174,930.34**
Income taxes	**(29)**		
Taxes of the fiscal year		−4,777,400.17	−10,879,663.51
Deferred taxes		1,429,655.16	6,216,557.62
		–3,347,745.01	–4,663,105.89
Consolidated net profit / loss for the year		**−781,509.33**	**511,824.45**
Earnings per share (basic)	(30)	−0.02	0.01
Earnings per share (diluted)	(30)	−0.02	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR 2016/2017

	2016/2017 EUR	2015/2016 EUR
Consolidated net profit / loss for the year	−781,509.33	511,824.45
Other comprehensive income	–	–
Items that may be reclassified to profit and loss account		
Currency translation: changes in the amount recognized in equity		
Changes in the balancing item for the currency translation of foreign subsidiaries	−1,084,600.41	1,559,085.46
Cash flow hedges: changes in the amount recognized in equity		
Changes in the fair value of derivatives used for hedging purposes	−22,583,139.53	−29,373,296.44
Income taxes		
On the components of other comprehensive income applicable income taxes	7,141,669.00	8,811,995.86
Comprehensive Loss	**−17,307,580.27**	**−18,490,390.67**

CONSOLIDATED BALANCE SHEET AS OF OCTOBER 31, 2017

ASSETS

	Note	2016/2017 EUR	2015/2016 EUR
Non-current assets			
Fixed Assets	**(1)**		
Intangible assets	(a)	229,890,012.75	226,224,011.97
Property, plant and equipment	(b)	272,923,792.05	287,978,560.97
Investment properties	(c)	0.00	0.00
Financial assets	(d)	2,082,198.47	2,274,231.76
Other non-current assets			
Other assets	(2)	150,738.00	279,439.30
Deferred tax assets	**(3)**	**8,045,973.00**	**7,418,890.84**
		513,092,714.27	524,175,134.84
Current assets			
Inventories	(4)	163,389,427.50	173,286,819.80
Receivables and other assets			
Trade receivables	(5)	49,239,020.39	63,285,350.21
Other assets	(6)	21,033,247.76	86,957,949.76
Income tax receivables	(7)	6,574,924.65	2,213,021.64
Cash and cash equivalents	**(8)**	**36,577,519.61**	**50,747,057.03**
		276,814,139.91	**376,490,198.44**
		789,906,854.18	**900,665,333.28**

EQUITY AND LIABILITIES

	Note	2016/2017 EUR	2015/2016 EUR
Equity	**(9)**		
Subscribed capital	(a)	45,507,715.00	45,905,960.00
Capital reserve	(b)	102,386,942.97	102,386,942.97
Retained earnings	(c)	225,778,875.57	230,380,588.83
Accumulated other comprehensive income/loss according to IAS 39	(d)	−4,671,054.35	10,930,135.18
Exchange differences	(e)	−2,506,222.45	−1,581,341.04
Accumulated profit / loss	(f)	46,252,325.31	58,477,449.64
		412,748,582.05	**446,499,735.58**
Non-current liabilities			
Provisions for personnel	(10)	291,024.99	184,627.55
Other provisions	(11)	8,598,360.00	8,324,561.00
Financial liabilities	(12)	218,250,000.00	221,250,000.00
Other liabilities	(13)	3,616,960.32	12,242,416.42
Deferred tax liabilities	(3)	30,880,801.00	38,307,700.50
		261,637,146.31	***280,309,305.47***
Current liabilities			
Provisions			
Tax provisions	(14)	2,213,074.42	11,205,820.21
Provisions for personnel	(15)	12,216,626.01	16,198,655.66
Other provisions	(16)	10,055,824.18	17,967,627.59
Liabilities			
Financial liabilities	(17)	10,843,855.06	33,547,431.82
Trade payables	(18)	51,857,772.63	57,294,241.79
Other liabilities	(19)	28,333,973.52	37,609,131.79
Income tax liabilities		0.00	33,383.37
		115,521,125.82	***173,856,292.23***
		789,906,854.18	**900,665,333.28**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the fiscal year 2016/17

(in €)	Note	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to IAS 39	Exchange differences	Accumulated profit	Equity
Balance as at November 1, 2016...		**45,905,960.0**	**102,386,942.97**	**230,380,588.83**	**10,930,135.18**	**−1,581,341.04**	**58,477,449.64**	**446,499,735.58**
Comprehensive net loss..........................							−781,509.33	−781,509.33
Other comprehensive loss..........................					−15,601,189.53	−924,881.41		−16,526,070.94
Overall comprehensive result		**0.00**	**0.00**	**0.00**	**−15,601,189.53**	**−924,881.41**	**−781,509.33**	**−17,307,580.27**
Acquisition of own shares		−398,245.00		−4,601,713.26				−4,999,958.26
Dividend payments to the shareholders of the parent company..							−11,443,615.00	−11,443,615.00
Balance as at October 31, 2017	**(9)**	**45,507,715.00**	**102,386,942.97**	**230,380,588.83**	**−4,671,054.35**	**−2,506,222.45**	**46,252,325.31**	**412,748,582.05**

For the fiscal year 2015/16

(in €)	Notes	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss according to IAS 39	Exchange differences	Accumulated profits	Equity
As of Nov. 1, 2015		**45,905,960.00**	**102,386,942.97**	**230,380,588.83**	**31,491,435.76**	**−3,140,426.50**	**76,328,009.19**	**483,352,510.25**
Comprehensive income							511,824.45	511,824.45
Other comprehensive income					−20,561,300.58	1,559,085.46		−19,002,215.12
Other loss from continuing operations								
Overall comprehensive result		**0.0**	**0.0**	**0.0**	**−20,561,300.58**	**1,559,085.46**	**511,824.45**	**−18,490,390.67**
Transactions with shareholders............								
Dividend payments to the shareholders of the parent company..							−18,362,384.00	−18,362,384.00
Balance as at October 31, 2016	**(9)**	**45,905,960.00**	**102,386,942.97**	**230,380,588.83**	**10,930,135.18**	**−1,581,341.04**	**58,477,449.64**	**446,499,735.58**

CONSOLIDATED CASH FLOW STATEMENT

For the fiscal year 2016/17

	2016/2017 KEUR	2015/2016 KEUR
Operating result	10,302.2	13,820.7
Depreciation/amortization	47,850.9	63,450.6
Profit/loss from the disposal of fixed assets	481.8	−22,318.7
Decrease/increase in inventories	9,897.4	−9,703.1
Decrease in trade receivables	14,046.3	675.6
Decrease in other assets that do not fall under investing or financing activities	877.5	4,004.8
Decrease/increase in provisions	−11,513.6	6,449.5
Decrease in trade payables	−5,436.5	−3,367.8
Decrease in other liabilities that do not fall under investing or financing activities	−1,170.3	−2,996.9
Income tax refunds/payments	−18,165.4	4,576.7
Cash inflows from operating activities	**47,170.3**	**54,591.5**
Income from borrowings	17.7	20.0
Interest received	20.2	42.9
Incidental bank charges	−1,752.6	−1,906.7
Interest paid	−4,954.2	−4,986.9
Cash inflows from current operating activities	**40,501.4**	**47,760.7**
Proceeds from the disposal of properties, plant, equipment and intangible assets	612.0	745.2
Cash outflows for investments in property, plant, equipment and intangible assets	−38,193.8	−59,799.1
Cash outflows for the acquisition of fully consolidated companies less cash and cash equivalents acquired	−23,885.0	0.0
Cash outflows for investments in investment properties	0.0	–107.2
Cash inflows for investments in investment properties	49,101.0	0.0
Proceeds from the disposal of financial assets	91.6	336.3
Cash outflows for investments in financial assets	−249.6	–13.7
Cash outflows from investing activities	**−12,523.8**	**−58,838.5**
Dividend payment	–11,443.6	–18,362.4
Cash outflows for the acquisition of own shares	–5,000.0	0.0
Proceeds from loans	0.0	33,771.0
Cash outflows for the repayment of financial liabilities	–30,695.6	–29,714.0
Cash outflows from financing activities	**–47,139.2**	**–14,305.4**
Changes in cash and cash equivalents	–19,161.5	–25,383.2
Cash and cash equivalents at the beginning of the fiscal year	50,747.0	76,130.3
Cash and cash equivalents at the end of the fiscal year*	**31,585.5**	**50,747.0**

* Cash and cash equivalents consist of cash (KEUR 36,577.5; previous year: KEUR 50,747.0) less current liabilities to banks (KEUR 4,992.0; previous year: KEUR 0.0)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2016/2017

A. GENERAL INFORMATION

Company data

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

The main activities of the Group are described in the segment report.

The fiscal year began on 1 November 2016 and ended on 31 October 2017 (previous year: 1 November 2015 to 31 October 2016).

Accounting principles

Pursuant to EU Directive (EC) No. 1606/2002 in conjunction with section 315a para. 1 of the German Commercial Code (HGB), the consolidated financial statements of GERRY WEBER International AG, the parent company, for the year ended 31 October 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS) as they are applicable in the European Union. The term "IFRS" also includes the applicable International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC). All IFRS that were mandatory for the fiscal year 2016/17 were applied to the extent that they had been endorsed by the European Union.

The consolidated financial statements are denominated in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR).

The income statement has been prepared using the total cost method.

New IASB regulations for first time application in the fiscal year 2016/17

The following accounting standards and supplements to existing regulations became mandatory for the fiscal year from 1 November 2016 to 31 October 2017:

New regulations			**Impacts**
Amendments to IFRS 10, IFRS 12 and IAS 28............	Investment Companies	Investment companies: application of the consolidation exception	No impact
Amendments to IFRS 11	Joint Agreements	Accounting for acquisitions of interests in joint operations	No impact
Amendments to IAS 1	Presentation of Financial Statements	Disclosure Initiative: amendments clarify issues regarding statement of financial position and statement of profit or loss	Different presentation and structuring within the notes
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	New regulation regarding the valuation of biological assets and transfer to IAS 16	No impact
Amendments to IAS 16 and IAS 38	Property, Plant and Equipment	Clarification of acceptable methods of depreciation and amortization	No impact
Amendments to IAS 27	Separate Financial Statements	Application of the equity method in separate financial statements	No impact
Improvement-Project 2014..........	Improvement of IFRS (2012–2014) IFRS 5, IFRS 7, IAS 19, IAS 34	The minor amendments to FRS 5, IFRS 7, IAS 19 and IAS 34 essentially comprise clarifications regarding servicing contracts and changes in methods of disposal	No material impact

The amendments to IAS 36, which are effective for annual periods commencing on or after 1 January 2016, were applied by the GERRY WEBER Group already in the fiscal year 2014/15.

New IASB regulations not applicable in the fiscal year 2016/17:

Regulations that were not applied			**Published by the IASB**	**First-time application**	**Adopted by the EU Commission**	**Anticipated impact**
Amendments to IFRS 2	Share-based Payments	Classification and measurement of share-based transactions	20.06.2016	01.01.2018	Not yet	No impacts
Amendments to IFRS 4	Insurance Contracts	Application of IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	12.09.2016	01.01.2018	03.11.2017	The impact that would result from application is still being reviewed
IFRS 9.........	Financial Instruments	Rules regarding the recognition of impairment losses, changes of the classification and measurement of financial assets	24.07.2014	01.01.2018	22.11.2016	The impact that would result from application is still being reviewed; in view of our current business activity, we do not expect any material impacts
Amendments to IFRS 9	Financial Instruments	Classification of certain financial instruments with prepayment features	12.10.2017	01.01.2019	Not yet	The impact that would result from application is still being reviewed; in view of our current business activity, we do not expect any material impacts
IFRS 15.......	Revenue from Contracts with Customers	Principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer	28.05.2014	01.01.2018	22.09.2016	In view of our current business activity, we do not expect any material impacts
Amendments to IFRS 15 ..	Clarification regarding IFRS 15	The clarification relates to the identification of performance obligations, principal versus agent considerations, licensing and the transition guidance	12.04.2016	01.01.2018	Not yet	In view of our current business activity, we do not expect any material impacts
IFRS 16......	Leases	The lessee must recognize longer-term leases in the form of a right of use and a liability in the balance sheet	13.01.2016	01.01.2019	09.11.2017	Strong increase in fixed assets and liabilities. Shift between operating result and financial result

Regulations that were not applied			Published by the IASB	First-time application	Adopted by the EU Commission	Anticipated impact
IFRS 17.....	Insurance Contracts	Principles for the accounting of insurance contracts replace the former transitional standard IFRS 4	18.05.2017	01.01.2021	Not yet	No material impact
Amendments to IAS 7.....	Cash Flow Statement	In conjunction with the Disclosure Initiative, additional disclosures are required in the notes to assess the changes in liabilities from financing activities	29.01.2016	01.01.2017	06.11.2017	No material impact
Amendments to IAS 12...	Deferred Tax	Recognition of deferred tax assets for unrealized losses	19.01.2016	01.01.2017	06.11.2017	No material impact
Amendments to IAS 28...	Investments in Associates and Joint Ventures	Obligation to apply IFRS 9 to long-term interests in associates or joint ventures	12.10.2017	01.01.2019	Not yet	No impacts
Amendments to IAS 40...	Investment Property	Transfer of investment property	08.12.2016	01.01.2018	Not yet	No impacts
Improvement Project 2016	Improvement of IFRS (2014−2016) IFRS 1, IFRS 12, IAS 28	Collective standard for amendments or supplements to the corresponding regulations	08.12.2016	01.01.2017	Not yet	No material impact
Improvement Project 2017	Improvement of IFRS (2015−2017) IFRS 3, IFRS 11, IAS 12, IAS 23	Collective standard for amendments or supplements to the corresponding regulations	12.12.2017	01.01.2019	Not yet	The impact that would result from application is still being reviewed
IFRIC 22 ...	Foreign Currency Transactions and Advance Consideration	Accounting for transactions that include the receipt or payment of advance consideration in a foreign currency	08.12.2016	01.01.2018	Not yet	The impact that would result from application is still being reviewed
IFRIC 23 ...	Uncertainty over Income Tax Treatments	Clarifies uncertainties over income tax treatments under IAS 12	07.06.2017	01.01.2019	Not yet	The impact that would result from application is still being reviewed

* In November the EFRAG announced that the European Commission will not propose the IFRS interim standard for transposition into EU law due to the very limited user group.

The company plans to adopt the new or amended standards for the first time in the year in which they come into force.

Basis of consolidation

As in the previous year, the consolidated financial statements comprise GERRY WEBER International AG as the parent company and the subsidiaries listed below:

- Life-Style Fashion GmbH, Halle/Westphalia,
- Gerry Weber Retail GmbH, Halle/Westphalia,
- E-Gerry Weber Digital GmbH, Halle/Westphalia,
- Gerry Weber Iberica S.L., Palma de Mallorca, Spain,
- GERRY WEBER FAR EAST Ltd., Hong Kong, China,
- Gerry Weber France s.a.r.l., Paris, France,
- Gerry Weber Denmark ApS, Albertslund, Denmark,
- Gerry Weber Dis Ticaret Ltd. Sirkuti, Istanbul, Turkey,
- Gerry Weber Ireland Ltd., Dublin, Ireland,
- Gerry Weber Support s.r.l., Bucharest, Romania,
- Gerry Weber GmbH, Vienna, Austria,
- GERRY WEBER Italia GmbH, Italy,
- GERRY WEBER UK Ltd., London, Great Britain,
- Gerry Weber GmbH, Raeren, Belgium,
- GERRY WEBER ASIA Ltd., Hong Kong, China,
- Gerry Weber Shanghai Co. Ltd., Shanghai, China,
- GERRY WEBER Polska Sp. Z o.o., Warsaw, Poland,
- Gerry Weber Logistics GmbH, Halle/Westphalia,
- GW Media GmbH, Halle/Westphalia,
- GERRY WEBER Incompany B.V., Amsterdam, Netherlands,
- GERRY WEBER Retail B.V., Amsterdam, Netherlands,
- GERRY WEBER Sweden AB, Malmö, Sweden,
- GERRY WEBER CZ s.r.o., Prague, Czech Republic,
- ARW – GERRY WEBER BELUX BVBA, Brussels, Belgium,
- ARW RETAIL – GERRY WEBER NV, Brussels, Belgium,
- COAST RETAIL – GERRY WEBER NV, Nieuwpoort,
- Belgium, GERRY WEBER SK s.r.o., Bratislava, Slovakia,

- GERRY WEBER Finland OY, Helsinki, Finland,
- GERRY WEBER Wholesale Fashion GmbH, Glattpark, Switzerland,
- GERRY WEBER Canada Ltd., Moncton, Canada,
- Outlet Retail BVBA, Brussels, Belgium,
- Gerry Weber Norge AS, Trondheim, Norway,
- TB Fashion GERRY WEBER GmbH, Halle/Westphalia*,
- Brentrup Sp. z o.o., Lodz, Poland*,
- Hallhuber GmbH, Munich,
- Hallhuber Beteiligungs GmbH, Munich,
- OOO Gerry Weber RUS, Moscow, Russia
- Gerry Weber Trading (Shanghai) Co. Ltd., Shanghai, China.

* The shareholdings in TB Fashion Gerry Weber GmbH and its subsidiary, Brentrup Sp. z o.o., amount to 51% each. All other companies are wholly owned.

The consolidated subsidiaries have the same reporting date as the parent company.

Consolidation principles

Subsidiaries are all companies controlled by the Group. Pursuant to IFRS 10, the GERRY WEBER Group has control over an investee if it has power over the latter's material activities, is exposed to variable returns and has the ability to affect those returns through its power over the investee.

This is generally the case where the voting rights exceeds 50%. When assessing whether the Group has control, the existence and the effect of potential voting rights which are currently exercisable or convertible are taken into account.

Subsidiaries are consolidated (full consolidation) from the time at which control is transferred to the Group.

They are deconsolidated at the time when control ends.

The effects of intra-group transactions are eliminated. Receivables and liabilities between the consolidated entities are netted, intercompany profits and losses are eliminated and intra-group income is offset against the corresponding expenses. Deferred taxes as required pursuant to IAS 12 are established for temporary differences on consolidation.

Business combinations

Subsidiaries are accounted for using the acquisition method. The cost of acquisition is equivalent to the fair value of the assets surrendered, the equity instruments issued and the liabilities incurred and/or assumed at the time of the transaction. It also includes the fair values of all assets or liabilities resulting from contingent consideration agreements. Assets, liabilities and contingent liabilities which are identifiable in the context of a business combination are initially recognized at their fair value at the time of acquisition.

Where mutual call and put options for the non-acquired shares are agreed for company acquisitions, it is examined, in each individual case, whether the owner-specific rewards and risks are economically attributable to the GERRY WEBER Group already at the time the option agreement is signed. In these cases, a purchase price liability needs to be recognized for the (conditional) liability (liabilities from minority options), which is recognized at cost. Non-controlling interests in the amount of the option are not recognized.

Acquisition-related costs are recognized as an expense at the time they are incurred.

Any contingent consideration is measured at the fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are measured in accordance with IAS 39 and any resulting gain or loss is recognized in profit or loss. A contingent consideration classified as equity will not be remeasured and its subsequent settlement will be recognized in equity.

Goodwill

Goodwill is recognized at the value that arises from the surplus of the acquisition costs, the amount of the minority interests in the company acquired as well as the fair value of any previously held equity interests as of the acquisition date above the equity interest of the Group in the net assets measured at fair value. If the acquisition costs are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognized directly in the income statement.

Business combinations pursuant to IFRS 3

The GERRY WEBER Group made no such acquisition in the past fiscal year.

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 annual 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. Exchange differences are recognized in profit or loss.

Given that the consolidated foreign companies mainly operate in their currency area, their financial statements are prepared in the local currency according to the concept of the functional currency and translated into euros as at the balance sheet date. Assets and liabilities with the exception of equity are translated at the closing rate. Effects from the currency translation of the equity are recognized in equity without affecting income. The items of the income statement are translated at average annual exchange rates. Exchange differences resulting from different translation rates in the balance sheet and the income statement are recognized in equity without affecting income.

The exchange rates on which the currency translation is based and which have an influence on the consolidated financial statements have developed as follows:

Currencies		**Closing rate**		**Average annual exchange rate**	
1 EUR in		**October 31, 2017**	**October 31, 2016**	**2016/17**	**2015/16**
Denmark	DKK	7.44	7.44	7.44	7.45
UK	GBP	0.88	0.90	0.87	0.80
Hong Kong	HKD	9.08	8.49	8.65	8.61
Canada	CAN	1.50	1.47	1.45	1.47
Romania	RON	4.60	4.51	4.55	4.48
Russia	RUB	67.87	69.25	65.58	75.16
Turkey	TRY	4.42	3.40	3.96	3.26
USA	USD	1.16	1.10	1.11	1.11
China	CNY	7.72	7.42	7.55	7.28
Switzerland	CHF	1.16	1.08	1.10	1.09
Poland	PLN	4.24	4.33	4.29	4.34
Sweden	SEK	9.74	9.87	9.62	9.38
Czech Republic	CZK	25.67	27.02	26.57	27.03
Norway	NOK	9.52	9.04	9.22	9.34

B. ACCOUNTING AND VALUATION PRINCIPLES

With the exception of certain items such as derivative financial instruments, the GERRY WEBER Group prepares its balance sheet using the cost method. The accounting and valuation methods used for the individual items are explained in greater detail below.

Goodwill

Goodwill arising on consolidation and representing the amount by which the cost of an acquisition exceeds the Group's share in the fair value of the subsidiary's net assets is recognized in accordance with IFRS 3 and tested for impairment annually as at the balance sheet date and whenever there are indications of impairment. Impairment losses are immediately recognized as an expense and not reversed in subsequent periods.

Other intangible assets

Purchased intangible assets are recognized at cost for each category, taking ancillary costs and cost reductions into account and amortized using the straight-line method.

Development expenditure is recognized as an expense as the capitalization requirements of IAS 38 do not apply due to a lack of separability. This expenditure mainly comprises the cost of the development of the collections.

The amortization calculated pro rata temporis in the year of acquisition, is mainly based on the following ordinary useful lives:

	Useful life
Software	3−5 years
Supply rights	3−5 years
Advantageous lease agreements	5−15 years
Customer bases	5−10 years
Brand rights	5−30 years

Property, plant and equipment

Property, plant and equipment is recognized at cost – for each category – less scheduled straight-line depreciation. On a small scale, movable assets with a useful life of more than ten years that were added before 31 October 2007 were written down using the declining-balance method to the extent that this approach reflected the actual decrease in value. Since 1 November 2008, these assets have also been written down using the straight-line method.

The acquisition cost comprises the purchase price, ancillary costs and cost reductions. The cost of internally generated assets includes direct costs as well as directly attributable portions of the overheads. Borrowing costs are taken into account for qualifying assets. Where furnishings and fittings for rented properties were concerned, dismantling costs were capitalized at their present value. An average interest rate of 2.5% (previous year: 2.9%) p.a. was applied.

No investment-related government grants were received.

Determined pro rata temporis in the year of acquisition, the depreciation amounts are mainly based on the following useful lives:

	Useful life
Building components and furnishings and fittings for rented properties	10−50 years
Plant and machinery	3−15 years
Other plant, furnitures and fixtures	1−15 years

Property, plant and equipment were written down for impairment in accordance with IAS 36 where required. Gains or losses from the derecognition of an item of property, plant and equipment are determined as the difference between the proceeds from the sale and the carrying amounts of the item of property, plant and equipment and recognized under other operating income or other operating expenses in the income statement.

Impairment of non-financial assets

Non-financial assets (property, plant and equipment, intangible assets including goodwill) are tested for impairment triggering events on every reporting date. If such triggering events are identified, an estimate of the recoverable amount of the respective asset is made. Regardless of whether a triggering event is identified, intangible assets with infinite useful lives and goodwill acquired in a business combination are tested for impairment on an annual basis. The recoverable amount is the higher of the fair value of an asset less costs of disposal and its value in use. The value in use is equivalent to the present value of the expected cash flows. To discount the expected cash flows, a weighted average cost of capital is used, which reflects the risks of the asset. If no recoverable amount can be determined for an asset, the recoverable amount for the smallest identifiable group of assets (cash-generating unit or CGU) is determined which can be assigned to the respective asset. If the carrying amount of an asset or a CGU or a group of CGUs exceeds the recoverable amount, the asset is immediately written down through profit/loss. If there is an impairment loss in a CGU or group of CGUs, any existing goodwill is first written off. The remaining impairment loss proportionally reduces the remaining non-current assets of the CGU or group of CGUs.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until substantially all activities necessary to prepare the asset for its intended use are complete. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

When determining the amount of the borrowing costs eligible for capitalization in a period, all investment income from the temporary investment of the borrowings is deducted from the borrowing costs.

Other borrowing costs are expensed in the period in which they are incurred.

Investment property

Investment property is disclosed in accordance with IAS 40. It is recognized at cost and the building is written down using the straight-line method over a useful life of 50 years. Rental income from properties held as financial investments are recognized as other operating income over the term of the respective tenancy on a straight-line basis.

Financial instruments

IAS 39 defines a financial instrument as any contract that gives rise to both a financial asset of one enterprise and a financial liability of equity instrument of another enterprise.

Financial assets comprise cash and cash equivalents, trade receivables as well as loans and receivables originated by the enterprise and derivative financial assets.

Financial liabilities include trade payables, liabilities to banks, derivative financial liabilities and other financial liabilities.

To the extent relevant for the GERRY WEBER Group, financial assets and financial liabilities are divided into the following categories:

- financial assets or financial liabilities at fair value through profit or loss,
- available-for-sale financial assets,
- loans and receivables,
- held-to-maturity financial assets,
- financial liabilities recognized at amortized cost.

Financial assets and liabilities are assigned to the above categories upon initial recognition.

The category "at fair value through profit or loss" comprises the earn-out payments from the purchase of retail stores in Germany.

Where permissible and required, reclassifications are made as of the end of the fiscal year. No reclassifications were made in the fiscal year 2016/17 and the previous year.

If no active market exists and the fair value cannot be reliably measured, equity instruments are measured at amortized cost.

Financial assets

All regular purchases and sales of financial assets are recognized in the balance sheet as of the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets are measured at fair value upon initial recognition. Transaction costs directly attributable to the acquisition are recognized for all financial assets not classified as "financial assets or financial liabilities at fair value through profit or loss".

The fair values recognized in the balance sheet are usually identical with the market prices of the financial assets. If these are not available, they are calculated using accepted measurement methods and current market parameters. The measurement methods include the use of the latest transactions between knowledgeable, willing parties in an arm's length transaction, the comparison with the fair value of another, essentially identical financial instrument, the analysis of discounted cash flows and the use of other measurement models.

Cash and cash equivalents recognized in the balance sheet comprise cash, bank balances as well as current deposits and are measured at amortized cost.

After initial recognition, trade receivables as well as other loans and receivables are measured at amortized cost if they are of a long-term nature, possibly using the effective interest rate method, less impairment. Gains and losses are recognized in net profit/loss for the period upon derecognition, impairment or settlement of the receivables.

The category "at fair value through profit or loss" comprises derivative financial instruments which do not qualify for hedge accounting pursuant to IAS 39 although they represent a hedge from an economic point of view.

Gains or losses on financial assets recognized at fair value through profit or loss are always recognized in profit or loss.

Financial assets not assigned to the category "at fair value through profit or loss" are tested for impairment at each balance sheet date.

The carrying amounts of financial assets not recognized at fair value through profit or loss are tested for objective evidence of impairment at each balance sheet date. There is objective evidence of impairment in the following cases: evidence of financial difficulty of a customer or customer group, default or delinquency in interest or principal payments, the probability of bankruptcy as well as facts indicating a measurable reduction in estimated future cash flows such as unfavorable changes in the payment situation of the borrower or the economic situation which are consistent with the default. The impairment loss for financial assets recognized at amortized cost is equivalent to the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate of the financial asset. If, in a subsequent period, an increase in the fair value is determined, the impairment is reversed up to an amount no higher than amortized cost.

A financial asset is derecognized when the contractual rights to cash flows from that financial asset expire or are transferred. In the context of such a transfer, substantially all rewards and risks associated with ownership of the financial asset or control of the financial asset must be transferred.

No financial assets are posted as collateral for liabilities or contingent liabilities.

Financial liabilities

Financial liabilities are measured at fair value upon initial recognition.

Derivatives not forming part of an effective hedging relationship are assigned to the category "financial liabilities at fair value through profit or loss" if they have a negative fair value. An exchange-traded bond obligation as well as conditional purchase price obligations from company acquisitions also fall in this category. Gains and losses from subsequent measurement are recognized through profit or loss.

After initial recognition, trade payables and interest-bearing loans are measured at amortized cost using the effective interest-rate method. Gains and losses arising in this process are recognized in profit or loss upon derecognition or repayment of the liabilities. A financial liability is derecognized when the underlying obligation is settled, is cancelled or expires.

As in the previous year, no liabilities from finance leases existed as of the balance sheet date.

Derivative financial instruments

The GERRY Weber Group uses derivative financial instruments exclusively in the form of cash flow hedges to hedge exchange rate risks from its operating activities.

The cash flow hedges serve to hedge the foreign currency risk in the procurement or sale of goods. The Group uses currency forwards and currency options. These are contractual arrangements for the purchase or sale of two defined currencies at a given time at a fixed price.

When using hedges, suitable derivatives are assigned to certain hedged items. The requirements of IAS 39 regarding the qualification for hedge accounting are met with the following exception: as of the balance sheet date, there were a few currency forwards/options which did not meet the requirements for hedge accounting in accordance with IAS 39. Changes in the fair value of these derivative financial instruments are recognized in profit or loss.

According to IAS 39, all derivative financial instruments must be recognized at their fair value regardless of the purpose or intention for which they are used.

If the financial instruments used are effective hedges in the context of a hedging relationship as defined in IAS 39 (cash flow hedges), fluctuations in the fair value have no effect on profit or loss during the term of the derivative. Fluctuations in the fair value are recognized in the respective equity item. The accumulated value in equity is recognized in profit or loss upon maturity of the hedged cash flow. Where an ineffective portion of the value changes of the hedges exists, these are recognized in profit or loss.

Transactions not qualifying for hedge accounting should be classified as a financial asset or a financial liability recognized at fair value through profit or loss and classified as such upon initial recognition. Positive fair value is included in other assets, while negative fair value is included in other liabilities. Income generated and expenses incurred are included in other operating income and other operating expenses, respectively.

The fair value is generally equivalent to the current or market value. If no active market exists, the fair value is mostly determined by banks using accepted calculation methods.

Determination of fair values

A number of accounting methods and disclosures of the GERRY WEBER Group require the determination of the fair values of financial and non-financial assets and liabilities.

To the extent possible, the GERRY WEBER Group uses available market data to determine the fair value of an asset or a liability. Based on the input factors used for the measurement methods, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1 valuations at fair value result from quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

- Level 2 valuations at fair value are based on parameters other than quoted prices for assets and liabilities included within level 1 (data), either directly derived (i.e. as prices) or indirectly derived.

- Level 3 valuations at fair value result from models which use parameters that are not based on observable market data to measure assets or liabilities (non-observable parameters, assumptions).

The Group has a hedging policy of only using effective derivatives to hedge currency risks. With the exception of the above-mentioned derivatives not qualifying for hedge accounting, the material and formal hedge accounting requirements of IAS 39 were fulfilled both on the day the hedges were signed and on the balance sheet date.

Current tax

Actual tax is the expected tax liability or tax asset on the taxable income or tax loss for the fiscal year based on tax rates that apply for the taxation period as well as all adjustment of tax liabilities of previous years. Discernible tax risks for pending tax audits were taken into account.

Deferred tax

Deferred tax is recognized for all temporary differences between the tax base of the assets and liabilities and their carrying amounts in the IFRS statements ("liability method"). Deferred taxes are measured at the respective tax rates (and tax regulations) valid or about to be adopted in law as of the balance sheet date and which are expected to be valid at the time of the recognition of the tax claim or the settlement of the deferred tax liability.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be used. Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In accordance with IAS 1.70, deferred tax assets and deferred tax liabilities are recognized as non-current and are not discounted.

Income tax receivables

Confirmed German corporate income tax assets were paid out in ten equal amounts in the assessment periods from 2008 to 2017. In the previous years, the present value of the receivables was stated with a discount factor of 4%.

Inventories

In accordance with IAS 2, inventories are measured at average purchase and conversion costs. Conversion costs include direct costs as well as adequate indirect materials and labor costs. No borrowing costs are capitalized.

Where required, inventories were written down to lower net realizable values. When the circumstances which previously caused inventories to be written down no longer exist, the amount of the write-down is reversed.

The costs of conversion of finished goods are assessed based on the realizable selling price. Intercompany profits resulting from sales within the Group are eliminated.

Miscellaneous provisions

Provisions are recognized in accordance with the relevant standards (in particular IAS 19 and IAS 37). They are established when legal or constructive obligations exist as a result of a past event and a reliable estimate can be made of the amount of the outflow of resources required to settle the obligation. In the case of individual risks, the provision is valued as the most probable settlement amount taking into account all discernible risks. The determination of provisions for restructuring related to the FIT4GROWTH programme requires in particular contractually fixed compensation payments as well as outstanding severance payments, which were determined on the basis of pronounced terminations. As a result, the calculation of the provisions was not subject to major uncertainties.

Non-current provisions are discounted and recognized at their present value on the basis of a pre-tax rate. As of 31 October 2017, non-current provisions were discounted at an average rate of 2.5% (previous year: 2.9%). Increases in provisions resulting purely from interest compounding are expensed through profit or loss in the income statement.

Other liabilities/liabilities from minority options

The liabilities from minority options at the reporting date result from the acquisition of a retail company and are recognized at fair value. The strike price of the option depends on the future EBIT of the target company. The amount was recognized based on an EBIT plan. If the actual EBIT differ from the plan, the liability is to be adjusted in the income statement.

Rental and lease agreements

Where rental and lease agreements are concerned, the company examines, in accordance with IAS 17, whether the risks and rewards and, hence, the economic ownership lie with the lessor or the lessee. Under a finance lease, the lessee is the economic owner; under an operating lease, the lessor is the economic owner. The GERRY WEBER Group has leased sales spaces on a large scale under operating leases; some of these sales spaces are sublet. On a small scale, the company lets its own sales spaces to third parties. Income and expenses relating to operating leases are recognized in the income statement for the duration of the lease.

Realization of income and expenses

Sales revenues are measured at the fair value of the consideration received or to be received. Sales revenues comprise the consideration from the sale of goods and are recognized net of turnover tax, returns, rebates and price discounts. The Group recognizes sales revenues when the amount of the revenues can be reliably measured, when it is probable that economic benefit will flow to the company and when the specific criteria for each type of activity described below are met. The Group makes estimates based on historical figures – taking customer-specific, transaction-specific and contract-specific features into account.

(a) Sale of goods – Wholesale

The Group produces and sells a range of ladieswear to wholesalers. As a general rule, revenues from the sale of goods are recognized when a Group entity has delivered products to a wholesaler, when the sales channel and the sales price of the product are at the discretion of the wholesaler and when there are no unmet obligations which could affect the wholesaler's acceptance of the goods. Delivery will be deemed to have occurred only after all goods have been sent to the stipulated place, the risk of obsolescence and loss has passed to the wholesaler and either the wholesaler has accepted the goods in accordance with the provisions of the purchase contract or the Group has objective indications that all conditions of acceptance have been met. In addition, partnership schemes have been agreed with some customers. Partnership schemes help improve the presentation of the GERRY WEBER collections at the point of sale and to generate higher income for both parties through a better pricing policy. In this context, possibilities to return merchandise within a limited time-frame and value range were granted. Provisions for anticipated returns have been established for this purpose with an impact on sales revenues. This calculation based on expected return rates Moreover, consignment contracts have been signed with selected partners, under which the merchandise remains the property of GERRY WEBER until it is sold to the final consumer. Sales revenues are therefore recognized only after the merchandise has been sold to the final customer.

(b) Sale of goods – Retail

The Group operates a chain of retail stores selling ladieswear. Revenues from the sale of goods are recognized when a Group entity has sold products to an end consumer. Retail sales are usually settled in cash or by credit card.

Historical information is used as the basis to estimate the rate of returns and the creation of an appropriate provision at the time of sale.

(c) Internet revenues

Revenues from the web-based sale of goods are recognized at the time when the risks and benefits from the goods pass to the customer, i.e. upon delivery. Provisions for Internet credit items are calculated on the basis of the expected returns; this calculation is based on historical return rates.

Capital reserve and retained earnings

When repurchasing own shares, the nominal value of the shares is deducted from subscribed capital and the portion of the purchase price that exceeds the nominal value is deducted from free retained earnings.

Assumptions, estimates and discretionary decisions

Impairment of non-financial assets

When testing intangible assets, especially goodwill and property, plant and equipment of the company-managed retail stores, certain basic assumptions were made with regard to the recoverable amount. Within this frame- work, the expected cash flows for the impairment tests are derived from planned budgets for the cash-generating units or groups of cash-generating units and discounted. Management assumes that the assumptions and estimates on which the discounted cash flows are based are adequate. Changes in the economic conditions and the sector-specific growth assumptions may, however, have an impact on the impairment tests that may lead to impairment in future. The basic assumptions made to determine the recoverable amount for the different cash-generating units are explained in greater detail in paragraph C. "Intangible assets/Goodwill".

Accounting for acquisitions

Acquisitions typically result in the recognition of goodwill reflecting the difference between the consideration and the amount of the non-controlling interests in the acquired company and its assets and liabilities. Upon initial recognition, all identifiable assets and liabilities are recognized at the fair value. These fair values constitute a key estimate. Where intangible assets are identified, the fair value is determined using adequate measurement techniques, depending on the type of the intangible asset. These measurements are based on different input factors and partly on management's assumptions regarding the future performance of the assets and the discount rates used.

Acquisitions have resulted in liabilities from minority options which are recognized at fair value. The strike price of the minority options depends on the expected EBIT of the individual companies. In the event of deviations from the expected EBIT, liabilities from minority options should be adjusted through profit or loss in the income statement.

Provisions

GERRY WEBER operates in numerous countries where the company is exposed to the most diverse conditions. Due to the complexity of the international rules and regulations, it is possible that deviations between the actual events and the assumptions made and/ or changes in such assumptions require future adjustments of the provisions recognized in the balance sheet. Provisions are established for the potential effects of individual facts based on reasonable estimates. Potential differences between the original estimate and the actual outcome may have an impact on the net assets, financial and earnings position of the GERRY WEBER Group in the respective period.

Inventories

To account for inventory risks, inventories are written down to the expected lower selling price. The costs of conversion of finished goods are calculated retrospectively, based on the realizable selling price.

Write-downs of receivables

The recoverability of receivables is assessed on the basis of the estimated probability of default. Overdue receivables are written down using individually determined percentage rates. If the financial situation of a customer deteriorates, the amount of the actually required derecognition may exceed the write-downs, which may have an adverse impact on the earnings position.

Derivative financial instruments

The assumptions made to measure derivative financial instruments are based on market conditions prevailing at the balance sheet date and thus reflect the fair value. For more details, please refer to section E. Additional disclosures and explanations regarding financial instruments.

C. NOTES TO THE BALANCE SHEET

(1) Fixed assets

No security interests in fixed asset items have been provided for liabilities of the Group.

(a) Intangible assets/Goodwill

KEUR	**Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets**	**Goodwill**	**Advance payments**	**Total**
Acquisition / Production Costs				
As of Nov. 1, 2016	**213,327**	**87,675**	**15,312**	**316,315**
Exchange differences	−400	−511	0	−910
Additions	11,257	0	13,856	25,114
Reclassifications	3,850	0	−3,182	668
Disposals	−1,373	0	0	−1,373
As of Oct. 31, 2017	**226,662**	**87,165**	**25,987**	**339,813**
Depreciation/amortization				

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
As of Nov. 1, 2016	**89,826**	**264**	**0**	**90,091**
Exchange differences	−270	0	0	−270
Additions	21,127	0	0	21,127
Reclassifications	0	0	0	0
Disposals	−1,025	0	0	−1,025
As of 31 Oct. 2017	**109,659**	**264**	**0**	**109,923**
Carrying amount Oct. 31, 2016	**123,501**	**87,411**	**15,312**	**226,224**
Carrying amount Oct. 31, 2017	**117,003**	**86,900**	**25,987**	**229,890**

KEUR	Concessions, industrial rights and similar rights and assets as well as licenses in such rights and assets	Goodwill	Advance payments	Total
Acquisition / Production Costs				
As of Nov. 1, 2015	**198,335**	**87,051**	**12,022**	**297,409**
Exchange differences	455	624	0	1,079
Additions	9,078	0	7,625	16,703
Reclassifications	6,080	0	−4,206	1,874
Disposals	−620	0	−129	−749
As of Oct. 31, 2016	**213,327**	**87,675**	**15,312**	**316,315**
Depreciation/amortization				
As of Nov. 1, 2015	**67,282**	**264**	**0**	**67,546**
Exchange differences	−20	0	0	−20
Additions	22,857	0	0	22,857
Reclassifications	0	0	0	0
Disposals	−293	0	0	−293
As of Oct. 31, 2016	**89,826**	**264**	**0**	**90,091**
Carrying amount Oct. 31, 2015	**131,053**	**86,787**	**12,022**	**229,862**
Carrying amount Oct. 31, 2016	**123,501**	**87,411**	**15,312**	**226,224**

Additions to other intangible assets mainly relate to acquired software. There are advance payments in the context of essential IT projects (ERP systems) of the Group.

Exclusive rights of supply

Intangible assets include exclusive rights of supply to Houses of GERRY WEBER operated by third parties in an amount of KEUR 12,373 (previous year: KEUR 10,551). Depreciation of these rights of supply amount to KEUR 4,028 in the fiscal year 2016/17 (previous year: KEUR 3,788), disposals at residual carrying amounts totalled KEUR 198. Additions in the fiscal year amount to KEUR 6,048.

Lease agreements

The item also comprises purchased advantageous lease agreements for stores in an amount of KEUR 13,986 (previous year: KEUR 18,580). The amortization of these assets amounted to KEUR 4,583 in the fiscal year 2016/17 (previous year: KEUR 6,090). In the previous year, the amount included impairments of KEUR 1,333 caused by the FIT4GROWTH programme.

The rents stipulated in the lease agreements taken over in the context of the business combinations of the past fiscal years are clearly below the market level. These advantages were capitalized at the present value. The present value was determined based on the remaining duration of the lease agreements using a duration-specific discount rate. The advantageous lease agreements recognized as depreciable intangible assets are written off over the remaining term of the leases using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/Amortisation".

Customer relationships

As of 31 October 2017, customer relationships were recognized as intangible assets in the amount of KEUR 19,497 (previous year: KEUR 24,422). The amortization of these assets amounted to KEUR 4,827 in the fiscal year 2016/17 (previous year: KEUR 4,979). In the previous year, the amount included impairments of KEUR 117 caused by the FIT4GROWTH programme.

Customer relationships were identified in the context of the business combinations of the past fiscal years. They were capitalized at the present value. The present value was determined based on an assumed useful life of five to eight years using a duration-specific discount rate. The customer relationships recognized as depreciable intangible assets are written off using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/Amortisation".

"CHANTAL" brand name

In the context of the takeover of T. Angen Kapesenteret AS, the "CHANTAL" brand name was acquired and shown under intangible assets valued at KEUR 711. The "CHANTAL" brand has a presence in the market through the 16 multi-label stores operated by T. Angen Kapesenteret AS and generates assignable cash flows. The brand, which is recognized as an amortizable intangible asset, is written off over a period of ten years using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/Amortisation".

"Hallhuber" brand name

In the context of the takeover of Hallhuber, the "Hallhuber" brand name was acquired and shown under intangible assets valued at KEUR 54,000. The "Hallhuber" brand has a presence in the market and generates assignable cash flows. The brand, which is recognized as an amortizable intangible asset, is written off over a period of 30 years using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/Amortisation".

"Maehle" brand name

In the context of the takeover of Joh. Maehle & Co AS, the "Maehle" brand name was acquired and shown under intangible assets valued at KEUR 213. The "Maehle" brand has a presence in the market through the 5 multi-label stores operated by Joh. Maehle & Co AS and generates assignable cash flows. The brand, which is recognized as a depreciable intangible asset, is written off over a period of four years using the straight-line method. The resulting expenses are recognized in the income statement under "Depreciation/Amortisation".

Goodwill

As of 31 October 2017, goodwill was recognized at a carrying amount of KEUR 86,900 (previous year: KEUR 87,411) and results from the positive difference arising from the business combinations.

The following goodwill is recognized:

KEUR	October 31, 2017	October 31, 2016
Retail Austria	2,136	2,136
Retail Germany	3,495	3,495
Stores Netherlands	10,675	10,675
Concessions Netherlands	1,161	1,161
Stores Belgium	6,198	6,198
Stores Norway	9,627	10,138
Stores Finland	1,384	1,384
Retail Hallhuber	52,224	52,224
	86,900	**87,411**

The goodwill relating to the stores in Norway has decreased as a result of a currency-related adjustment at the balance sheet date in the amount of KEUR 511. In the previous year, this goodwill increased by KEUR 624 also as a result of a currency-related adjustment.

Goodwill is primarily attributable to the "Retail Gerry Weber" segment, save for the Hallhuber goodwill, which is attributable to the "Retail Hallhuber" segment. In these segments, the individual sales spaces are defined as cash-generating units.

For the purpose of impairment tests, goodwill is assigned to groups of cash-generating units. These groups of cash-generating units represent the lowest corporate level at which goodwill is monitored for internal management purposes.

In the context of the impairment test, the carrying amount of the respective group of cash-generating units is compared with its recoverable amount. The recoverable amount is determined as the value in use on the basis of the future cash flows, which are based on internal planning. Sensitive planning premises include sales growth, net profit expectations, estimates of replacement investments in the store network as well as personnel expenses as a percentage of sales for the individual stores. The projections refer to the fixed term of the respective lease agreements. The planning period ranges from one to five years.

Impairment tests for intangible assets did not result in impairments in the past fiscal year. Due to a consistent risk structure cash flows were discounted using a weighted average cost of capital (WACC) before taxes of 9.35% (after taxes of 6.94%) based on market data. Gerry Weber uses constant growth rates of 1% to extrapolate the cash flows beyond the detailed planning period of three years. Besides new store openings and closures of individual points of sale, like-for-like sales growth of 1% to 5% depending on the location as well as capital expenditures in the same amount as depreciation/amortization are assumed for the detailed planning period. Even in the unlikely event of reduced assumptions, no need for write-downs would occur. If the discount rate before taxes were increased by one percentage point to 7.94%, no write-downs would be required. This would also be the case if the growth rate used to calculate the perpetual annuity were reduced by one percentage point and if the planned operating result declined by 5%.

(b) Property, plant and equipment

KEUR	Land, lease hold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
As of Nov. 1, 2016	**234,823**	**68,895**	**99,318**	**2,294**	**405,330**
Exchange differences	–20	–67	–289	–13	–389
Additions	4,923	1,419	6,779	107	13,227
Reclassifications	371	268	378	–1,685	–668
Disposals	–4,075	–125	–5,172	–191	–9,562
As of Oct. 31, 2017	**236,023**	**70,390**	**101,014**	**512**	**407,938**
Depreciation/amortization					
As of Nov. 1, 2016	**53,336**	**8,568**	**55,448**	**0**	**117,352**
Exchange differences	–2	–64	–178	0	–244
Additions	10,884	3,568	12,272	0	26,724
Reclassifications	10	0	–10	0	0
Disposals	–3,825	–56	–4,936	0	–8,817
As of Oct. 31, 2017	**60,402**	**12.017**	**62,596**	**0**	**135,015**
Carrying amount Oct. 31, 2016	**181,487**	**60,327**	**43,870**	**2,294**	**287,979**
Carrying amount Oct. 31, 2017	**175,621**	**58,373**	**38,418**	**512**	**272,924**

KEUR	Land, lease-hold rights and buildings including buildings on third-party land	Technical equipment and machinery	Furniture, fixtures and other equipment	Advance payments and construction in progress	Total
Acquisition / Production Costs					
As of Nov. 1, 2015	**184,931**	**7,960**	**96,020**	**97,987**	**386,897**
Exchange differences	–188	–51	–71	36	–275
Additions	19,249	9,893	11,994	1,960	43,096
Reclassifications	43,100	51,120	1,588	–97,683	–1,874
Disposals	–12,269	–27	–10,212	–6	–22,514
As of Oct. 31, 2016	**234,823**	**68,895**	**99,318**	**2,294**	**405,330**
Depreciation/amortization					
As of Nov. 1, 2015	**44,197**	**6,515**	**48,357**	**0**	**99,069**
Exchange differences	–79	–49	–96	0	–224
Additions	21,258	2,109	16,736	0	40,104
Reclassifications	0	0	0	0	0
Disposals	–12,040	–8	–9,549	0	–21,598
As of Oct. 31, 2016	**53,336**	**8,568**	**55,448**	**0**	**117,352**
Carrying amount Oct. 31, 2015	**140,734**	**1,444**	**47,663**	**97,987**	**287,828**
Carrying amount Oct. 31, 2016	**181,487**	**60,327**	**43,870**	**2,294**	**287,979**

Property, plant and equipment comprises company properties in Halle/Westphalia, Düsseldorf and Romania including their furnitures and fixtures. It also comprises furnishings and fittings installed in rented retail properties.

Borrowing costs of KEUR 0 (previous years: KEUR 2,244) were capitalized in the context of the construction of the new logistic centre in Halle/Westphalia (RAVENNA-Park) in the fiscal year 2016/17. A capitalization rate of 2.0% was used to determine the borrowing costs eligible for capitalization.

(c) Investment properties

	Investment properties
Acquisition / Production Costs	
As of Nov. 1, 2016	**0**
Exchange differences	0
Additions	0
Reclassifications	0
Disposals	0
As of Oct. 31, 2017	**0**
Depreciation/amortization	
As of Nov. 1, 2016	**0**
Exchange differences	0
Additions	0
Reclassifications	0
Disposals	0
As of Oct. 31, 2017	**0**
Carrying amount Oct. 31, 2016	**0**
Carrying amount Oct. 31, 2017	**0**

	Investment properties
Acquisition / Production Costs	
As of Nov. 1, 2015	**28,418**
Exchange differences	0
Additions	107
Reclassifications	0
Disposals	–28,525
As of Oct. 31, 2016	**0**
Depreciation/amortization	
As of Nov. 1, 2015	**1,881**
Exchange differences	0
Additions	489
Reclassifications	0
Disposals	–2,370
As of Oct. 31, 2016	0
Carrying amount Oct. 31, 2015	**26,537**
Carrying amount Oct. 31, 2016	**0**

The Group acquired a property in Düsseldorf and built a new order centre, which was then leased to other fashion companies. The property was recognized at cost and the building was written down using the straight-line method over a useful life of 50 years. The investment property was sold in full in the previous year. The sale generated income in the amount of KEUR 22,945, which is recognized in other operating income.

Income generated from the property up to the sale amounted to KEUR 0 (previous year: KEUR 3,371), while direct operating expenses amounted to KEUR 0 (previous year: KEUR 934).

(d) Financial assets

KEUR	Investments	Other loans	Total
Acquisition / Production Costs			
As of Nov. 1, 2016	**301**	**2,687**	**2,989**
Exchange differences	0	0	0
Additions	5	244	250
Reclassifications	0	0	0
Disposals	0	-92	-92
As of Oct. 31, 2017	**306**	**2,840**	**3,147**
Depreciation/amortization			
As of Nov. 1, 2016	**264**	**450**	**714**
Exchange differences	0	0	0
Additions	0	350	350
Reclassifications	0	0	0
Disposals	0	0	0
As of Oct. 31, 2017	**264**	**800**	**1,064**
Carrying amount Oct. 31, 2016	**37**	**2,237**	**2,274**
Carrying amount Oct. 31, 2017	**42**	**2,040**	**2,082**

KEUR	Investments	Other loans	Total
Acquisition / Production Costs			
As of Nov. 1, 2015	**484**	**2,827**	**3,311**
Exchange differences	8	0	8
Additions	14	0	14
Reclassifications	0	0	0
Disposals	–205	–140	–344
As of Oct. 31, 2016	**301**	**2,687**	**2,989**
Depreciation/amortization			
As of Nov. 1, 2015	**264**	**450**	**714**
Exchange differences	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Disposals	0	0	0
As of Oct. 31, 2016	**264**	**450**	**714**
Carrying amount Oct. 31, 2015	**220**	**2,377**	**2,597**
Carrying amount Oct. 31, 2016	**37**	**2,237**	**2,274**

Itemized breakdown:

KEUR	October 31, 2017	October 31, 2016
Long-term loans	1,727	1,862
Long-term deposits	178	232
Rent deposits	136	143
Shares in limited partnerships	35	30
Shares in foreign corporations	7	7
	2,082	**2,274**

Financial assets were recognized at amortized cost, which is equivalent to the fair value taking potential impairments into account. As a general rule the shares in limited partnerships and the shares in foreign corporations are recognized at cost as the fair value cannot be reliably determined. There is no active market in these shares. A long-term loan was written down in full (KEUR 350) in the fiscal year.

(2) Other assets (non-current)

Other non-current assets exclusively comprise non-financial assets and have terms of up to four years.

(3) Deferred taxes

The following deferred tax assets and liabilities were stated to reflect recognition and valuation differences of the individual balance sheet items:

KEUR	Deferred tax assets		Deferred tax liabilities	
	October 31, 2017	October 31, 2016	October 31, 2017	October 31, 2016
Non-current assets	780	1,771	28,818	31,948
Current assets	853	1,282	1,727	1,415
Non-current provisions	2,093	2,256	336	320

KEUR	Deferred tax assets		Deferred tax liabilities	
	October 31, 2017	October 31, 2016	October 31, 2017	October 31, 2016
Tax loss carryforwards	2,318	2,069	0	0
Changes in equity not stated through profit or loss – according to IAS 39	2,002	41	0	4,625
	8,046	**7,419**	**30,881**	**38,308**

The expenses or income from temporary differences stated in the income statement are equivalent to the change in the respective balance sheet items unless they were offset against equity.

Of the deferred tax assets relating to non-current assets, an amount of KEUR 514 (previous year: KEUR 640) relates to goodwill in the amount of KEUR 2,056 (previous year: KEUR 2,559), as this is tax-deductible.

Tax loss carryforwards amount to EUR 23.8 million (previous year: EUR 23.1 million). They mainly refer to the companies in Spain, Ireland, Belgium and Norway. The resulting deferred tax assets in the amount of KEUR 5,399 (previous year: KEUR 5,870) were written down in an amount of KEUR 3,185 (previous year: KEUR 3,800) as the realization of the respective tax advantages is unlikely in the medium term.

Of the unrecognized deferred tax assets on tax loss carryforwards, amounts to KEUR 3,034 (previous year: KEUR 3,065) will expire in one to thirteen years.

If deferred taxes arise at Group companies which posted losses in the current period or the previous years, these are capitalized only if management assumes that the company will generate profits in the future which justify the recoverability of the deferred tax assets. Except for the deferred taxes on loss carryforwards, no deferred taxes were capitalized for these companies in the current year and the previous year.

Deferred tax assets and deferred tax liabilities were not netted, as they were of minor importance.

(4) Inventories

KEUR	October 31, 2017	October 31, 2016
Raw materials and supplies	10,307	12,126
Work in progress	11,650	12,976
Finished goods and merchandise	141,432	148,185
	163,389	**173,287**

The impairment resulting from the sales-oriented measurement of inventories amounted to KEUR 2,419 (previous year: KEUR 3,831). The expenses are included in the cost of materials. The usual reservations of ownership apply.

(5) Trade receivables

Trade receivables in an amount of KEUR 49,239 (previous year: KEUR 63,285) have a maturity of less than one year, with the biggest portion being due in less than three months.

Allowances for doubtful accounts amounted to KEUR 2,393 (previous year: KEUR 1,293). Any existing trade credit insurance is considered in the calculation of the allowances.

Expenses and income for trade receivables are recognized in other operating expenses and income.

(6) Other assets (non-current)

Other assets in an amount of KEUR 21,033 (previous year: KEUR 86,958) have a maturity of less than one year.

Other assets comprise:

KEUR	October 31, 2017	October 31, 2016
Financial assets		
Supplier balances	7,447	7,128
Bonus claims	238	245
Rent receivables	17	40
Receivables from insurance companies	75	62
Sale of the Hall 30 property	0	49,100
Currency forwards and currency options	0	17,699
	7,777	**74,274**
Non-financial assets		
Tax claims	**3,673**	**5,253**
Prepaid expenses	6,200	4,820
HR receivables	1,149	1,191
Receivables relating to GERRY WEBER Open	767	742
Other	1,467	679
	13,256	12,684
	21,033	**86,958**

With regard to the positive market values of the currency forwards and currency options, please refer to paragraph E. Additional disclosures and explanations regarding financial instruments.

(7) Claims for income tax refunds

Income tax refund claims of KEUR 6,575 (previous year: KEUR 2,213) relate to domestic corporate income tax and trade tax as well as to the solidarity surcharge associated with corporate income tax.

(8) Cash and cash equivalents

Apart from current accounts with banks, this item comprises cheques, payments in transit and cash.

Current accounts are held with various banks in different currencies.

(9) Equity

Changes in equity are shown in the consolidated statement of changes in equity.

The Group manages its capital with the aim of maximizing the income for the stakeholders by optimizing the debt-to-equity ratio. In this context, the company ensures that all Group companies can operate as a going concern. The capital structure is exclusively managed centrally by the parent company. To monitor capital management requirements and targets, regular reporting processes have been installed, from which decisions about dividend payments or capital measures are derived on a case-by-case basis. In view of these targets, it was decided to raise the note loans in the fiscal year 2014/15.

Equity and total assets amounted to:

	October 31, 2017	October 31, 2016	Change
Equity in KEUR	412,749	446,500	–33,751
Equity in % of total capital	52%	50%	2%
Debt in KEUR	377,158	454,166	–77,007
Debt in % of total capital	48%	50%	–2%
Total capital (equity and debt) in KEUR	**789,907**	**900,665**	**–110,758**

Equity comprises the subscribed capital and the reserves of the Group. Debt is defined as current and non-current financial liabilities, provisions and other liabilities.

(a) Subscribed capital

The subscribed capital of GERRY WEBER International AG is divided into 45,905,960 (previous year: 45,905,960) fully paid bearer shares with a par value of EUR 1.00.

Pursuant to section 5 para. 3 of the statutes, the Managing Board of GERRY WEBER International AG is authorised, subject to the consent of the Supervisory Board, to increase the company's share capital once or several times by up to a total amount of EUR 22,952,980 by 5 June 2018.

The Managing Board is authorised to stipulate the further details of the capital increase and its execution with the approval of the Supervisory Board.

The Supervisory Board is entitled to amend the statutes from time to time to properly reflect the respective utilization of the authorised capital as well as after expiry of the authorization.

The Managing Board is also authorised to define the details of the execution of a conditional capital increase with the consent of the Supervisory Board. For this purpose, the share capital has been conditionally increased by up to EUR 4,590,590 through the issue of up to 4,590,590 new bearer shares. The Annual General Meeting of 16 April 2015 additionally authorised the Managing Board to repurchase own shares representing up to 10% of the share capital by 15 April 2020.

398,245 bearer shares were repurchased between March and June 2017 at a cost of EUR 4,999,958.

As of the reporting date, the subscribed capital, reduced by the nominal value of the repurchased shares of EUR 398,245 is stated at EUR 45,507,715.00. The amount of EUR 4,601,713 that exceeds the nominal amount was deducted from retained earnings. No repurchased shares were sold in the fiscal year.

(b) Capital reserve

The capital reserve includes the premiums on the shares issued. This item also includes the amount resulting from the sale of own shares after deduction of the nominal value and the share not offset in retained earnings.

(c) Retained earnings

Retained earnings comprise the profits generated by the consolidated companies in the past which were not distributed or converted into share capital as well as earnings effects resulting from consolidation measures in the previous years less the pro-rate share premiums paid for the acquisition of own shares.

(d) Accumulated other comprehensive income/loss according to IAS 39

This item includes the effects of the remeasurement of financial instruments after taxes being accounted for in equity. All of the financial instruments used by the company are currency hedges.

KEUR	**October 31, 2017**	**October 31, 2016**	**Change**
Positive fair values of financial instruments	0	15,750	–15,750
Negative fair values of financial instruments	–6,673	–135	–6,538
Deferred tax assets	2,002	41	1,961
Deferred tax liabilities	0	–4,725	4,725
	–4,671	**10,930**	**–15,601**

The tax effects of KEUR 6,686 (previous year: KEUR 8,972) shown in the statement of comprehensive income relate to changes in the fair values of the currency hedges.

Of the other comprehensive income, an amount of KEUR −10,341 (previous year: KEUR −16,973) was reclassified to the cost of materials with a positive effect on the result, while an amount of KEUR −135 (previous year: KEUR 92) was reclassified to sales revenues in the income statement.

(e) *Exchange Differences*

This item comprises the differences arising from the currency translation of the financial statements of foreign subsidiaries which are not prepared in EUR.

(f) *Accumulated profits*

The table below shows the changes in accumulated profits:

KEUR	
Carried forward from Nov. 1, 2016	58,478
Dividend payment in 2017	–11,444
Net income for the year 2016/17	–782
Accumulated profits as of Oct. 31, 2017	46,252

(10) Provisions for personnel (non-current)

An amount of KEUR 291 (previous year: KEUR 185) resulted from offsetting the assets used to secure the partial retirement obligations against the corresponding provisions as of 31 October 2017, which is shown under "Provisions for personnel (non-current)".

(11) Other provisions (non-current)

This item includes an amount of KEUR 8,598 (previous year: KEUR 8,325) resulting from the company's obligation to remove furnishings and fittings from rented properties.

These provisions are established on the basis of the expected settlement amounts as well as the agreed lease terms. Uncertainties exist with regard to the cost estimates and the actual time at which the provisions will be used. An amount of KEUR 274 (previous year: KEUR 533) was added to these provisions.

Interest expenses in the amount of KEUR 155 (previous year: KEUR 181) from unaccrued interest on provisions were recognized. Expected cash outflows accrue within a period of 5 to 20 years.

(12) Financial liabilities (non-current)

KEUR	October 31, 2017	October 31, 2016
Liabilities to banks and insurance companies	218,250	221,250

The table below shows the main contractual terms of the non-current loan liabilities to banks and insurance companies as at the closing date of the fiscal year 2017:

	Carrying amount 2016/17 KEUR	Carrying amount 2015/16 KEUR	Maturity until month/ year	Nominal interest rate % p.a.	Effective interest rate % p.a.
Note loan 1					
Tranche 1 (fixed)	40,000	40,000	03/2020	1.13	1.19
Tranche 2 (fixed)	60,000	60,000	03/2022	1.44	1.49
Tranche 3 (fixed)	40,000	40,000	03/2025	2.00	2.03
	140,000	**140,000**			
Note loan 2*					
Tranche 3 (fixed)	23,500	23,500	11/2018	2.19	2.30
Tranche 4 (variable)	7,500	7,500	11/2018	1.06	1.17
Tranche 5 (fixed)	24,000	24,000	11/2020	2.80	2.88

	Carrying amount 2016/17 KEUR	Carrying amount 2015/16 KEUR	Maturity until month/ year	Nominal interest rate % p.a.	Effective interest rate % p.a.
	55,000	**55,000**			
Other loans					
Loan bank 1	8,250	11,250	05/2019	0.89	0.89
Loan bank 2	15,000	15,000	06/2021	0.85	0.85
	23,250	26,250			
	218,250	**221,250**			

* Tranche 1 and 2 were repaid already in the previous year.

Non-current financial liabilities with a maturity of more than 5 years represented KEUR 40,000 (previous year: KEUR 115,000).

The differences between the carrying amounts and the fair values of the non-current financial liabilities are described in paragraph E. Additional disclosures and explanations regarding financial instruments.

(13) Other liabilities (non-current)

KEUR	October 31, 2017	October 31, 2016
Financial liabilities		
Liabilities from minority options	3,247	3,036
Payment of remaining purchase price for acquisitions	330	8,578
Other	40	628
	3,617	**12,242**

The company has options, which already existed in the previous years, to acquire the interests held by minority shareholders in the fully consolidated companies in the Netherlands, Belgium and Germany. The payments relating to the options for companies in the Netherlands and Belgium were made in fiscal year 2016/17. The remaining purchase price for the acquisition of a Norwegian company was also paid prematurely in the fiscal year 2016/17.

Another liability in the amount of KEUR 330 for the takeover of Joh. Maehle & Co AS was already recognized in the previous years.

The non-interest-bearing liabilities from minority options and the remaining purchase price payments recognized in current and non-current liabilities were compounded up to the time of payment in the fiscal year.

The accrued interest totalling KEUR 717 was recognized in interest expenses.

Provisions 31 Oct. 2017 and 31 Oct. 2016 (current)

The table below shows the changes in, and the composition of, the provisions:

Type of provision in KEUR	Carried forward Nov. 1, 2016	Utilization	Reversal	Additions	As of Oct. 31, 2017
(14) Tax provisions	**11,206**	**11,206**	**0**	**2,213**	**2,213**
(15) Provisions for personnel					
Bonuses	3,315	3,315	0	2,150	2,150
Vacation	4,124	4,124	0	3,834	3,834
Partial retirement (current)	92	92	0	146	146
Special annual payment	3,511	3,511	0	3,699	3,699
Severance payments	4,247	3,520	279	1,023	1,471

Type of provision in KEUR	Carried forward Nov. 1, 2016	Utilization	Reversal	Additions	As of Oct. 31, 2017
Other	910	862	48	917	917
	16,199	**15,424**	**327**	**11,769**	**12,217**
(16) Other provisions					
Guarantees	267	267	0	549	549
Outstanding invoices	4,530	4,393	137	4,237	4,237
Audit fees	645	563	82	703	703
Restructuring	6,609	5,702	907	0	0
Supervisory Board compensation	870	870	0	870	870
Other	5,047	4,752	295	3,697	3,697
	17,968	**16,547**	**1,421**	**10,056**	**10,056**
	45,373	**43,177**	**1,748**	**24,038**	**24,486**

Type of provision in KEUR	Carried forward Nov. 1, 2015	Utilization	Reversal	Additions	As of Oct. 31, 2016
(14) Tax provisions	**5,601**	**5,200**	**0**	**10,805**	**11,206**
(15) Provisions for personnel					
Bonuses	3,102	3,102	0	3,315	**3,315**
Vacation	3,667	3,667	0	4,124	**4,124**
Partial retirement (current)	25	0	0	67	**92**
Special annual payment	4,100	4,100	0	3,511	**3,511**
Severance payments	143	143	0	4,247	**4,247**
Other	755	667	88	910	**910**
	11,792	**11,679**	**88**	**16,174**	**16,199**
(16) Other provisions					
Guarantees	659	659	0	267	**267**
Outstanding invoices	10,109	10,019	90	4,530	**4,530**
Audit fees	586	556	30	645	**645**
Restructuring	0	0	0	6,609	**6,609**
Supervisory Board compensation	702	702	0	870	**870**
Other	**3,683**	**3,683**	**0**	**5,047**	**5,047**
	15,739	**15,619**	**120**	**17,968**	**17,968**

The previous year's restructuring provisions in the amount of KEUR 6,609 were established in conjunction with the FIT4GROWTH programme. The same applies to major parts of the provisions for severance payments, which amounted to KEUR 4,247.

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

KEUR	October 31, 2017	October 31, 2016
Thereof liabilities to banks	10,651	33,548

The amounts are due until November 2017 (previous year: November 2016) and have an average nominal interest rate of 0.89% to 2.00% (previous year: 1.46% to 2.20%) and an average effective interest rate of 0.89% to 2.00% (previous year: 1.58% to 2.20%).

There are currently no signs of a liquidity or financing risk. Principal and interest were paid at maturity.

Due to the short-term maturities no significant differences exist between market values and the carrying amounts of the other current financial liabilities.

(18) Trade payables

Liabilities from the delivery of goods are subject to the usual reservations of ownership.

(19) Other liabilities

KEUR	October 31, 2017	October 31, 2016
Financial liabilities		
Currency forwards and currency options	6,673	0
Liabilities to customers	595	595
Liabilities from minority options	0	15,890
	7,268	**16,485**
Non-financial liabilities		
Other taxes (especially wage and turnover tax)	8,941	9,474
Customer vouchers, bonus cards and goods on return	3,607	3,916
Liabilities to personnel	2,854	2,862
Deferred income	2,359	2,463
Social security	703	338
Miscellaneous liabilities	2,602	2,104
	21,066	**21,157**
	28,334	**37,643**

In the previous year, the company had options to acquire the interests held by minority shareholders in the fully consolidated companies in the Netherlands and Belgium. The payments relating to the options for companies in the Netherlands and Belgium were made in fiscal year 2016/17.

D. NOTES TO THE INCOME STATEMENT

(20) 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.

Sales revenues include licensing fees in an amount of KEUR 1,727 (previous year: KEUR 2,095) for the utilization of the name rights.

Revenues are deemed to be realized once the service has been provided in full and the opportunities and risks have passed to the buyer.

(21) Other operating income

Other operating income comprises the following:

KEUR	2016/2017	2015/16
Rental income	6,721	10,696
Exchange gains	1,593	2,653
Income from the reversal of provisions and allowances	1,566	835
Income from the provision of motor vehicles	1,269	1,110
Income from own work	175	1,191
Income from asset disposal	26	23,352
Other	3,290	6,511
	14,640	**46,348**

The rental income primarily results from leased investment property as well as income from the sub-letting of rented stores not used by the company.

Income from asset disposal in the previous year includes KEUR 22,945 from the sale of the investment property.

(22) Changes in inventories and (23) cost of materials

KEUR	2016/2017	2015/16
Expenses for raw materials, supplies and purchased goods	52,598	66,852
Expenses for services purchased	304,145	302,949
	356,743	**369,801**

Expenses for services purchased include expenses for cut-make-trim (intermediate contractors) as well as expenses for the procurement of goods manufactured by third parties according to our specifications ("full package services").

After arrival of the goods in our shipping centre, it is no longer possible to distinguish between CMT goods and FPS goods. As a result, all finished goods added to our inventories must be shown under inventory changes in the income statement.

(23) Personnel expenses

KEUR	2016/2017	2015/16
Wages and salaries	161,721	172,188
Social security contributions	30,306	30,520
	192,026	**202,708**

The GERRY WEBER Group concludes partial retirement agreements according to the "block model". In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 2.88% (previous year: 3.32%) based on a salary trend of 1.00% p.a. (previous year: 1.00% p.a.). The computations are based on the Heubeck mortality tables 2005 G. Discount on staff turnover is not required.

No provisions were established in the fiscal year for potential future obligations of the GERRY WEBER Group arising from the use of partial retirement options, as this probability was estimated at zero.

Personnel expenses of the previous year included restructuring-related expenses in the amount of KEUR 6,542.

Average number of employees:

	2016/17		**2015/16**	
	Total	**Germany**	**Total**	**Germany**
Blue-collar workers	260	0	271	0
White-collar workers	6,619	5,259	6,700	5,215
Trainees/apprentices	42	42	51	51
	6,921	**5,302**	**7,022**	**5,266**

(24) Depreciation/amortization

The composition of depreciation and amortization can be seen from the changes in the individual fixed asset component. In the fiscal year 2016/17, extraordinary write-downs for impairment amounted to KEUR 3,377 (previous year: KEUR 14,998). To determine the impairments of the previous year, primarily the full remaining carrying amounts relating to closed stores were used.

(25) Other operating expenses

Other operating expenses comprise the following:

KEUR	2016/2017	2015/16
Rent, space costs	148,582	153,212
Advertising, trade fairs	29,744	25,586
Freight, packaging, logistics*	21,990	35,664
IT costs	14,581	12,045
Legal, consulting and real estate agent costs	9,456	8,249
Commissions*	9,327	8,907
Other personnel expenses	8,149	9,935
Insurance, contributions, fee	5,096	5,905
Collection development	4,921	5,504
Exchange rate fluctuations	4,240	3,069
Travelling expenses	4,213	4,775
Vehicles	3,622	3,521
Office and communications	3,149	3,645
Maintenance	2,472	3,957
General administration	2,352	3,660
Del credere and credit card commissions	2,222	2,106
Losses on receivables/allowances	948	680
Supervisory Board compensation	870	870
Loss from asset disposal	507	1,033
Restructuring expenses	0	9,632
Compensation	0	1,001
Other	2,893	5,765
	279,333	**308,720**

* Prior year figures adjusted

(26) Other taxes

This item mainly comprises property and motor vehicle taxes as well as council taxes in the UK.

(27) Financial result

KEUR	2016/2017	2015/16
Interest income	20	43
Income from financial assets loaned	18	20
Depreciation of financial assets	–350	0
Incidental bank charges	–1,753	–1,907
Interest expenses	–5,671	–6,802
	–7,736	**–8,646**

Incidental bank charges essentially comprise fees for letters of credit.

(28) Income taxes

Income taxes comprise the following main components:

KEUR	2016/2017	2015/16
Tax expenses of the fiscal year	4,517	10,211
Tax expenses of prior years	260	669

Deferred taxes	–1,430	–6,217
	3,348	**4,663**

Deferred taxes were generally calculated based on the applicable tax rates of each company. A standard tax rate of 30% (previous year: 30%) was applied to calculate deferred taxes on consolidation measures shown in profit and loss.

The reconciliation of expected tax expenses with reported tax expenses is as follows:

KEUR	**2016/2017**	**2015/16**
Profit before taxes on income	2,566	5,175
Group tax rate	30.00%	30.00%
Expected tax expenses	770	1,553
Non-recognition of deferred tax assets due to operating losses and utilization of those assets	566	0
Initial recognition of deferred tax assets for tax loss carryforwards	0	–252
Taxes on trade tax additions/deductions	1,683	1,643
Taxes on non-deductible operating expenses	227	257
Off-period tax expenses/income	260	669
Tax rate differences	0	0
Tax effect on non-taxable expenses and non-taxable income	–250	766
Miscellaneous	92	27
Actual tax expenses 130.5% (previous year: 90.1%)	**3,348**	**4,663**

(29) Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net income/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 amounts on which the calculation is based were determined as follows:

Consolidated net income/loss for the year in KEUR	**2016/2017**	**2015/16**
Consolidated net income/loss attributable to ordinary shareholders of the parent company	–782	512

Number of ordinary shares	**Shares**
Voting shares on Oct. 31, 2016	45,905,960
Buy-back of own shares in fiscal 2016/17	398,245
Voting shares on Oct. 31, 2017	45,507,715

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights.

The table below shows the average number of shares outstanding determined on the basis of a time weighting factor:

Date	**change (buyback)**	**Number of shares**	**Months**	**weighted**
November 2016 until February 2017	0	45,905,960	4	15,301,987
March 2017	37,202	45,868,758	1	3,822,397
April 2017	100,298	45,768,460	1	3,814,038

Date	change (buyback)	Number of shares	Months	weighted
May 2017	220,000	45,548,460	1	3,795,705
June 2017	40,745	45,507,715	1	3,792,310
July until October 2017	0	45,507,715	4	15,169,238
	398,245		**12**	**45,695,674**

Fiscal year 2016/17	**Fiscal year 2015/16**
45,695,674 (calculation pro rata temporis) = 45,695,674 shares	45,905,960 × 12/12 = 45,905,960 shares

Earnings per share amount to EUR −0.02 (previous year: EUR 0.01).

Basic earnings per share are identical with diluted earnings per share.

The accumulated profits were used to pay out a dividend of EUR 0.25 (previous year: EUR 0.40) per share.

The remaining amount was carried forward to new account.

It is to be proposed to the Annual General Meeting to carry the entire net profit forward to new account.

E. ADDITIONAL DISCLOSURES AND EXPLANATIONS REGARDING FINANCIAL INSTRUMENTS

Maturity analysis of financial assets

The maturities analyses of the financial assets are shown below:

in KEUR	Neither written down nor due as of the reporting date	Not written down as of the reporting date but due since:					Gross value of the written-down receivables
		<1 month	1 to 3 month	3 to 6 month	6 to 12 month	> 12 month	
Loans	1,727	0	0	0	0	0	500
Trade receivables	40,196	3,062	1,575	88	1,073	0	3,245
Other assets	7,778	0	0	0	0	0	0
Carrying amount Oct. 31, 2017	**49,701**	**3,062**	**1,575**	**88**	**1,073**	**0**	**3,745**
Loans	1,512	0	0	0	0	0	500
Trade receivables	54,054	4,535	2,205	0	0	0	3,784
Other assets	74,274	0	0	0	0	0	0
Carrying amount Oct. 31, 2016	**129,840**	**4,535**	**2,205**	**0**	**0**	**0**	**4,284**

Write-down schedule

KEUR	Prev. year	Addition	Consumption	Release	Reporting year
Loans	150	350	0	0	500
Trade receivables	1,293	1,331	98	133	2,393
Other assets	0	0	0	0	0
2016/17	**1,443**	**1,681**	**98**	**133**	**2,893**
Loans	150	0	0	0	150
Trade receivables	1,976	264	774	173	1,293
Other assets	0	0	0	0	0
2015/16	**2,126**	**264**	**774**	**173**	**1,443**

Trade credit insurance is taken out for the trade receivables, which cover about 75% (previous year: 68%) of the respective total receivables. In addition, the creditworthiness of the counterparties is examined. In the other cases, the default risks are equivalent to the carrying amounts.

Contractual remaining terms of financial liabilities

The table below shows the contractual remaining maturities of the financial liabilities. The figures are based on undiscounted cash flows, based on the earliest day on which the GERRY WEBER Group may be obliged to pay.

KEUR	Carrying amount	Undiscounted cash flows			Total
		up to 1 year	1 to 5 years	more than 5 years	
Note loan	195,000	0	155,000	40,000	195,000
Loans	26,250	3,000	23,250	0	26,250
Liabilities from company acquisitions	3,577	0	3,577	0	3,577
Other financial liabilities	7,691	7,651	40	0	7,691
Financial liabilities (total)	**232,518**	**10,651**	**181,867**	**40,000**	**232,518**
Trade liabilities	51,858	51,858	0	0	51,858
Carrying amount Oct. 31, 2017	**284,375**	**62,508**	**181,867**	**40,000**	**284,375**
Note loan	195,000	0	95,000	100,000	195,000
Loans	29,250	3,000	26,250	0	29,250
Liabilities from company acquisitions	27,503	16,595	12,900	0	29,495
Other financial liabilities	11,176	10,548	629	0	11,177
Financial liabilities (total)	**262,930**	**30,142**	**134,779**	**100,000**	**264,921**
Trade liabilities	57,294	57,294	0	0	57,294
Carrying amount Oct. 31, 2016	**320,224**	**87,436**	**134,779**	**100,000**	**322,215**

The short-term cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets. To cover short-term cash outflows, GERRY WEBER International AG additionally has a sufficient funding reserve in the amount of cash and cash equivalents and unused credit lines available as of the balance sheet.

The contractually agreed remaining maturities of the financial liabilities as of the reporting date result in the following future interest payments for the GERRY WEBER Group.

Future interest payments

KEUR	Undiscounted interest payments			Total
	up to 1 year	1 to 5 years	more than 5 years	
Note loan	3,378	8,904	2,400	14,682
Loans	183	187	0	370
Other financial liabilities	75	0	0	75
As of Oct. 31, 2017	**3,635**	**9,091**	**2,400**	**15,126**
Note loan	4,243	12,514	4,064	20,821
Loans	240	428	0	668
Other financial liabilities	421	0	0	421
As of Oct. 31, 2016	**5,093**	**12,942**	**4,064**	**21,911**

Accounting for derivative financial instruments and hedges

All derivatives are recognized in the balance sheet at their fair value. Some derivatives do not qualify for hedge accounting, although they represent a hedge from an economic point of view. The relations between hedging instruments and hedged items as well as the risk management objectives and strategies in conjunction with the individual hedges are documented.

Financial derivates

GERRY WEBER exclusively uses market financial derivatives with sufficient market liquidity. These are currency forwards and currency options. The present strategy provides for the use of hedges to limit the currency risks. The transactions are made exclusively with banks of excellent credit standing. Risks are managed centrally by GERRY WEBER International AG.

The nominal amount is the sum of all purchase and sale amounts underlying the transactions. The financial instruments as of the reporting date serve to hedge against currency risks from the operating activities.

No financial derivatives are used for speculation purposes.

The company hedges expected cash flows from the currency areas in which the GERRY WEBER Group has material operations; these include the US dollar area and the UK.

Nominal amount of financial derivates

	Nominal amount as of Oct. 31, 2017				Nominal amount as of Oct. 31, 2016			
KEUR	**up to 12 month**	**12 to 24 month**	**more than 24 month**	**Total**	**up to 12 month**	**12 to 24 month**	**more than 24 month**	**Total**
Currency forwards and currency options								
in the procurement of goods................	160,690	132,188	0	292,878	147,173	134,145	0	281,318
in the sale of goods	0	0	0	0	2,355	0	0	2,355

Fair values of the financial derivatives

Currency forwards and currency options qualifying for hedge accounting.

	Nominal amount		Fair values	
	Oct. 31, 2017	**Oct. 31, 2016**	**Oct. 31, 2017**	**Oct. 31, 2016**
Currency forwards and currency options				
in the procurement of goods.......................	292,878	282,033	286,205	297,783
in the sale of goods.......	0	2,355	0	2,220

Changes in the carrying amounts are recognized in equity and are shown in the statement of comprehensive income.

As of 31 October 2017, negative effects from fair value measurement after deduction of deferred taxes in the amount of KEUR 6,673 (previous year: positive effects of KEUR 10,930) were recognized in equity.

Currency forwards and currency options not qualifying for hedge accounting.

KEUR	Nominal amount Oct. 31, 2017	Nominal amount Oct. 31, 2016	Fair values Oct. 31, 2017	Fair values Oct. 31, 2016
Currency forwards and currency options				
in the procurement of goods................	0	7,692	0	8,926
in the sale of goods	0	0	0	0

All derivates qualify for hedge accounting.

The fair values do not necessarily represent the amounts that can be generated in future under current market conditions.

The table below shows the carrying amounts of the financial derivatives which are equivalent to the fair values. A difference is made between derivatives qualifying for hedge accounting pursuant to IAS 39 and derivatives not qualifying for hedge accounting.

Derivative financial instruments in KEUR	Carrying amount October 31, 2017	Carrying amount October 31, 2016
Assets		
Currency forwards and options..		
Qualifying for hedge accounting (Cash flow hedges)	0	15,750
Not qualifying for hedge accounting	0	1,234
Liabilities		
Currency forwards and options..		
Qualifying for hedge accounting (Cash flow hedges)	6,673	135
Not qualifying for hedge accounting	0	0

The carrying amounts of the financial assets are recognized as other assets or as other liabilities.

Financial instruments

Financial risk management

As a result of its international activities, the GERRY WEBER Group is exposed to a number of financial risks. These include, in particular, the effects of changes in exchange rates and interest rates. The risk management system of GERRY WEBER is geared to reducing risks.

The Managing Board defines the general risk management guidelines and thus determines the general approach to hedging exchange rate and interest rate risks and the use of derivative financial instruments. For further information on financial market risks and financial risk management, please refer to the Group management report.

Exchange rate risk

The GERRY WEBER Group is exposed to exchange rate risks relating to different foreign currencies, especially the US dollar, the Canadian dollar and the British pound. To mitigate these risks, currency forward and option contracts are signed with banks of excellent credit standing. The net requirement/surplus of the respective currencies is hedged at close to 100%.

Sensitivity analyses were performed to quantify the exchange rate risk. This is done on the basis of a hypothetical 5% change in the exchange rate.

The tables below show the pre-tax effect including the exchange rate hedges:

Oct. 31, 2017 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	9,794	–289,887	–280,093	–165
GBP	4,504	–19	4,486	–214

Oct. 31, 2016 KEUR	Cash inflows	Cash outflows	Net amount	Absolute effect of a +5% change in the exchange rate
USD	10,413	–321,905	–311,491	–444
GBP	4,352	–18	4,334	–101

Counterparty risk

The GERRY WEBER Group has counterparty default risks in the amount of the invested liquid funds and the positive market values of the derivatives. As a general rule, money transactions and financial instruments are signed only with a defined group of banks of excellent credit standing. The creditworthiness of these banks is monitored continuously and classified using quantitative and qualitative factors.

Liquidity risk

Liquidity risks may arise from the lack of available follow-up financing (liquidity risk in the narrower sense) as well as from delays in planned cash inflows and unplanned payments (plan risk). The liquidity risk is monitored continuously on the basis of the budget prepared for the budget year and the following years. New and unplanned business transactions (e.g. acquisitions) are incorporated continuously. In addition, the maturity profiles of financial assets and liabilities are matched regularly. Plan risks are managed through constant monitoring of projected and actual cash flows. Furthermore, the durations of financings are chosen in such a way that the maturities are diversified over time, so that an increase in the refinancing costs would have an effect only in the long term. Unplanned payments are covered by credit lines from banks.

Interest rate risk

Interest rate risks primarily relate to interest-bearing financial liabilities. The GERRY WEBER Group manages interest rate risks by raising long-term loans and through a high equity ratio. The financial liabilities of the GERRY WEBER Group mostly carry fixed interest rates agreed for long durations.

Sensitivity analyses are performed to quantify the interest rate risk from these financial liabilities. In view of the continued low interest rates, a +100/−30 bp shift in the yield curve was assumed as of the balance sheet date to ensure that realistic scenarios are used for the analysis of the interest rate sensitivities.

Variable interest rate liabilities of KEUR 33,750 (31 October 2016: KEUR 46,750) were included in the analysis. The resulting interest payments expected until the maturity date are not hedged by financial derivatives. The resulting interest rate risk is also a cash flow risk with implications for the amount of future interest payments. The pre-tax effect on consolidated net income for the year is shown:

KEUR	2016/17		2015/16	
	+100 bp	–30 bp	+100 bp	–30 bp
Cash flow risks	608	–213	953	–286

Earnings effect of financial instruments

KEUR	Loans and receivables	Financial liabilities
From interest rates	20	–5,671
From losses of receivables and write-downs	–948	0
2016/17	**–928**	**–5,671**
From interest rates	43	–6,802
From losses of receivables and write-downs	–680	0
2015/16	**–637**	**–6,802**

Carrying amount and fair values by measurement categories

The table below shows the carrying amounts and the fair values of the individual financial assets and liabilities for each category of financial instruments and reconciles them with the corresponding balance sheet items. The fair values of cash and cash equivalents, of current receivables, of trade payables and of other current financial liabilities are largely identical with the carrying amounts. This is primarily due to the short maturities of such instruments.

KEUR	Measured at amortized cost		Measured at the fair value	Non-financial assets and liabilities	
	Carrying amount Oct. 31, 2017	For information: Fair value Oct. 31, 2017	Carrying amount Oct. 31, 2017	Carrying amount Oct. 31, 2017	Carrying amount in the balance sheet Oct. 31, 2017
Financial assets	**2,082**	**2,082**			**2,082**
Loans and receivables	2,041	2,041			2,041
Available-for sale financial assets	42	42			42
Trade receivables (current)	**49,239**	**49,239**			**49,239**
Loans and receivables	49,239	49,239			49,239
Other assets (current)	**7,777**	**7,777**	**0**	**13,256**	**21,033**
Derivatives qualifying for hedge accounting			0		0
Loans and receivables	7,777	7,777			7,777
Non-financial assets				13,256	13,256
Cash and cash equivalents	**36,578**	**36,578**			**36,578**
Loans and receivables	36,578	36,578			36,578
Total financial assets	**95,676**		**0**		**108,932**
Financial liabilities (non-current)	**218,250**	**218,250**			**218,250**
Measured at amortized cost	218,250	218,250			218,250
Other liabilities (non-current)	**3,617**	**40**	**3,577**		**3,617**
Measured at amortized cost	40	40			40
Liabilities from company acquisitions	3,577	0	3,577		3.577
Financial liabilities (current)	**10,844**	**10,844**			**10,844**
Measured at amortized cost	10,844	10,844			10,844
Bond					
Trade liabilities (current)	**51,858**	**51,858**			**51,858**
Measured at amortized cost	51,858	51,858			51,858
Other liabilities	**595**	**595**	**6,673**	**21,066**	**28,334**
Measured at amortized cost	595	595			
Negative fair value of financial instruments			6,673		6,673

KEUR	Measured at amortized cost		Measured at the fair value	Non-financial assets and liabilities	
	Carrying amount Oct. 31, 2017	For information: Fair value Oct. 31, 2017	Carrying amount Oct. 31, 2017	Carrying amount Oct. 31, 2017	Carrying amount in the balance sheet Oct. 31, 2017
Liabilities from company acquisitions	0		0		0
Non-financial liabilities				21,066	21,066
Total financial liabilities	**285,164**		**10,250**		**312,903**

KEUR	Measured at amortized cost		Measured at the fair value	Non-financial assets and liabilities	
	Carrying amount Oct. 31, 2016	For information: Fair value Oct. 31, 2016	Carrying amount Oct. 31, 2016	Carrying amount Oct. 31, 2016	Carrying amount in the balance sheet Oct. 31, 2016
Financial assets	**2,274**	**2,274**			**2,274**
Loans and receivables	2,237	2,237			2,237
Available-for sale financial assets	37	37			37
Trade receivables (current)	**63,285**	**63,285**			**63,285**
Loans and receivables	63,285	63,285			63,285
Other assets (current)	**56,575**	**56,575**	**17,699**	**12,684**	**86,958**
Derivatives qualifying for hedge accounting			17,699		17,699
Loans and receivables	56,575	56,575			56,575
Non-financial assets				12,684	12,684
Cash and cash equivalents	**50,747**	**50,747**			**50,747**
Loans and receivables	50,747	50,747			50,747
Total financial assets	**172,881**		**17,699**		**203,264**
Financial liabilities (non-current)	**221,250**	**221,250**			**221,250**
Measured at amortized cost	221,250	221,250			221,250
Other liabilities (non-current)	**12,242**	**628**	**11,614**		**12,242**
Measured at amortized cost	628	628			628
Liabilities from company acquisitions	11,614	0	11,614		11,614
Financial liabilities (current)	**33,548**	**33,548**			**33,548**
Measured at amortized cost	33,548	33,548			33,548
Bond					
Trade liabilities (current)	**57,294**	**57,294**			**57,294**
Measured at amortized cost	57,294	57,294			57,294
Other liabilities	**16,485**	**595**	**15,890**	**21,124**	**37,609**
Measured at amortized cost	595	595			
Liabilities from company acquisitions	15,890		15,890		15,890
Non-financial liabilities				21,124	21,124
Total financial liabilities	**340,819**		**27,504**		**361,943**

Fair values of financial assets and liabilities by measurement categories

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

The fair values of financial assets and liabilities are assigned to level 2 of the fair value hierarchy.

As in the previous year, no reclassifications between levels 1, 2 and 3 were made in the fiscal year 2016/17.

Market comparison methods are used to determine the fair values of level 2. The fair values of currency forwards and currency options are based on valuations by banks. Given that similar contracts are traded in an active market, these valuations reflect the actual transactions for similar instruments.

F. NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents comprise current liquid funds (KEUR 36,577; previous year: KEUR 50,747) less current liabilities to banks (KEUR 4,992; previous year: KEUR 0).

The cash flow statement describes the cash flows in the fiscal year 2016/17 and the previous year, divided into cash inflows and outflows from operating activities, from investing activities and from financing activities.

Changes in the basis of consolidation and in exchange rates had no effect on cash and cash equivalents.

Cash outflow from investing activities comprises additions to property, plant and equipment, financial assets and investment properties as well as income from fixed asset disposals. Financing activities comprise changes in other financial liabilities.

In the fiscal year 2016/17, cash inflow from operating activities includes payments for interest received in an amount of KEUR 20 (previous year: KEUR 43) and for interest paid in an amount of KEUR 4,954 (previous year: KEUR 4,987). Income tax refunds of KEUR 599 were received (previous year: refunds of KEUR 4,577).

The GERRY WEBER Group has an unused credit line in an amount of EUR 60.2 million (previous year: EUR 65.2 million).

G. Segment Reporting

Report by business segments

Fiscal year 2016/17

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
Sales revenues by segment	**301,972**	**395,667**	**194,312**	**0**	**–11,066**	**880,885**
thereof: sales with external third parties	293,994	392,579	194,312	0	0	880,885
Inter segment revenues	7,979	3,087	0	0	–11,066	0
EBIT	23,973	–11,146	–2,474	0	–51	10,302
Depreciation	10,646	23,630	13,575	0	0	47,851
EBITDA	34,618	12,484	11,101	0	-51	58,153
Personnel expenses	39,079	114,663	38,284	0	0	192,026
Interest income	10	9	2	0	0	21
Interest expenses	1,104	3,264	1,303	0	0	5,671
Assets	248,648	358,691	189,738	0	–7,170	789,907
Liabilities	63,605	119,642	201,615	0	–7,704	377,158
Investments in non-current assets	16,479	13,512	8,203	0	0	38,194

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
Number of employees (annual average)	757	4,099	2,065	0	0	6,921
Impairments recognised in profit/loss						
of inventories	–159	1,571	0	0	0	1,413
of trade receivables	–875	39	0	0	0	–836

Report by business segments

Fiscal year 2015/16

KEUR	Wholesale GERRY WEBER	Retail GERRY WEBER	Retail HALLHUBER	Other	Consolidation	Total
Sales revenues by segment	**306,450**	**422,414**	**183,168**	**0**	**-11,241**	**900,791**
thereof:						
sales with external third parties	298,434	419,190	183,168	0	0	900,791
Inter segment revenues	8,017	3,224	0	0	–11,241	0
EBIT	25,901	–31,328	–4,535	23,808	–25	13,821
Depreciation	9,430	40,589	12,827	605	0	63,451
EBITDA	35,331	9,261	8,292	24,412	–25	77,271
Personnel expenses	47,470	121,974	33,039	225	0	202,708
Interest income	15	24	4	0	0	43
Interest expenses	994	3,753	2,054	0	0	6,802
Assets	280,788	431,284	194,095	2,699	–8,201	900,666
Liabilities	77,827	184,472	200,941	0	–9,075	454,165
Investments in non-current assets	25,742	23,320	10,858	0	0	59,920
Number of employees (annual average)	747	4,427	1,847	1	0	7,022
Impairments recognized in profit/loss						
of inventories	–626	520	0	0	0	–106
of trade receivables	686	122	0	0	0	807

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).

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 online shops (e-commerce). The "Wholesale" segment comprises the wholesale activities of the Group's brands (GERRY WEBER, TAIFUN and SAMOON).

The "HALLHUBER" segment comprises the income and expenses as well as assets and liabilities of the HALLHUBER brand.

The "other segments" no longer comprise the income and expenses as well as the assets and liabilities of the Hall 30 investment property, as the latter was sold in the previous fiscal year. The EBIT of the previous fiscal year of the other segments also include the income from the sale of the investment property in the amount of KEUR 22,945.

The segment information is based on the same recognition and valuation measures as the consolidated financial statements.

Transfer prices between the segments are fixed on terms equivalent to those that prevail in arm's length transactions.

The Managing Board of GERRY WEBER INTERNATIONAL AG has chosen earnings before interest and taxes (EBIT) and sales revenues as performance indicators for controlling and reporting.

Net interest income and tax expenses are viewed by management only at a Group-wide level.

Geographic information:

2016/17 **KEUR**	**Germany**	**Abroad**	**Total**
Sales revenues by regions..............	**541,226**	**339,659**	**880,885**
Non-current assets...........................	454,404	58,689	513,093
Investments in non-current assets.....	35,767	2,427	38,194
Number of employees	5,302	1,620	6,921

2015/16 **KEUR**	**Germany**	**Abroad**	**Total**
Sales revenues by regions..............	**598,874**	**301,917**	**900,791**
Non-current assets...........................	468,337	55,838	524,175
Investments in non-current assets.....	59,757	163	59,920
Number of employees	5,266	1,756	7,022

For purposes of segment reporting by geographical segments, external sales are defined by customers' head offices. A regional distinction is made between "Germany" and "Abroad".

H. OTHER INFORMATION

Research and development

Research and development expenses recognized under expenses amount to KEUR 4,921 (previous year: KEUR 5,504) and refer to the development of the collections.

Contingencies

The Group has contingencies resulting from the issue and transfer of bills of exchange in an amount of KEUR 0 (previous year: KEUR 7).

There is a payment obligation for shares in partnerships (start-up funds) in an amount of KEUR 13 (previous year: KEUR 14).

Other financial liabilities/operating leases where the company is the lessee

In particular, the property leases comprise properties leased for the Group's own retail activities and offices used by Group companies.

KEUR	**October 31, 2017**	**October 31, 2016**
Within 1 year...	99,301	99,361
Between 1 and 5 years..	264,192	268,905
After 5 years..	94,496	116,878
	457,989	**485,144**

In the fiscal year 2016/17, rental expenses in an amount of KEUR 114,759 (previous year: KEUR 122,916) were recognized. Store leases are usually signed for a period of 10 to 15 years. Some leases include renewal options. The leases contain price adjustment clauses that are typical of the industry and are linked to general inflation.

In conjunction with the store leases, the company frequently agrees to make contributions to the communal advertising expenses, which break down as follows:

KEUR	October 31, 2017	October 31, 2016
Within 1 year	2,077	1,978
Between 1 and 5 years	6,269	6,437
After 5 years	2,445	2,693
	10,791	**11,108**

In the fiscal year 2016/17, the Group generated KEUR 2,691 (previous year: KEUR 2,855) from subleases. The table below shows the minimum lease payments from subleases:

KEUR	October 31, 2017	October 31, 2016
Within 1 year	3,751	2,928
Between 1 and 5 years	10,313	8,220
After 5 years	1,832	2,134
	15,896	**13,282**

In addition, the Group has the following other financial obligations from operating leases:

KEUR	October 31, 2017	October 31, 2016
Within 1 year	7,898	8,765
Between 1 and 5 years	1,262	1,721
	9,160	**10,486**

Expenses for these operating leases totalled KEUR 7,898 in fiscal year 2016/17 (previous year: KEUR 8,765).

Most of these are motor vehicle and IT leases, which usually have a term of three to five years and do not include any renewal options. There are no price adjustment clauses.

Operating leases where the company is the lessor

The "Hall 29" order centre in Düsseldorf, which is used by the company itself, generates rental income from the letting of premises to other textile manufacturers. The leases usually have a term of five years. The rent is inflation-linked. The leases include a one-time renewal option for the tenant, usually for another five years.

No purchase options have been agreed. The table below shows the remaining minimum leases until the end of the respective contractual period:

KEUR	October 31, 2017	October 31, 2016
Within 1 year	1,790	1,819
Between 1 and 5 years	4,253	3,963
After 5 years	22	42
	6,065	**5,824**

The "Hall 30" property in Düsseldorf, which was sold in the previous year, generated rental income from the letting of premises to other textile manufacturers. The leases usually had a term of four years. The rent was inflation-linked. The leases included a one-time renewal option for the tenant, usually for another four to six years. No purchase options were agreed.

Lease agreements in which the GERRY WEBER Group is the lessor are classified as operating leases pursuant to IAS 17. Rental income is recognized on a straight-line basis over the term of the respective lease agreement.

As of 31 October 2017, the purchase commitment for investments in non-current assets amounted to EUR 2.3 million (previous year: EUR 1.5 million); thereof EUR 2.0 million (previous year: EUR 1.4 million) related to intangible assets.

Litigations

Adequate provisions have been established in the balance sheet for potential risks from pending court or arbitration proceedings. As of the balance sheet date, GERRY WEBER International AG or its subsidiaries were not involved in court or arbitration proceedings that have a major impact on the situation of the Group.

Related party disclosures

Related parties within the meaning of IAS 24 (Related Party Disclosures) are legal or natural persons that may exert influence over Gerry Weber International AG and its subsidiaries or are subject to control or material influence by Gerry Weber International AG. These include, in particular, the members of the executive bodies of Gerry Weber International AG. There are no unconsolidated entities as well as associates and joint ventures.

In the fiscal year 2016/17, transactions were made only with members of the executive bodies and/or with companies that are controlled by such members. The table below shows the goods and services received (expenses) and the goods and services provided (income) from and for these companies:

KEUR	**2016/17**	**2015/16**
Services provided by the Group		
Goods and services	7,164	6,137
Rental, leaseholds and leasing agreements	0	44
Management and consulting services	175	164
Other services	257	255
Total	**7,596**	**6,600**
Services received by the Group		
Advertising services	3,850	3,809
Management and consulting services	30	477
Rental, leaseholds and leasing agreements	653	669
Hotel services	244	291
Other services	660	1,010
Goods and services	0	0
Total	**5,437**	**6,256**

The transactions listed above essentially relate to companies that are controlled by members of the executive bodies. Only the management and consulting services received by the Group relate directly to such members.

In addition, the Group had the following receivables and liabilities towards these related parties as at the balance sheet date, with the balances relating exclusively to companies controlled by members of the executive bodies:

KEUR	**October 31, 2017**	**October 31, 2016**
Trade receivables	916	1,490

KEUR	October 31, 2017	October 31, 2016
Credit receivables from loans	1,517	1,517

KEUR	October 31, 2017	October 31, 2016
Trade payables	321	183

All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions based on international price comparison methods. This also applies to the terms and conditions for trade receivables and trade payables as well as the loans.

No allowances or derecognitions relating to receivables from related parties were required. No guarantees or securities were obtained or granted; nor do financial assets serve as collateral.

There are no financial obligations from purchase commitments towards related parties.

Contracts and agreements

Sponsorship agreement with Gerry Weber Management & Event oHG

On 20 December 2012, a new sponsorship agreement was signed with Gerry Weber Management & Event oHG with effect from 1 January 2013, 00:00 h.

In this agreement, Gerry Weber Management & Event oHG undertakes, among other things, to carry out and market its activities under the "GERRY WEBER WORLD" umbrella brand. These activities include, in particular, all sports and entertainment events related to the GERRY WEBER Stadium, the GERRY WEBER Event & Convention Center, the GERRY WEBER Sportpark and the GERRY WEBER Sportpark Hotel. The agreement runs from 1 January 2013 to 31 December 2017 and includes two renewal options for periods of five years each. Pursuant to a supplement to the agreement dated 25 January 2017, the option was exercised and the agreement was renewed until 31 December 2022.

Based on an independent appraisal, sponsorship amounts totalling EUR 21.5 million were determined for the right to the name "GERRY WEBER WORLD" and for the sponsorship payments for the "GERRY WEBER OPEN" for the period from 1 January 2018 to 31 December 2022.

Consultancy agreement with Mr Gerhard Weber

Mr Gerhard Weber provided consulting services in the amount of KEUR 0 in the fiscal year 2016/17 (previous year: KEUR 470).

Rental services and consultancy agreement with Mr Udo Hardieck

In the fiscal year 2016/17, Mr Udo Hardieck provided rental services of KEUR 0 (previous year: KEUR 16) and consulting services of KEUR 30 (previous year: KEUR 0).

Lease agreement with DALOU Grundstücks-GmbH & Co. KG

On 5 June 2014, a lease agreement was signed between Gerry Weber Retail GmbH, which is a fully consolidated company of the Group, and DALOU Grundstücks-GmbH & Co. KG, Halle/Westphalia. The object of the agreement is the outlet store in "Ravenna-Park. The space to be let was handed over at the end of 2015.

The agreement commenced on 1 October 2014 and has a fixed term until 30 September 2024 and includes a 5-year option right for the lessee. Obligations in the amount of KEUR 5,300 arise under this agreement.

Mr Ralf Weber is sole limited partner of DALOU Grundstücks-GmbH and sole Managing Director of its general partner, DALOU Verwaltungs GmbH, Halle/Westphalia.

Managing Board

- Ralf Weber, Chairman, in charge of Corporate Development and Distribution, businessman, Steinhagen,
- Dr. David Frink, until 16 November 2017, Board member in charge of Finance, Logistics, IT, Administration and Human Resources, businessman, Bielefeld,
- Norbert Steinke, until 21 June 2017, Board member in charge of Retail, businessman, Starnberg,
- Jörg Stüber, since 16 November 2017, Board member in charge of Finance, IR, Central Purchasing, Compliance and IT, Halle/Westphalia.

As in the previous year, Dr. David Frink sits on the Supervisory Board of DSC Arminia Bielefeld GmbH & Co. KGaA, Bielefeld (until 16 November 2017)

Norbert Steinke is a member of the advisory council of eyes and more GmbH, Hamburg.

None of the Managing Board members was a member of other supervisory boards or control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Supervisory Board

- Dr. Ernst F. Schröder, Bielefeld, – Chairman -,
- Gerhard Weber, Halle/Westphalia, – Vice Chairman -,
- Udo Hardieck, Halle/Westphalia,
- Charlotte Weber-Dresselhaus, Halle/Westphalia,
- Ute Gerbaulet, Düsseldorf
- Alfred Thomas Bayard, Bern
- Olaf Dieckmann, Halle/Westphalia, – staff representative –,
- Klaus Lippert, Halle/Westphalia, – staff representative –,
- Annette von der Recke, Bielefeld – staff representative –,
- Andreas Strunk, Bad Salzuflen, – staff representative –,
- Manfred Menningen, Frankfurt am Main, – staff representative –,
- Hans-Jürgen Wentzlaff, Bielefeld, – staff representative –

The Supervisory Board members also sit on the following supervisory boards and controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Dr. Ernst F. Schröder, businessman, Bielefeld.

Chairman of the Supervisory Board:

- L. Possehl GmbH & Co., Lübeck,
- S.A.S. Hôtel Le Bristol, Paris, France,
- S.A.S. Hôtel du Cap-Eden-Roc, Antibes, France,
- S.A.S. Château du Domaine St. Martin, Vence, France.

Member of the Supervisory Board:

- S.A. Damm, Barcelona.

Chairman of the advisory council:

- Bankhaus Lampe KG, Düsseldorf.

Mr Gerhard Weber, businessman, Halle/Westphalia

- No other mandates

Mr Udo Hardieck, Diplom-Ingenieur, Halle/Westphalia

Member of the advisory council:

- Nordfolien GmbH, Steinfeld

Ms Charlotte Weber-Dresselhaus, banker, Halle/Westphalia

- No other mandates

Mr Olaf Diekmann, technical employee, Halle/Westphalia

- No other mandates

Mr Klaus Lippert, commercial employee, Halle/Westphalia

- No other mandates

Ms Ute Gerbaulet, businesswoman, Düsseldorf.

Member of the Supervisory Board:

- RWE AG, Essen

Member of the Supervisory Board:

- NRW.BANK, Düsseldorf

Member of the Audit Committee:

- NRW.BANK, Düsseldorf

Member of the Promotion Committee:

- NRW.BANK, Düsseldorf

Ms Annette von der Recke, commercial employee, Bielefeld.

- No other mandates

Mr Andreas Strunk, technical employee, Bad Salzuflen.

- No other mandates

Mr Alfred Thomas Bayard, businessman, Bern, Switzerland.

President of the Supervisory Board:

- SPN Invest AG, Visp, Switzerland

- Bayard Immobilien & Handels AG, Visp, Switzerland

Member of the Supervisory Board:

- Mode Bayard AG, Bern, Switzerland
- Soladis Krankenkasse, Visp, Switzerland
- Tennis & Sportcenter AG, Visp, Switzerland

Mr Manfred Menningen, Secretary of the Board Chairman of IG Metall, Frankfurt.

Member of the Supervisory Board:

- Hella KGaA, Lippstadt

Member of the Audit Committee:

- Hella KGaA, Lippstadt

Mr Hans-Jürgen Wentzlaff, second commissioner of IG Metall, Bielefeld.

- No other mandates

Total compensation of the Managing Board

The table below shows the compensation paid to the individual members of the Managing Board, mostly by the parent company:

KEUR	2016/17 Basic Salary	2016/17 Variable	2016/17 Total	2015/16 Basic Salary	2015/16 Variable	2015/16 Total
Ralf Weber	712	190	902	719	150	869
Dr. David Frink[3]	593	175	768	568	150	718
Arnd Buchardt[1]	0	0	0	48	0	48
Norbert Steinke[2]	341	100	441	512	150	662
	1,646	**465**	**2,111**	**1,847**	**450**	**2,297**

1 Until 30 November 2015

2 Until 21 June 2017. In the context of Norbert Steinke's retirement from the Managing Board of GERRY WEBER International AG a payment in the amount of KEUR 861.8 was paid.

3 Until 16 November 2017

The variable components of the Managing Board compensation are performance-linked and are included in provisions. There are no stock option plans or other remuneration models based on the share price. The compensation represents a short-term benefit within the meaning of IAS 24.17(a).

Total compensation of the Supervisory Board

In accordance with the statutes, the Supervisory Board exclusively receives fixed compensation of KEUR 870 (previous year: KEUR 870) for its work for the parent company and the Group, which was provisioned for in the fiscal year. No variable compensation is granted.

The table below shows the compensation paid to the individual members of the Supervisory Board, which are short-term benefits in accordance to IAS 24.17(a).

In detail, the following amounts were paid:

KEUR	2016/17 Basic Salary	2016/17 Total	2016/17 Basic salary	2015/16 Total
Supervisory Board				
Dr. Ernst F. Schröder				
Chairman	180	180	180	180
Gerhard Weber				
Vice Chairman	90	90	90	90
Udo Hardieck	60	60	60	60
Charlotte Weber-Dresselhaus	60	60	60	60
Olaf Dieckmann				
Staff representative	60	60	60	60
Klaus Lippert				
Staff representative	60	60	60	60
Annette von der Recke				
Staff representative	60	60	60	60
Andreas Strunk				
Staff representative	60	60	60	60
Hans-Jürgen Wentzlaff				
IG Metall	60	60	60	60
Manfred Menningen				
IG Metall	60	60	60	60
Alfred Thomas Bayard	60	60	60	60
Ute Gerbaulet	60	60	60	60
	870	**870**	**870**	**870**

The staff representatives on the Supervisory Board remain entitled to a regular salary under their employment contracts.

Shares held by the Managing Board

As at the balance sheet date, the Managing Board directly and indirectly held 1,823,046 shares (previous year: 1,552,239 shares).

Shares held by the Supervisory Board

As at the balance sheet date, members of the Supervisory Board directly and indirectly held 21.729.929 shares (previous year: 21,729,977 shares).

Shareholdings

R + U Weber GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 21 March 2005 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 21 March 2005 and on that date amounted to 26.35%.

Hardieck Anlagen GmbH & Co. KG, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights).

Hardieck Anlagen-Verwaltungs-GmbH, Halle/Westphalia, Germany, notified us pursuant to section 21 para. 1 WpHG on 24 October 2012 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3, 5, 10, 15% thresholds of voting rights on 19 October 2012 and on that date amounted to 16.78% (corresponding to 7,704,000 voting rights). All of these voting rights are imputable to Hardieck Anlagen-Verwaltungs-GmbH pursuant to section 22 para. 1 sentence 1 No. 1 WpHG. Of the following controlled companies, 3% or more is imputable towards Hardieck Anlagen-Verwaltungs-GmbH: Hardieck Anlagen GmbH & Co. KG.

Mr Ralf Weber, Germany, notified us pursuant to section 21 para. 1 WpHG on 16 June 2015 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 12 June 2015 and on that date amounted to 3.3204% (corresponding to 1,524,239 voting rights). 0.9411% of these voting rights (corresponding to 432,000 voting rights) are imputable to Mr Ralf Weber pursuant to section 22 para. 1, sentence 1, No. 1 WpHG.

BNY Mellon Service Kapitalanlage-Gesellschaft mbH, Frankfurt am Main, Germany, notified us pursuant to section 21 para. 1 WpHG on 9 October 2017 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 0.04% (corresponding to 20,000 voting rights).

Goldman Sachs Asset Management International, London, UK, notified us pursuant to section 21 para. 1 WpHG on 3 December 2015 that its share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 26 November 2015 and on that date amounted to 2.69% (corresponding to 1,234,756 voting rights).

Axxion S.A., Grevenmacher, Luxemburg, notified us pursuant to section 21 para. 1 WpHG on 6 October 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 5% threshold of voting rights on 1 October 2017 and on that date amounted to 8.62% (corresponding to 3,958,607 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 31 October 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 January 2017 and on that date amounted to 3.25% (corresponding to 1,493,203 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 21 March 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 March 2017 and on that date amounted to 2.98% (corresponding to 1,369,919 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 13 April 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 7 April 2017 and on that date amounted to 3.06% (corresponding to 1,405,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 19 April 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 10 April 2017 and on that date amounted to 2.99% (corresponding to 1,375,903 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 26 June 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 22 June 2017 and on that date amounted to 3.01% (corresponding to 1,382,283 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 June 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 28 June 2017 and on that date amounted to 2.99% (corresponding to 1,370,938 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 29 September 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 27 September 2017 and on that date amounted to 3.02% (corresponding to 1,386,285 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 12 October 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 5 October 2017 and on that date amounted to 2.98% (corresponding to 1,366,402 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 9 November 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 3 November 2017 and on that date amounted to 3.11% (corresponding to 1,428,674 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 22 November 2017 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, fell below the 3% threshold of voting rights on 15 November 2017 and on that date amounted to 2.97% (corresponding to 1,363,636 voting rights).

FMR LLC, Wilmington, Delaware, USA, notified us pursuant to section 21 para. 1 WpHG on 4 January 2018 that its share of the voting rights in GERRY WEBER International AG (ISIN: DE0003304101), 33790 Halle/Westphalia, Germany, exceeded the 3% threshold of voting rights on 29 December 2017 and on that date amounted to 3.24% (corresponding to 1,487,813 voting rights).

Transactions pursuant to section 15a of the German Securities Trading Act (WpHG)

Mr Ralf Weber, Chairman of the Managing Board, acquired 275,807 shares at a price of EUR 11.00 per share to EUR 11.58 per share in the fiscal year.

Auditor's fees

The following auditor's fees were recognized as Group expenses:

KEUR	**2016/17**	**2015/16**
Audit services	479	517
Other confirmation services	13	11
Tax consulting services	180	88
Other services	170	88
	842	**704**

Audit services primarily comprise the fees for the audit of the consolidated financial statements as well as the statutory audits of Gerry Weber International AG and the consolidated subsidiaries. Other confirmation services provided to Gerry Weber International AG and the entities controlled by it essentially comprise landlord certificates. In addition, tax consulting services were provided, which primarily related to the preparation of tax returns as well as assistance in tax audits by the competent tax authorities. Other services essentially comprise fees for due diligence activities and consultation services in company law matters.

German Corporate Governance Code/Statement required under section 161 AktG

The statement required under section 161 of the German Stock Corporation Act was issued by the Managing Board and the Supervisory Board on 11 October 2017 and published on the website of GERRY WEBER International AG at www.gerryweber.com under Investors/Corporate Governance.

Post balance sheet events

After the end of the fiscal year 2016/2017 (31 October 2017), no material events occurred which may have a material influence on the net worth, financial and earnings position as well as the future business performance of the GERRY WEBER Group.

Dr. David Frink resigned from the Managing Board of Gerry Weber International AG with effect from 16 November 2017.

On 30 January 2018, the Managing Board resolved that the consolidated financial statements and the Group management report of GERRY WEBER International AG be submitted to the Supervisory Board.

The consolidated financial statements will be published on 27 February 2018.

Exemption from disclosures pursuant to section 264 para. 3 of the German Commercial Code HGB

The following fully consolidated domestic subsidiaries took advantage of the options provided under section 264 para. 3 of the German Commercial Code (HGB) with regard to the disclosure of their annual accounts and the preparation of the management report:

- Life-Style Fashion GmbH, Halle/Westphalia,
- Gerry Weber Retail GmbH, Halle/Westphalia

Publication of the consolidated financial statements

The consolidated financial statements in the legally required form will be examined and endorsed by the Supervisory Board of GERRY WEBER International AG at its meeting on 21 February 2018 and thus be approved for electronic publication in the Federal Gazette.

Halle/Westphalia, 30 January 2018

The Managing Board

Ralf Weber Jörg Stüber

INDEPENDENT AUDITOR'S REPORT (ENGLISH-LANGUAGE TRANSLATION)

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and the combined group management report (zusammengefasster Konzernlagebericht) of Gerry Weber International AG as of and for the fiscal year ended October 31, 2017. The group management report is neither included nor incorporated by reference in this Prospectus.

To Gerry Weber International Aktiengesellschaft, Halle/Westfalen

Report on the audit of the Consolidated Financial Statements and the Group Management Report

Audit opinions

We have audited the consolidated financial statements of Gerry Weber International Aktiengesellschaft, Halle/Westfalen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at October 31, 2017, and consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from November 1, 2016 to October 31, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Gerry Weber International Aktiengesellschaft, which is combined with the Company's management report, for the financial year from November 1, 2016 to October 31, 2017. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § 289f HGB and § 315 (5) HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Article 315a HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at October 31, 2017, and of its financial performance for the financial year from November 1, 2016 to October 31, 2017. and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from November 1, 2016 to October 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Recoverability of goodwill

❷ Measurement of inventories

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ ***Recoverability of goodwill***

① Matter and issue

In the consolidated financial statements of Gerry Weber International AG, goodwill totaling EUR 86.9 million (11.0% of total assets) is reported under the "Intangible assets" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant goodwill is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② Audit approach and findings

As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we satisfied ourselves as to the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We also satisfied ourselves as to the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we also focused our testing on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the respective goodwill was adequately covered by the discounted future cash flows. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and fall within the ranges considered by us to be reasonable.

③ Reference to further information

The Company's disclosures on the goodwill included in the "Intangible assets" balance sheet item and the associated impairment test are contained in section C. of the notes to the consolidated financial statements.

❷ ***Measurement of inventories***

① Matter and issue

Inventories totaling EUR 163.4 million (20.7% of total assets) are reported in the consolidated financial statements of Gerry Weber International AG. These are textiles for womenswear that are subject to fashion-related and seasonal effects. In measuring the net realizable value of inventories, the Company applies discounts based on the collections in which the items are included. These are subject to collective write-down rates that reflect realization risks based on past experience.

② Audit approach and findings

As part of our audit, we used historical data to verify the write-down rates applied and reviewed their consistent application over time. We determined that the measurement of the respective inventories was appropriate in consideration of the realization risks.

③ Reference to further information

The Company's disclosures on the measurement methods applied with respect to the "Inventories" balance sheet item and the write-downs recognized are contained in section C. of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289a HGB and § 315 (5) HGB.

The other information comprises further the remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 27, 2017. We were engaged by the supervisory board on April 27, 2017. We have been the group auditor of the Gerry Weber International Aktiengesellschaft, Halle/Westfalen without interruption since the financial year 2012/2013.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Carsten Schürmann.

Bielefeld, February 9, 2018

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

sgd. Carsten Schürmann	sgd. Burkhard Peters
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS OF GERRY WEBER INTERNATIONAL AG AS OF AND FOR THE SHORT FISCAL YEAR ENDED DECEMBER 31, 2019 (HGB)

BALANCE SHEET AS OF DECEMBER 31, 2019

ASSETS

				Dec. 31, 2019 KEUR	Mar. 31, 2019 KEUR
A.	**Non-current Assets**				
	I.	Intangible assets			
		1.	Acquired concessions, industrial and similar rights as well as licenses on such rights	7,818.2	10,015.1
		2.	Advance payments on account	4,246.3	2,539.2
				12,064.5	**12,554.3**
	II.	Property, plant and equipment			
		1.	Land and buildings including buildings on third-party land	54,541.2	55,631.7
		2.	Technical equipment and machinery	84.4	82.7
		3.	Other fixed assets and office equipment	2,518.6	3,460.1
		4.	Advance payments and assets under construction	6.7	598.1
				57,150.9	**59,772.6**
	III.	Financial assets			
		1.	Shares in affiliated companies	39,831.2	41,763.7
		2.	Investments	39.3	39.2
		3.	Other long-term lendings	0.0	120.0
				39,870.5	**41,922.9**
				109,085.9	**114,249.8**
B.	**Current Assets**				
	I.	Inventories			
		1.	Raw materials, consumables and supplies	2,339.6	5,379.3
		2.	Work in progress	7,297.3	5,105.1
		3.	Finished goods and merchandise	35,106.1	40,137.3
		4.	Advance payments	13,081.3	9,989.8
				57,824.3	**60,611.5**
	II.	Receivables and other assets			
		1.	Trade accounts receivables	1,168.9	494.4
		2.	Receivables from affiliated companies, - thereof from trade accounts receivables: KEUR 54,150.3 (previous year: KEUR 23,484.7)	65,391.7	80,487.8
		3.	Other assets	11,748.4	6,069.0
				78,309.0	**87,051.2**
	III.	Cash on hand, bank balances		54,291.5	24,696.4
				190,424.8	172,359.1
C.	**Prepaid expenses**			**1,619.9**	**2,041.4**
D.	**Deficit not covered by equity**			**0.0**	**3,378.6**
				301,130.6	**292,028.9**

LIABILITIES

			Dec. 31, 2019 KEUR	Mar. 31, 2019 KEUR
A.	**Equity**			
	I.	Subscribed capital	1,025.0	45,507.7
	II.	Capital reserve	10.2	63,201.1
	III.	Retained earnings	102.6	264,824.7
	IV.	Accumulated profit / loss	63,737.2	-376,912.1
			64,875.0	**-3,378.6**
	V.	Deficit not covered by equity	0.0	3,378.6
			64,875.0	**0.0**
B.	**Provisions**			
	1.	Tax provisions	0.0	20.0
	2.	Other provisions	18,157.0	20,763.7
			18,157.0	**20,783.7**
C.	**Liabilities**			
	1.	Liabilities to banks	25.3	221,162.4
	2.	Trade accounts payables	12,583.8	20,533.1
	3	Liabilities to affiliated companies - thereof trade accounts payables: KEUR 2,500.8 (previous year: KEUR 2,466.5)	28,461.7	21,749.2
	4.	Other liabilities - thereof from taxes: KEUR 652.9 (previous year: KEUR 1,173.4) - thereof from social security contributions: KEUR 4.0 (previous year: KEUR 1,621.7)	176,493.1	7,174.5
			217,563.9	**270,619.2**
D.	**Deferred income**		534.7	626.0
			301,130.6	**292,028.9**

INCOME STATEMENT

For the short fiscal year from 1 April 2019 to 31 December 2019

		01.04.2019 – 31.12.2019 KEUR	01.11.2018- 31.03.2019 KEUR
1.	Revenues	148,065.7	116,124.4
2.	Decrease in work in progress and finished goods	-2,839.0	-10,488.3
3.	Other operating income	121,357.9	28,107.7
	- thereof from currency translation: KEUR 848.1 (previous year: KEUR 80.2)		
4.	Cost of materials		
	a) Expenses for raw materials, consumables and supplies and purchased goods	19,722.2	10,269.8
	b) Expenses for purchased services	99,739.8	65,563.5
		119,462.0	**75,833.3**
5.	Personnel expenses		
	a) Wages and salaries	18,436.5	12,165.2
	b) Social security contributions	3,124.2	2,110.8
		21,560.7	**14,276.0**
6.	Depreciation/amortization		
	a) of intangible assets and property, plant and equipment thereof for impairment losses KEUR 38.9 (previous year: KEUR 83,965.0)	5,785.1	88,677.1
	b) on current assets, as far as this exceeds the company's usual depreciation	0.0	82,919.7
		5,785.1	**171,596.8**
7.	Other operating expenses	55,793.5	38,164.8
	- thereof from currency translation: KEUR 81,7 (previous year: KEUR 186,7)		
8.	Income from equity investments	2,751.8	0.0
	- thereof from affiliated companies: KEUR 2,751.8 (previous year: KEUR 0.0)		
9.	Income from profit and loss transfer agreements	2,085.7	6,200.0
10.	Income from other long term securities and loans	0.1	1.0
11.	Other interest and similar income	797.0	245.1
	- thereof from affiliated companies: KEUR 794.6 (previous year: KEUR 245.0)		
12.	Depreciation of financial assets and of securities held as current assets	0.0	150,590.1
13.	Interest and similar expenses	2,354.2	1,612.7
14.	Income taxes	137.6	0.0
15.	**Result after taxes**	**67,126.2**	**-311,883.8**
16.	Other taxes	-100.7	152.9
17.	**Net profit / loss**	**67,226.8**	**-312,036.7**
18.	Losses carried forward	-376,912.1	-64,875.4
19.	Withdrawal from capital reserves	63,201.1	0.0
20.	Withdrawal from retained earnings	264,823.8	0.0
21.	Proceeds from capital reductions	45,499.3	0.0
22.	Allocation to retained earnings	-101.7	0.0
23.	**Accumulated profit / loss**	**63,737.2**	**-376,912.1**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

GERRY WEBER International AG, Halle/Westphalia

Notes to the short fiscal year from 1 April 2019 to 31 December 2019

I. Accounting

The annual financial statements of GERRY WEBER International AG, Halle/Westphalia, which is registered with the Commercial Register of Amtsgericht Gütersloh under HRB 4779, for the short fiscal year 2019 (1 April 2019 to 31 December 2019) have been prepared in accordance with the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The present financial statements cover the period from 1 April 2019 to 31 December 2019. As insolvency proceedings over the assets of GERRY WEBER International AG were opened as of 31 March 2019 (opening of insolvency proceedings on 1 April 2019), a short fiscal year was introduced.

GERRY WEBER International AG is a large company limited by shares (große Kapitalgesellschaft).

II. ACCOUNTING AND VALUATION PRINCIPLES

Accounting has been performed on the basis of the going concern principle. We hereby make reference to the information provided in the "V.15 Post-balance sheet events" section.

Intangible assets are recognized at acquisition cost less scheduled straight-line amortization and, if required, less unscheduled impairment losses.

Property, plant and equipment are recognized at acquisition or production cost less scheduled straight-line depreciation and, if required, less unscheduled impairment losses. The cost of internally generated assets includes directly attributable costs as well as appropriate portions of the overheads.

Assets with a value of up to EUR 250.00 are immediately recognized as an expense. Assets with a value exceeding EUR 250.00 and of up to EUR 1,000.00 are written down over a period of five years in accordance with tax regulations.

Shares in affiliated companies and equity investments as well as other long-term lendings are recognized at acquisition cost or, if impairment is likely to be permanent, at the lower fair value.

Raw materials, consumables and supplies are recognized at acquisition cost. Work in progress is recognized at production cost and includes appropriate portions of the production-related overheads. Finished goods are recognized at production cost. The option of capitalizing overheads eligible for capitalization is exercised in some cases. Write-downs are recognized taking into account the lower fair value as at the balance sheet date. Advance payments are recognized at their nominal value.

For receivables and other assets which are recognized at cost discernible individual risks were taken into account through allowances. The general default risk for trade accounts receivables was taken into account through the formation of a general bad-debt allowance. Long-term non-interest-bearing receivables are recognized at their present value.

Cash on hand and bank balances are recognized at their nominal value.

Prepaid expenses include expenses incurred before the balance sheet date which constitute costs for a certain period after such date.

Tax provisions correspond to the additional tax payments to be expected based on the generated tax result.

All identifiable risks and uncertain obligations which must be recognized as liabilities are taken into account in other provisions. On the basis of the facts known at the time the financial statements were prepared, each of these risks and obligations is measured at the settlement amount that is required based on reasonable commercial assessment.

Partial retirement agreements are concluded according to the "block model". The provisions for obligations from partial retirement agreements have been formed taking into account the statement RS HFA 3 by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V.; IDW). The accounting principles are based on the mortality tables 2018 G by Prof. Dr. Klaus Heubeck and a discount rate of 2.40% (previous year: 2.40%), taking into account a salary trend of 1% p.a. (previous year: 1% p.a.). The step-up amounts qualify as remuneration and will accumulate, like the arrears in settlement, on a pro rata basis until the release period commences. The provision will be utilized in the release period.

The obligations and the asset value of the reinsurance policies are recognized as netted amount pursuant to section 246 (2) sentence 2 of the German Commercial Code (HGB).

Liabilities are recognized at the settlement amounts.

Deferred income includes income generated before the balance sheet date which constitutes income for a certain period after such date.

Receivables and liabilities in foreign currencies are recognized at the average spot exchange rate as at the balance sheet date.

Where deferred tax liabilities arise, they are offset against deferred tax assets. As of 31 December 2019, there is a substantial surplus of deferred tax assets of approximately EUR 80 million (previous year: approximately EUR 50 million). We opted for non-recognition pursuant to section 274 (1) sentence 2 of the German Commercial Code (HGB).

Deferred tax assets essentially arise from differences in the accounting and valuation of provisions, in the valuation differences of fixed assets and deviating valuations of receivables from foreign affiliates as well as tax loss carryforwards.

Insofar as section 8 b of the German Corporate Income Tax Act (KStG) is applicable, a tax rate of 1.5% was applied; in all other respects a tax rate of 30% was applied.

III. NOTES TO THE BALANCE SHEET

1. Changes in fixed assets in the period from 1 April 2019 to 31 December 2019

For a breakdown of and changes in fixed assets, we refer to the schedule of assets which is annexed to these notes.

2. Other assets

Other assets essentially comprise tax receivables in the amount of KEUR 8,249 (previous year: KEUR 4,417).

3. Cash and cash equivalents

Cash and cash equivalents almost exclusively consist of credit balances at domestic and foreign banks.

4. Equity

The subscribed capital of GERRY WEBER International AG consists of 1,025,000.00 no-par value bearer shares each representing EUR 1.00 of the share capital.

Statement of changes in equity of GERRY WEBER International AG

	Subscribed capital KEUR	**Capital reserve KEUR**	**Retained earnings KEUR**	**Accumulated profit KEUR**	**Equity KEUR**
31 March 2019...........	45,507.7	63,201.1	264,824.7	376,912.1	-3,378.6
Capital reduction.........	-45,499.3	-63,201.1	-264,823.8	373,524.2	0.0
Capital increase...........	1,016.6	10.2	0.0	0.0	1,026.8
Net profit	0.0	0.0	101.7	67,125.1	67,226.8
31 December 2019.....	**1,025.0**	**10.2**	**102.6***	**63,737.2**	**64,875.0**

Statutory reserve, allocated pursuant to section 150 (2) of the German Stock Corporation Act (previous year: Other provisions)

By way of comparison, changes in equity of GERRY WEBER International AG in the comparative period.

	Subscribed capital KEUR	Capital reserve KEUR	Retained earnings KEUR	Accumulated loss KEUR	Equity KEUR
1 November 2018......	45,507.7	63,201.1	264,824.7	-64,875.4	308,658.1
Net loss for the year ..	0.0	0.0	0.0	-312,036.7	-312,036.7
31 March 2019.........	**45,507.7**	**63,201.1**	**264,824.7**	**-376,912.1**	**-3,378.6**

5. Subscribed capital

Upon entry in the Commercial Register on 31 October 2019, the subscribed capital of GERRY WEBER International AG was reduced from EUR 45,905,960 (previous year: EUR 45,905,960) to EUR 8,377 by way of a simplified capital reduction (section 229 of the German Stock Corporation Act (AktG)) and increased by EUR 1,016,623 to EUR 1,025,000.

The authorization of the Management Board to increase the share capital by up to EUR 18,362,384 from authorised capital (resolution of the Annual Shareholders' Meeting of 26 April 2018) was revoked. The conditional capital increase by EUR 4,590,590 resolved by the same Annual Shareholders' Meeting was also revoked. New conditional capital of EUR 2,091,600.00 was created at the end of October 2019, however, and in December 2019 the Management Board was authorised to increase the share capital of GERRY WEBER International AG by up to EUR 400,000.00 from authorised capital. This authorization has not yet been entered in the Commercial Register.

In the period from March to June 2017, 398,245 no-par value bearer shares had been repurchased at a total cost of EUR 4,999,958. As of the prior year reporting date (31 March 2019), the subscribed capital, reduced by the nominal value of the repurchased shares of EUR 398,245, was stated at EUR 45,507,715. The amount of EUR 4,601,713 that exceeded the nominal amount had been deducted from unappropriated retained earnings. The own shares were also included in the capital reduction.

6. Conditional capital

As of the balance sheet date 31 March 2019 conditional capital existed on the condition to increase the share capital by up to EUR 4,590,590 through the issue of up to 4,590,590 no-par value bearer shares. Through the conditional share capital increase, it was intended to grant the holders of convertible bonds and/or option bonds bearer shares based on the authorization until 25 April 2023 resolved by the Annual Shareholders' Meeting of 26 April 2018.

The Annual Shareholders' Meeting of 3 December 2019 revoked this authorization.

New conditional capital of EUR 2,091,600.00 was created at the end of October 2019, however, and in December the Management Board was authorised to increase the share capital of GERRY WEBER International AG by up to EUR 400,000.00 from authorised capital.

7. Other provisions

The largest items in the other provisions are:

	31 December 2019 KEUR	31 March 2019 KEUR
Restructuring expenses	10,104	11,906
Outstanding invoices..	3,490	1,600
Severance payments and releases..	2,128	2,158
Old-age part-time work	702	688
Annual financial statements	500	346
Vacation and credit hours	489	791

Guarantees	407	174
Annual Shareholders' Meeting and publication	300	421
Bonuses and premiums	246	541
Legal risks	97	97
Supervisory Board remuneration	30	1,233
Special annual payment	0	1,137

Restructuring expenses include provisions for expenses arising from the implementation of the updated restructuring concept underlying the insolvency plan proceedings. The item includes material expenses and personnel expenses.

The provision for severance payments and releases relates mainly to the continued payment of wages and salaries of employees released in the new fiscal year.

The provisions for old-age part-time work in the amount of KEUR 702 (previous year: KEUR 688) as at 31 December 2019 have been reduced by KEUR 602 (previous year: KEUR 575) by way of netting with the assets which exclusively serve the purpose to settle debts arising from pension obligations pursuant to section 246 (2) sentence 2 of the German Commercial Code (HGB). The value of the stated asset represents both the fair value and the amortized costs. Income in the amount of KEUR 9 (previous year: expenses KEUR 5) was generated with such assets. Expenses in the total amount of KEUR 0 (previous year: KEUR 17) result from the compounding of interest on settlement amounts.

8. Liabilities

The following statement of changes in liabilities states the liabilities of the company broken down by their maturity terms (figures from the previous year in brackets).

	with a maturity of			
	up to 1 year KEUR	**1 to 5 years KEUR**	**more than than 5 years KEUR**	**Total KEUR**
Liabilities to banks	25.3	0.0	0.0	25.3
	(221,162.4)	(0.0)	(0.0)	(221,162.4)
Trade liabilities	12,583.8	0.0	0.0	12,583.8
	(20,533.2)	(0.0)	(0.0)	(20,533.2)
Liabilities to affiliated companies	28,461.7	0.0	0.0	28,461.7
	(21,749.2)	(0.0)	(0.0)	(21,749.2)
Other liabilities	176,493.1	0.0	0.0	176,493.1
	(7,174.5)	(0.0)	(0.0)	(7,174.5)
Total	218,008.9	0.0	0.0	218,008.9
	(270,619.3)	**(0.0)**	**(0.0)**	**(270,619.3)**

To secure the loans of the insolvency plan sponsors (KEUR 32,400; recognized under other liabilities), security interests in financial and non-financial assets (parts of inventories, trade receivables as well as cash and cash equivalents) and in a property (Group HQ) have been provided. In addition, a real property lien has been created on the Ravenna Park real property in order to secure the liquidation of the property under the insolvency plan.

9. Other financial liabilities

	31 December 2019 KEUR	**31 March 2019 KEUR**
Leases and servicing contracts		
- due in 2020 (2018/2019)	5,834	3,946
- due from 2021 to 2024 (2019/2020 to 2022/2023)	124	166
	5,958	4,112
Rental agreements		
- due in 2020 (2018/2019)	0	1,103
- due from 2021 to 2024 (2019/2020 to 2022/2023)	0	646
	0	**1,749**

As of 31 December 2019, the purchase commitment for investments and projects amounted to EUR 1.6 million (previous year: EUR 3.0 million), of which EUR 1.3 million (previous year: EUR 1.3 million) related to intangible assets.

Other contingent liabilities/other financial liabilities

In an indefinite letter of comfort dated 20 December 2012 the company has undertaken to equip the subsidiary Gerry Weber GmbH, Vienna, Austria with sufficient financial means, as required in future, so as to enable the subsidiary to meet its financial obligations.

According to the planning concept underlying the insolvency plan, it is not expected that claims will be made under the letter of comfort.

IV. NOTES ON THE INCOME STATEMENT

1. Sales revenues

Of the sales revenues in the amount of KEUR 148,065 (previous year: KEUR 116,124), KEUR 142,898 (previous year: KEUR 113,488) were generated with ladieswear. The remaining revenues were generated with shop-in-shops, rental income and licensing fees.

80.11% of the sales revenues were generated in Germany (previous year: 77.9%).

2. Other operating income

Other operating income comprises the following:

	2019 KEUR	2018/2019 KEUR
Restructuring gain	118,657	0
Reduction impairment of receivables	1,095	0
Exchange gain	848	80
Income from the release of other provisions	377	10,258
Income from the provision of motor vehicles	256	154
Compensation for Damages	84	41
Income from asset disposal	0	17,520
Other	41	55
	121,358	**28,108**

The restructuring gain is the income from the pro rata derecognition of insolvency liabilities under the insolvency plan. This constitutes extraordinary income within the meaning of section 285 no. 31 of the German Commercial Code (HGB).

3. Depreciation/amortization on current assets, insofar as this exceeds the corporation's usual depreciation

In the previous year, write-downs on receivables from affiliated companies in the amount of KEUR 72,272 were included in this item. These relate predominantly to the insolvency proceedings over the assets of Gerry Weber Retail GmbH & Co. KG and the contractual arrangement regarding the transfer of loan receivables from Hallhuber Beteiligungs GmbH and Hallhuber GmbH for a purchase price clearly below the nominal value.

Additional inventory write-downs of KEUR 10,648 were recognized which were formed based on the restructuring concept for excess inventories and related realization risks.

4. Other operating expenses

Other operating expenses comprise the following:

	2019 KEUR	2018/2019 KEUR
Legal and consulting costs	17,125	9,338
Advertising expenses	10,573	3,662

	2019 KEUR	2018/2019 KEUR
IT, phone and other office equipment expenses	8,595	5,424
Restructuring/in the previous year also derecognition of IT project costs	4,135	9,590
Packaging, logistics	3,315	3,855
Collection development	2,322	1,229
Insurance, contributions, fees	1,811	332
Space costs	1,780	1,113
Commissions	1,277	742
Additions to allowances/losses on receivables	816	52
Other personnel expenses	732	494
Maintenance	714	264
Supervisory Board compensation	683	363
Vehicles	654	381
Travelling and entertainment expenses	538	227
Annual Shareholders' Meeting, annual report, publication	286	232
Del credere	222	128
Exchange rate conversion	84	187
Other	132	552
	56,794	**38,165**

V. OTHER INFORMATION

1. Staff

Number of employees (annual average)

	2019	2018/2019
White-collar workers	422	519
Trainees / apprentices	22	19
	444	**538**

2. Management Board

- Alexander Gedat, Rosenheim, as of 20 February 2020 (Chief Executive Officer and Chairman of the Managing Board)
- Johannes Ehling, Feldafing, as of 20 April 2018 until 20 February 2020 (Chief Sales and Chief Digital Officer, Speaker of the Managing Board)
- Florian Frank, Hamburg (Chief Restructuring Officer)
- Urun Gursu, Bielefeld, as of 1 March 2019 until 20 February 2020 (Chief Product Officer)
  We refer with regard to Mr Alexander Gedat's further memberships to the section regarding the Supervisory Board. The other Managing Board members were and are not members of any other supervisory boards or controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act (AktG).

3. Supervisory Board

- Alexander Gedat, Rosenheim, as of 3 December 2019 until 20 February 2020 (Chairman as of 19 December 2019 until 20 February 2020)
- Dr Ernst F. Schröder, Bielefeld, until 11 April 2019 (Chairman until 11 April 2019)
- Manfred Menningen, Frankfurt am Main (Vice Chairman as of 23 August 2018 until 30 November 2019) until 30 November 2019 and as of 17 December 2019 (Vice Chairman as of 19 December 2019) (trade union representative)
- Alfred Thomas Bayard, Berne/Switzerland, until 4 November 2019
- Ute Gerbaulet, Düsseldorf, until 24 September 2019
- Christina Käßhöfer, Tutzing, as of 11 February 2020

- Christie Groves, London/United Kingdom, as of 3 December 2019 until 9 February 2020
- Alexander Hardieck, Halle/Westphalia, as of 3 September 2018 until 30 November 2019
- Dagmar Heuer, Billerbeck, as of 3 December 2019
- Milan Lazovic, London/United Kingdom, as of 3 December 2019
- Dr Tobias Moser, Munich, as of 3 December 2019 (Chairman as of 20 February 2020)
- Sanjay Shama, London/United Kingdom, as of 3 December 2019
- Ralf Weber, Halle/Westphalia, until 30 November 2019
- Charlotte Weber-Dresselhaus, Halle/Westphalia, until 30 November 2019
- Olaf Dieckmann, Halle/Westphalia, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Barbara Jentgens, Frankfurt am Main, as of 17 December 2019 (trade union representative)
- Klaus Lippert, Halle/Westphalia, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Rena Marx, Herzebrock-Clarholz, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Andreas Strunk, Bad Salzuflen, until 30 November 2019 and as of 17 December 2019 (staff representative)
- Hans-Jürgen Wentzlaff, Bielefeld, until 30 November 2019 (staff representative)
- Benjamin Noisser, Munich, as of 5 March 2020

The Supervisory Board members also are members in the following supervisory boards and controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act (AktG).

<u>Mr Alexander Gedat, businessman and former member of the Managing Board of Marc O'Polo AG, Rosenheim</u>

Chairman of the Supervisory Board:

- Ahlers AG, Herford

Member of the Advisory Board:

- Fynch-Hatton GmbH, Mönchengladbach
- Sportalm GmbH, Kitzbühel/Austria

<u>Dr Ernst F. Schröder, former personally liable partner of August Oetker KG, Bielefeld</u>

Chairman of the Supervisory Board:

- L. Possehl GmbH & Co., Lübeck
- S.A.S. Hôtel Le Bristol, Paris, France (until 29 June 2018)
- S.A.S. Hôtel du Cap-Eden-Roc, Antibes, France (until 29 June 2018)
- S.A.S. Château du Domaine St. Martin, Vence, France (until 29 June 2018).

Member of the Supervisory Board:

- S.A. Damm, Barcelona

Chairman of the Advisory Board:

- Bankhaus Lampe KG, Düsseldorf (until 31 July 2018)

<u>Mr Manfred Menningen, Secretary of the Executive Board of IG Metall, Frankfurt</u>

- Member of the Supervisory Board of Hella KGaA, Lippstadt

- Member of the Audit Committee of Hella KGaA, Lippstadt

<u>Mr Alfred Thomas Bayard, businessman, Berne, Switzerland</u>

President of the Administrative Board:

- SPN Invest AG, Visp, Switzerland
- Bayard Immobilien & Handels AG, Visp, Switzerland
- Rotten Verlags-AG, Brig, Switzerland
- Walliser Note AG, Visp, Switzerland

Member of the Administrative Board:

- Mode Bayard AG, Berne, Switzerland
- Bayard & Co. AG, Berne, Switzerland
- Soladis Krankenkasse, Visp, Switzerland
- Tennis & Sportcenter AG, Visp, Switzerland
- Menigs Druck und Verlag AG, Visp, Switzerland
- Menigs Medien AG, Visp, Switzerland
- Alpmedia AG, Visp, Switzerland
- Radio Rottu Oberwallis AG, Visp, Switzerland
- Valmedia AG, Visp, Switzerland
- S+Z Print AG, Visp, Switzerland
- IED Gruppe AG, Hägendorf, Switzerland
- Gerry Weber Switzerland AG
- Mode Bayard Holding AG

Ms Ute Gerbaulet, personally liable partner of Bankhaus Lampe KG, Düsseldorf

- Member of the Supervisory Board of RWE AG, Essen
- Member of the Administrative Board of NRW Bank, Düsseldorf
- Member of the Audit Committee of NRW Bank, Düsseldorf
- Member of the Funding Committee of NRW Bank, Düsseldorf

The other Supervisory Board members were not members of any other supervisory boards or controlling bodies as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act (AktG).

4. Total compensation of the Management Board

The table below shows the compensation paid to the individual members of the Management Board by the parent company:

	2019 Basic salary KEUR	**2019 Bonus KEUR**	**2019 Total KEUR**	**2018/19 Basic Salary KEUR**	**2018/19 Variable KEUR**	**2018/19 Total KEUR**
Johannes Ehling[1]	499	175	674	301	125	426
Florian Frank[2]	828	0	828	460	0	460
Urun Gursu[3]	244	187	431	38	21	59
	1,571	**362**	**1,933**	**799**	**146**	**945**

1 as of 1 April 2018 until 29 February 2020
2 as of 2 October 2018, accounts are settled through a management company
3 as of 1 March 2019 until 29 February 2020

The bonuses are basically performance-linked. There are no stock option plans or other remuneration models based on the share price.

5. Total compensation of the Supervisory Board

In accordance with the statutes, the Supervisory Board exclusively receives fixed compensation of KEUR 48 (previous year: KEUR 363) for its work for the parent company and the Group, which was provisioned for in the fiscal year. No variable compensation is granted.

The table below shows the compensation paid, constituting short-term benefits in accordance with IAS 24.17(a).

Total compensation of the Supervisory Board

Supervisory Board	2019 Basic salary KEUR	2019 Total KEUR	2018/19 Basic salary KEUR	2018/19 Total KEUR
Dr Ernst F, Schröder Chairman (until 11 April 2019)	0	0	75	75
Alexander Hardieck (until 30 November 2019)	0	0	25	25
Charlotte Weber Dresselhaus (until 30 November 2019)	0	0	25	25
Alfred Thomas Bayard (until 4 November 2019)	0	0	25	25
Ute Gerbaulet (until 24 September 2019)	0	0	25	25
Olaf Dieckmann (until 30 November 2019 and as of 17 December 2019) Staff representative	2	2	25	25
Klaus Lippert (until 30 November 2019 and as of 17 December 2019) Staff representative	2	2	25	25
Rena Marx (until 30 November 2019 and as of 17 December 2019) Staff representative	2	2	25	25
Andreas Strunk (until 30 November 2019 and as of 17 December 2019) Staff representative	2	2	25	25
Hans-Jürgen Wentzlaff (until 30 November 2019) IG Metall	0	0	25	25
Manfred Menningen (until 30 November 2019 and as of 17 December 2019) Deputy Chairman as of 19 December 2019 IG Metall	4	4	38	38
Alexander Gedat (as of 3 December 2019) Chairman (as of 19 December 2019)	9	9	-	-
Dagmar Heuer (as of 3 December 2019)	5	5	-	-
Dr Tobias Moser (as of 3 December 2019)	5	5	-	-
Milan Lazovic (as of 3 December 2019)	5	5	-	-
Christie Groves (as of 3 December 2019 until 9 February 2020)	5	5	-	-
Sanjib (Sanjay) Sharma (as of 3 December 2019)	5	5	-	-
Barbara Jentgens (as of 17 December 2019) IG Metall	2	2	-	-
Ralf Weber (until 30 November 2019)	0	0	25	25

Supervisory Board	2019 Basic salary KEUR	2019 Total KEUR	2018/19 Basic salary KEUR	2018/19 Total KEUR
	48	**48**	**363**	**363**

The staff representatives on the Supervisory Board remain entitled to a regular salary under their employment contracts.

6. Shares held by members of the Management Board

As at the balance sheet date, members of the Management Board directly and indirectly held 0 shares (previous year: 0 shares).

7. Shares held by members of the Supervisory Board

As at the balance sheet date, members of the Supervisory Board directly and indirectly held 0 shares (previous year: 726,153 shares).

8. Shareholdings

Whitebox General Partner LLC, Wilmington, Delaware, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights of WBOX 2018-3 Ltd., Cayman Islands, and of Robus SCSP SICAV-FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it both on the basis of the acquisition of voting shares and through the exercise of voting rights acting in concert through the conclusion of a shareholders agreement.

Whitebox Advisors LLC, Minneapolis, Minnesota, USA, notified us pursuant to section 33 para. 1 WpHG on 1 November 2019 that the share of the voting rights of WBOX 2018-3 Ltd., Cayman Islands, and of Robus SCSP SICAV-FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it through the exercise of voting rights acting in concert.

Robus Capital Management Limited, London, United Kingdom, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights of Robus SCSP SICAV-FIAR, Luxembourg, and of WBOX 2018-3 Ltd., Cayman Islands, in GERRY WEBER International AG, Halle/Westphalia, Germany, exceeded the 75% threshold of voting rights on 31 October 2019 and on that date amounted to 100% (corresponding to 1,025,000 voting rights), and specified that the voting rights are imputable to it both on the basis of the acquisition of voting shares and through the exercise of voting rights acting in concert through the conclusion of a shareholders agreement as well as sub-proxy to exercise voting rights.

Mr Wolfgang Stolz, born on 26 March 1963, notified us pursuant to section 33 para. 1 WpHG on 4 November 2019 that the share of the voting rights of Robus SCSP SICAV-FIAR, Luxembourg, in GERRY WEBER International AG, Halle/Westphalia, Germany, is imputable to him on the basis of sub-proxy to exercise voting rights.

Mr Gerhard Weber, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 25% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Mr Alexander Hardieck, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that his share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

Ms Nina Lauterbach, Halle/Westphalia, notified us pursuant to section 33 para. 1 WpHG on 25 November 2019 that her share of the voting rights in GERRY WEBER International AG, Halle/Westphalia, Germany, fell below the 15% threshold of voting rights on 31 October 2019 and on that date amounted to 0% (corresponding to 0 voting rights).

9. Shareholdings of GERRY WEBER International AG*

	Shareholding in %	Equity incl. accumulated profits KEUR	Net profit (+)/ loss (-) for the year KEUR
GW Media GmbH, Halle/Westphalia.	100.0	+17	-47
GERRY WEBER Retail B.V., Amsterdam, Netherlands	100.0	+4,288	+395
GERRY WEBER Incompany B.V., Amsterdam, Netherlands	100.0	+2,976	+111
Gerry Weber Sweden AB, Malmö, Sweden	100.0	-1,000	-1,133
GERRY WEBER CZ s.r.o., Prague, Czech Republic	100.0	+70	+23
ARW - GERRY WEBER BELUX BVBA, Brussels, Belgium	100.0	+936	+30
ARW RETAIL - GERRY WEBER NV, Brussels, Belgium	100.0	+1,675	+26
COAST RETAIL - GERRY WEBER NV, Brussels, Belgium	100.0	+1,089	+25
Gerry Weber SK s.r.o., Bratislava, Slovakia	100.0	+265	+25
Gerry Weber Finland Oy, Finland	100.0	+1,993	-1,190
Gerry Weber Wholesale Fashion GmbH, Glattpark, Switzerland	100.0	+562	-228
GW Norge AS, Trondheim, Norway	100.0	+353	+115
Outlet Retail BVBA, Brussels, Belgium	100.0	-4.207	+1
Gerry Weber Canada Ltd., Moncton, Canada	100.0	+233	-303
Gerry Weber Trading (Shanghai) Co. Ltd.	100.0	+ 19	-428
E-Gerry Weber Digital GmbH, Halle/Westphalia.	100.0	-61	980
Gerry Weber Polska Sp. z o.o., Warsaw, Poland	100.0	+198	+230
Gerry Weber Logistics GmbH, Halle/Westphalia	100.0	+313	+600
Hallhuber Beteiligungs GmbH, Munich	12.0		
Gerry Weber RUS OOO, Moscow, Russia	100.0	+1,764	-1,914

*figures from April 1, 2019 to December 31, 2019

10. Indirect shareholdings*

	Shareholding in %	Equity incl. accumulated profits KEUR	Net profit (+)/ loss (-) for the year KEUR
TB Fashion GERRY WEBER GmbH, Halle/Westphalia	100.0	+1,434	+623
Brentrup Sp. z o.o., Warsaw, Poland	100.0	+5	-5
Gerry Weber Italia S.R.L., Brennero, Italy	100.0	+15	+22
Gerry Weber Retail Verwaltungs GmbH	100.0	+25	+1

* figures from 1 April 2019 to 31 December 2019

11. Proprietary trading by management

Mr Ralf Weber, member of the Supervisory Board, sold 432,000 shares at prices ranging from EUR 0.29 per share to EUR 0.38 per share in the short fiscal year 2019.

Mr Alexander Hardieck, member of the Supervisory Board, sold 666,673 shares at prices ranging from EUR 0.35 per share to EUR 0.57 per share in the short fiscal year 2019.

12. Statement required under section 161 of the German Stock Corporation Act (AktG)

The statement required under section 161 AktG was issued by the Management Board and the Supervisory Board on 3 April 2020 and published on the website of GERRY WEBER International AG at www.gerryweber.com under Investors / Corporate Governance.

13. Appropriation of net income

Accumulated profits will be carried forward to new account.

14. Auditor's fees

The auditor's fees are specified in the notes to the consolidated annual financial statements. Audit services primarily comprise the fees for the audit of the consolidated financial statements as well as the statutory audits of Gerry Weber International AG and the consolidated subsidiaries. Other certification services were provided to Gerry Weber International AG and the entities controlled by it. In addition, tax consulting services were provided, which primarily related to the preparation of tax returns as well as assistance in tax audits by the competent tax authorities. Other services essentially comprise fees for consultation services in company law matters.

15. Post-balance sheet events

With the outbreak and worldwide spread of the coronavirus and its profound impact on economic and social life worldwide, GERRY WEBER, too, is facing a situation which has an existential impact on its business activities at the time of the preparation of this report and which is therefore essential for its forecast. With effect from 16 March 2020, all GERRY WEBER points of sale in Germany were closed to the public because of the official orders. In addition, the Group's retail stores in most other countries outside Germany were closed to customer traffic as of mid-March 2020. The same applied to most physical points of sale of our retail partners in Germany and abroad.

Immediately since the beginning of the coronavirus crisis in March 2020, the management of GERRY WEBER, in close cooperation with the company's Supervisory Board, has implemented all possible measures to protect the company. We have applied for short-time work and put it into effect. This applies to all employees of our Retail segment as well as to numerous employees at the headquarters. Our Ravenna Park logistics centre is working short time according to capacity utilization. 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 are in talks with all landlords in order to obtain relief for the rents we have to pay in Germany and other European countries. Where appropriate, we also make use of legal aid in this respect, e.g. the provisions put into force by the German legislator in March 2020 in favor of tenants. Wherever possible, we have negotiated and partly already agreed price reductions and cancellations with our suppliers. We have considerably reduced the planned volumes for merchandise not yet ordered. Finally, a complete investment freeze has been in effect for the entire company since 16 March.

To secure liquidity, the Management Board immediately started intensive negotiations with all of the company's financing partners. At the time this management report was prepared, on 7 April 2020, these negotiations had not yet been concluded. In addition, management has once again drafted a far-reaching corporate and financing plan that has been adapted to the current situation and aims to achieve substantial cost reductions in all areas of the company. At this point in time, the Management Board is convinced that this new concept for the future will secure GERRY WEBER's business activities until into 2021. The prerequisite for this assumption and the premise of our planning is that shop opening hours and economic life as a whole will gradually return to normal again from the end of April 2020, at least in our German core market. It is also crucial that the cost-cutting measures can be implemented as planned and that the negotiations that have been initiated with regard to the financing measures have a positive outcome, which will provide us with an additional financing volume in a low two-digit million amount.

The insolvency proceedings in self-administration of GERRY WEBER International AG were concluded at the end of December 2019. The insolvency proceedings in self-administration of GERRY WEBER Retail GmbH & Co. KG were concluded at the end of February 2020; therefore, accounting was based on the going concern principle.

Under the insolvency plan of GERRY WEBER International AG, the insolvency creditors were granted various options for satisfying their insolvency claims (immediate cash quotas, subscription of bearer bonds and/or convertible bonds for certain creditors). The creditors of GERRY WEBER International AG were able to exercise their options in the course of January 2020.

Ms Christie Groves resigned from her office as member of the Supervisory Board of GERRY WEBER International AG by declaration to the Management Board with effect from the end of 9 February 2020. As a purely precautionary measure, the Extraordinary Shareholders' Meeting on 11 February 2020 also resolved to dismiss Ms Groves. In addition, this Shareholders' Meeting elected Ms Christina Käßhöfer to replace Ms Christie Groves as a member of the Supervisory Board for the remaining term of office of Ms Christie Groves.

Mr Alexander Gedat resigned from his office as member of the Supervisory Board and thus also as Chairman of the Supervisory Board with immediate effect on 20 February 2020. He was replaced by Dr Tobias Moser, who was elected

Chairman by the Supervisory Board on the same day. At the Extraordinary Shareholders' Meeting on 5 March 2020, Mr Benjamin Noisser was elected member of the Supervisory Board to replace Mr Alexander Gedat.

Mr Johannes Ehling and Mr Urun Gursu resigned from the company's Management Board at the end of February 2020. On 20 February 2020, the Supervisory Board appointed Mr Alexander Gedat as member and Chairman of the Managing Board with immediate effect.

A resolution of the Annual Shareholders' Meeting dated 11 February 2020 cancelled the resolution passed by the Extraordinary Shareholders' Meeting on 3 December 2019 to increase the share capital of the company excluding the subscription rights of existing shareholders from EUR 1,025,000.00 by EUR 195,238.00 to EUR 1,220,238.00 in exchange for cash contributions by issuing 195,238 new no-par value bearer shares with a pro-rata share of EUR 1.00 each in the share capital. The capital increase had not yet been registered in the Commercial Register and no subscription for the new shares had been made.

To nevertheless increase the share capital of GERRY WEBER International AG by the amount of EUR 195,238.00, the same Annual Shareholders' Meeting held on 11 February 2020 resolved to increase the share capital of the company against cash contributions by EUR 195,238.00 from EUR 1,025,000.00 to EUR 1,220,238.00 by issuing 195,238 new no-par value bearer shares with a pro-rata share of EUR 1.00 each in the share capital. To the extent permitted by law, the new shares, just like the existing shares of the company, are entitled to profit from the beginning of the fiscal year for which, at the time of their issue, no resolution of the Annual Shareholders' Meeting on the appropriation of the accumulated profits has been passed yet, i.e. from today's perspective, as of the beginning of the fiscal year that commenced on 1 November 2017. They will be issued at a price of EUR 1.01 per share, i.e. a total issue price of EUR 197,190.38. Shareholders' statutory subscription right has been excluded. J.P. Morgan Securities plc, London, United Kingdom, has exclusively been admitted to subscribe for the new shares. The Managing Board was authorised to stipulate the further details of the capital increase and its execution with the consent of the Supervisory Board.

On 9 March 2020, the company concluded a controlling and profit transfer agreement with a wholly-owned subsidiary, Life-Style Fashion GmbH, based in Halle (Westphalia), as a dependent entity or entity obliged to transfer profits. Following the approval of this agreement by the shareholders' meeting on 9 March 2020 and the Annual General Meeting of GERRY WEBER International AG on 10 March 2020, the agreement was entered in the Commercial Register of Life-Style Fashion GmbH on 23 March 2020.

Halle/Westphalia, 7 April 2020

Managing Board

Alexander Gedat Florian Frank

GERRY WEBER International AG, Halle/Westphalia

Changes in the fixed assets in the short fiscal year from 1 April to 31 December 2019

	Cost				
	1 April 2019	**Additions**	**Transfers**	**Disposals**	**31 December 2019**
	KEUR	**KEUR**	**KEUR**	**KEUR**	**KEUR**
Intangible assets					
Concessions, industrial rights and similar rights and assets as well as licenses to such rights and assets acquired for a consideration	52,175.4	374.4	1,066.3	17,644.1	35,972.1
Advance payments	2,539.2	2,773.3	-1,066.3	0.0	4,246.3
	54,714.6	3,147.8	0.0	17,644.1	40,218.3
Property, plant and equipment					
Land, leasehold rights and buildings including buildings on third-party land	112,276.2	0.0	565.2	0.0	112,841.4
Plant and machinery	63,289.8	0.0	32.9	78.2	63,244.4
Other plant, furniture and fixtures	19,102.0	22.1	12.9	2,565.5	16,571.5
Advance payments and construction in progress	598.1	19.6	-611.0	0.0	6.7
	195,266.0	41.7	0.0	2,643.7	192,664.1
Financial assets					
Shares in affiliated companies	234,212.5	93.3	0.0	2,025.8	232,280.1
Investments	303.7	0.0	0.0	1.0	302.7
Other loans	920.0	0.0	0.0	120.0	800.0
	235,436.2	93.3	0.0	2,146.8	233,382.7
	485,416.9	**3,282.8**	**0.0**	**22,434.6**	**466,265.1**

Depreciation/amortization				Remaining carrying amounts	
1 April 2019	**Additions**	**Disposals**	**31 December 2019**	**31 December 2019**	**31 March 2019**
KEUR	**KEUR**	**KEUR**	**KEUR**	**KEUR**	**KEUR**
42,160.3	3,133.7	17,140.2	28,153.8	7,818.2	10,015.1
0.0	0.0	0.0	0.0	4,246.3	2,539.2
42,160.3	3,133.7	17,140.2	28,153.8	12,064.5	12,554.3
56,644.6	1,655.6	0.0	58,300.2	54,541.2	55,631.6
63,207.0	31.3	78.2	63,160.1	84.4	82.7
15,641.8	964.5	2,553.5	14,052.9	2,518.6	3,460.1
0.0	0.0	0.0	0.0	6.7	598.1
135,493.5	2,651.4	2,631.7	135,513.1	57,150.9	59,772.6
192,448.9	0.0	0.0	192,448.9	39,831.2	41,763.7
264.5	0.0	1.0	263.4	39.2	39.2
800.0	0.0	0.0	800.0	0.0	120.0
193,513.3	0.0	1.0	193,512.3	39,870.4	41,922.9
371,167.1	**5,785.1**	**19,773.0**	**357,179.3**	**109,085.9**	**114,249.8**

INDEPENDENT AUDITOR'S REPORT (ENGLISH-LANGUAGE TRANSLATION)

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the annual financial statements and the combined group management report (zusammengefasster Konzernlagebericht) of Gerry Weber International AG as of and for the fiscal year ended December 31, 2019. The group management report is, except for the excerpt from the Section "VII. Prognose-, Chancen- und Risikobericht" ("VII. Forecast, opportunity and risk report"), which can be found on page F-307 neither included nor incorporated by reference in this Prospectus.

To GERRY WEBER International AG, Halle/Westphalia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of GERRY WEBER International AG, Halle/Westphalia, which comprise the balance sheet as of December 31, 2019 and the income statement for the short fiscal year from April 1, 2019 to December 31, 2019 as well as the notes to the annual financial statements, including a presentation of the accounting and valuation methods. We have also audited the management report of GERRY WEBER International AG, which is combined with the Group management report, for the short fiscal year from April 1, 2019 to December 31, 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor’s report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the company as of December 31, 2019 and of its financial performance for the short fiscal year from April 1, 2019 to December 31, 2019 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 (sentence) 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprűfer (Institute of Public Auditors in Germany; IDW). Our responsibility under those requirements and principles are further described in the "Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Material Uncertainties in connection with the Going Concern

We refer to the disclosures in the section "Events after the balance sheet date" in the notes to the consolidated financial statements and the disclosures in section "VII. Forecast, Opportunity and Risk Report" in the Group management report, in which the legal representatives describe that the Group's ability to continue as a going concern is at risk because of the unforeseeable effects of the coronavirus crisis if the cost-cutting measures cannot be implemented as planned and the negotiations initiated with regard to the financing measures fail to reach a positive outcome. As outlined in the section "Events after the balance sheet date" and in section "VII. Forecast, Opportunity and Risk Report", these events and circumstances indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and which constitutes a risk threatening the existence of the Group as a going concern within the meaning of § 322 Abs. 2 (sentence) 3 HGB. In the context of our audit, we assessed, among other things, the new Group-wide corporate and financial planning and its premises, and verified whether the corporate and financial planning was properly derived on the basis of these premises. We also reviewed the progress of the negotiations about the financing measures through discussions with the legal representatives and inspection of the underlying documents. Our audit opinions in respect of this matter have not been modified.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters which, in our professional judgment, were of most significance in our audit of the annual financial statements for the short fiscal year from April 1, 2019 to December 31, 2019. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters. In addition to the aspects described in the section "Material uncertainties in connection with the going concern", we have identified the following aspects of particular importance to be disclosed in our report.

In our view, the matters of most significance in our audit were as follows:

❶ Impact of the insolvency proceedings on accounting

❷ Valuation of inventories

Our presentation of these key audit matters is structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

The key audit hereinafter we present the key audit matters:

❶ ***Impact of the insolvency proceedings on accounting***

① In 2018, GERRY WEBER International AG prepared a restructuring plan and engaged a different audit firm to draw up a restructuring report in accordance with IDW S 6. That report arrived at a positive going concern forecast on condition that an agreement with major creditors would be reached on an amended overall financing plan, which was expected at the end of January 2019. However, the agreement unexpectedly fell through at the end of January 2019 and on January 25, 2019, GERRY WEBER International AG filed for the instigation of insolvency proceedings under self-administration. On February 7, 2019, a motion was also filed for the instigation of insolvency proceedings under self-administration for fully consolidated entity Gerry Weber Retail GmbH & Co. KG. The proceedings were opened on April 1, 2019 and May 1, 2019, respectively. Coordinated insolvency plans were subsequently drawn up for both companies to ensure their continued existence as a going concern. The insolvency plans entered into legal force on October 25, 2019 (GERRY WEBER International AG) and November 22, 2019 (Gerry Weber Retail GmbH & Co. KG). The insolvency proceedings in respect of GERRY WEBER International AG were suspended on December 31, 2019, and those in respect of Gerry Weber Retail GmbH & Co. KG are scheduled to be suspended on February 29, 2020. As of the October 31, 2018 reporting date, the Company's executive directors considered it highly likely that an agreement would be reached with major creditors on an amended overall financing plan, and as such assessed the unexpected rejection of the amended overall financing plan and the filing for insolvency proceedings as an unforeseeable event after the reporting period. The effects on accounting resulting from the insolvency proceedings were taken into account in the consolidated financial statements for the period ended March 31, 2019. The insolvency proceedings resulted, in particular, in an adjustment of the plans for an updated restructuring concept and a new restructuring report ("Sanierungsgutachten"), which was prepared in November 2019. This led to impairments of property, plant and equipment and financial assets, increased depreciation of inventories and process-related expenses as well as other legal and consulting fees in the annual financial statements for the period ended March 31, 2019.

Under the insolvency plan of GERRY WEBER International AG, the insolvency creditors were granted various options for satisfying their insolvency claims (immediate cash quotas, subscription of bearer bonds and/or convertible bonds for certain creditors). The creditors of GERRY WEBER International AG were able to exercise their options in the course of January 2020. The company has determined the amounts for satisfying the insolvency creditors on the basis of the insolvency plan. In addition, further payments are to be made to the insolvency creditors in the form of additional quotas. Additional quotas are to be created for the insolvency creditors of GERRY WEBER International AG, e.g. in the form of the future sale of the Ravenna Park logistics centre and the 12% remaining interest in Hallhuber held by GERRY WEBER International AG. The legal effectiveness of the insolvency plans led to a proportionate derecognition of the liabilities previously recognized in the balance sheet from the various forms of satisfaction of the insolvency plans and resulted in a restructuring gain. In our opinion, this matter was of particular importance for our audit, as the preparation of the annual financial statements, taking into account the effects of the insolvency proceedings, is complex and is based to a large extent on estimates and assumptions made by the legal representatives.

② As part of our audit, we used appropriate evidence to verify the timing of the insolvency proceedings relating to GERRY WEBER International AG as well as their termination. In the context of our audit we also addressed the revised planning and the updated restructuring concept and the restructuring report prepared in November 2019. In this context, we assessed the appropriateness of the assumptions made in the updated restructuring concept and verified whether the measures described in the updated restructuring concept were properly derived on the basis of these assumptions. For this purpose, we conducted interviews with employees working in corporate controlling and with the legal representatives, had the assumptions made and the measures derived from them explained to us and then evaluated these on the basis of suitable evidence. We also assessed the expertise and objectivity of the auditing firm preparing the new restructuring report and the proper preparation of the latter. In examining the measurement of assets and liabilities, in particular fixed assets, inventories and provisions, we finally ascertained whether the underlying valuations and value adjustments to be made were in line with the assumptions and measures of the updated restructuring concept on which the new IDW S 6 restructuring report was based. We reviewed and assessed the accounting treatment of the insolvency plan taking into account the satisfaction quotas defined therein and the derived determination of the restructuring gain. With the help of the abovementioned and other audit procedures we were able to satisfy ourselves that the estimates and assumptions made by the legal representatives are adequately documented and substantiated and that the effects of the insolvency proceedings have been properly taken into account in the annual financial statements, taking into account the information available.

③ The company's disclosures on accounting under the going concern assumption and on the valuations selected on the basis of the restructuring concept are presented in the notes to the annual financial statements in section "II. Accounting and Valuation Principles".

❷ ***Valuation of inventories***

① Inventories in the total amount of (EUR 57.8 million (19.2% of total assets) are recognized in the annual financial statements of GERRY WEBER International AG. These are ladieswear textiles that are subject to fashion and seasonal influences. In calculating the net realizable value of inventories, the Company applies discounts based on the collections in which the items are included. These are subject to collective write-down rates that reflect realization risks based on past experience. The realization risks were determined in the annual financial statements for the period ended December 31, 2019 against the background of the restructuring plan updated in the second half of 2019 as a result of the insolvency proceedings. The measurement of inventories is based on estimates and assumptions made by the executive directors. Against this background and due to the amount of these material items, we consider these matters to be of particular significance in the context of our audit.

② As part of our audit, we began by verifying the Group's procedure for measuring inventories and assessed it for appropriateness. Among other things, we then used historical data to verify the write-down rates applied and assessed their consistent application over time. We also addressed the impact of the updated restructuring plan on the opportunities for realizing inventories, and for that purpose verified the appropriateness of the assumptions and estimates on the basis of interviews with the company's legal representatives and other employees, and by inspecting the underlying documents and analytical assessments. Based on our audit procedures, we were able to satisfy ourselves overall that the estimates and assumptions made by the executive directors are sufficiently documented and substan-tiated to ensure the proper measurement of inventories.

③ The information provided by the company on the valuation methods for "Inventories" and the writedowns for impairment/depreciation are contained in sections "II. Accounting and valuation principles" and "IV. Notes to the income statement" of the notes to the annual financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in the section "Corporate Governance Statement" of the management report.
- the non-financial statement pursuant to § 289b Abs. 1 HGB and § 315b Abs. 1 HGB included in the section "Non-financial Group statement" of the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report.

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management re-port that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures;

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were appointed as auditors by resolution dated January 8, 2020 of the Local Court (Amtsgericht) of Gütersloh. We were engaged by the Supervisory Board on January 20, 2020. We have been the auditors of the financial statements of Gerry Weber International AG, Halle/Westphalia, without interruption since the fiscal year 2012/2013.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Accountant responsible for the audit is Professor Dr Gregor Solfrian.

Bielefeld, 7 April 2020

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Professor Dr Gregor Solfrian Wirtschaftsprüfer	Burkhard Peters Wirtschaftsprüfer

The following English-language sections are translations of the respective sections of the German-language group management report (zusammengefasster Konzernlagebericht) prepared in accordance with HGB.

EXCERPT FROM SECTION "VII. PROGNOSE-, CHANCEN- UND RISIKOBERICHT" ("VII. FORECAST, OPPORTUNITY AND RISK REPORT") OF THE GROUP MANAGEMENT REPORT OF GERRY WEBER INTERNATIONAL AG, HALLE/WESTPHALIA AS OF AND FOR THE SHORT FISCAL YEAR ENDED DECEMBER 31, 2019, AS REFERRED TO IN THE SECTION "WESENTLICHE UNSICHERHEITEN IM ZUSAMMENHANG MIT DER FORTFÜHRUNG DER UNTERNEHMERTÄTIGKEIT" ("MATERIAL UNCERTAINTIES IN CONNECTION WITH THE GOING CONCERN") OF THE INDEPENDENT AUDITOR'S REPORT

CORONAVIRUS-CRISIS

With the outbreak and worldwide spread of the coronavirus and its profound impact on economic and social life worldwide, GERRY WEBER, too, is facing a situation which has an existential impact on its business activities at the time of the preparation of this report and which is therefore essential for its forecast. With effect from 16 March 2020, all GERRY WEBER points of sale in Germany were closed to the public because of the official orders. In addition, the Group’s retail stores in most other countries outside Germany were closed to customer traffic as of mid-March 2020. The same applied to most physical points of sale of our retail partners in Germany and abroad. At the time of publication of this report, in early April 2020, the official orders imposed by the authorities in most countries according to which physical stores must remain closed continue to apply. In Germany, it has been decreed that stores will have to remain closed until at least 20 April 2020. It is uncertain when and in what way opening hours and business modes will return to normal.

Immediately since the beginning of the coronavirus crisis in March 2020, the management of GERRY WEBER, in close cooperation with the company’s Supervisory Board, has implemented all possible measures to protect the company. We have applied for short-time work and put it into effect. This applies to all employees of our Retail segment as well as to numerous employees at the headquarters. Our Ravenna Park logistics centre is working short-time according to 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 are in talks with all landlords in order to obtain relief for the rents we have to pay in Germany and other European countries. Where appropriate, we also make use of legal aid in this respect, e.g. the provisions put into force by the German legislator in March 2020 in favour of tenants.

Wherever possible, we have negotiated and partly already agreed price reductions and cancellations with our suppliers. We have considerably reduced the planned volumes for merchandise not yet ordered. Finally, a complete investment freeze was put in force for the entire company on 16 March.

To secure liquidity, the Managing Board immediately started intensive negotiations with all of the company’s financing partners. At the time this management report was prepared, on 7 April 2020, these negotiations had not yet been concluded. In addition, management has once again drafted a far-reaching corporate and financing plan that has been adapted to the current situation and aims to achieve substantial cost reductions in all areas of the company. At this point in time, the Managing Board is convinced that this new concept for the future will secure GERRY WEBER’s business activities until into 2021. The prerequisite for this assumption and the premise of our planning is that shop opening hours and economic life as a whole will gradually return to normal again from the end of April 2020, at least in our German core market. It is also crucial that the cost-cutting measures can be implemented as planned and that the negotiations that have been initiated with regard to the financing measures have a positive outcome, which will provide us with an additional financing volume in a low double-digit million amount. Against this background, there is material uncertainty which may cast significant doubt on the company’s ability to continue as a going concern. The company may therefore not be in a position to realise its assets or settle its liabilities in the normal course of business (risk threatening the existence as a going concern).

17. GLOSSARY

€ 1,000 Straight Bonds	Refers to the issued bonds (*Schuldverschreibungen*) by the Company with an aggregate nominal amount of € 5,148,000 due on December 31, 2023, each with a principal amount of € 1,000.
€ 650 Straight Bonds	Refers to the issued bonds (*Schuldverschreibungen*) by the Company with an aggregate nominal amount of € 24,979,500 due on December 31, 2023, each with a principal amount of € 650.
Adjusted EBIT....................	Defined as EBIT, adjusted for exceptional items, such as restructuring-related expenses.
Adjusted EBIT margin	Defined as adjusted EBIT divided by sales with external third parties.
Adjusted EBITDA.............	Defined as EBITDA, adjusted for exceptional items, such as restructuring-related expenses.
Adjusted EBITDA margin.	Defined as adjusted EBITDA divided by sales with external third parties.
AktG....................................	German Stock Corporation Act (*Aktiengesetz*).
Amazon	Amazon.com, Inc., Seattle/ Washington, USA.
amfori BSCI........................	Refers to the amfori Business Social Compliance Initiative.
Appelrath Cüpper	Appelrath Cüpper GmbH, Cologne, Germany.
ArbschG	German Labour Protection Law (*Arbeitsschutzgesetz*).
Articles of Association........	Articles of association of the Company.
Audited Consolidated Financial Statements..........	Refers to the Company's audited consolidated financial statements prepared in accordance with IFRS as of and for the short fiscal year ended December 31, 2019, as of and for the short fiscal year ended March 31, 2019, as of and for the fiscal year ended October 31, 2018 as well as of and for the fiscal year ended October 31, 2017.
Audited Unconsolidated Financial Statements..........	Refers to the Company's audited unconsolidated financial statements prepared in accordance with HGB as of and for the short fiscal year ended December 31, 2019.
Authorized Capital Authorization......................	Authorization of the Management Board to increase the Company's registered share capital in one or more tranches by up to € 18,362,384 in the aggregate by issuing up to 18,362,384 new no par value bearer shares against cash contribution and/or contribution in kind, in the period ending on April 25, 2023. The Authorized Capital Authorization was revoked with Plan Effectiveness of the GWI Insolvency Plan.
Average bon size.................	The total amount spent including VAT divided by the total number of orders in a given period.
Baader Bank.......................	Baader Bank Aktiengesellschaft, Unterschleißheim, Germany.
BaFin..................................	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
Basket size...........................	Average basket size per online order means the total amount spent by customers excluding VAT divided by the number of the delivered orders in the respective period.
Beneficiaries........................	Refers to members of the Management Board with an unterminated appointment as member of the Management Board, and further ten employees of the second management level with an unterminated employment agreement.
Benelux................................	Belgium, the Netherlands and Luxembourg.
best ager	Refers to the growing demographic sub-segment of women aged 50+ years.
Betty Barclay	Betty Barclay Group GmbH & Co. KG, Nußloch, Germany.
BGB.....................................	German Civil Code (*Bürgerliches Gesetzbuch).*
Bilateral Financing Agreement...........................	Bilateral arrangements with banks in order to cover the need for letters of credit or letter of guarantee.
Bitkom.................................	German digital association representing companies of the Digital Economy.
Bond Issuances	Issuances of the Straight Bonds and Convertible Bonds.
Bonita	Bonita is a German fashion retailer which is part of the Tom Tailor group since 2012.
CAGR..................................	Refers to compound annual growth rate.
Capital expenditures	Capital expenditures are defined as investments in non-current assets.

CEO	Abbreviation for Chief Executive Officer.
CEO Service Agreement	Refers to the service agreement signed by Alexander Gedat and the Company on May 13, 2020.
CET	Refers to Central European Summertime or Central European Time, as the case may be.
CFO	Abbreviation for Chief Financial Officer.
CIS States	Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan and Uzbekistan.
Clearstream	Clearstream Banking Aktiengesellschaft, Eschborn, Germany.
Click and collect	An omni-channel concept allowing our customers to pick up and pay their online orders in one of our retail stores.
Click and pay	An omni-channel concept allowing our customers to order and pay for products in the GERRY WEBER online shop and collect them in one of our retail stores.
CMT	Abbreviation for Cut, Make, Trim (*passive Lohnveredelung*).
Code	Refers to the German Corporate Governance Code.
Comma	comma GmbH, Rottendorf, Germany.
Company	GERRY WEBER International AG, Halle/Westphalia, Germany.
Conditional Capital	Conditionally increased capital of the Company by issuing up to 2,091,600 ordinary no-par value bearer shares.
Conditional Capital Shares	Refers to 40,000 bearer shares with no par value stemming from the Company's conditional capital (*bedingtes Kapital*) for the purpose of issuing ordinary no-par value bearer shares to the holders of convertible bonds or bonds with warrants (or a combination of these instruments) with conversion or option rights or conversion or option obligations issued by the Company or a group company within the meaning of Section 18 AktG until December 31, 2020, carrying full dividend rights from the beginning of the Company's fiscal year for which no resolution on the distribution of profits has been adopted by the general shareholders' meeting of the Company at the time of delivery implemented by the GWI Insolvency Plan on October 25, 2019 and registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019.
Consultancy Agreement	Agreement entered into by the Company with the external service provider Management Link, under which Management Link provides the Company with the services of Florian Frank as member of the Management Board in the role of a chief restructuring officer on October 2, 2018.
Conversion rate	Conversion rate which is defined as the ratio of the number of total purchases divided by the total number of visits in a given period.
Convertible Bonds	Please see "*9.4 Material Contracts—Convertible Bonds*".
COO	Abbreviation for Chief Operational Officer.
COO Service Agreement	Refers to the service agreement entered into by Angelika Schindler-Obenhaus and the Company on June 16, 2020.
Cost of materials ratio	Defined as costs of materials adjusted for changes in inventories divided by revenue.
COVID-19 Pandemic	A disease caused by a novel coronavirus which was characterized as a pandemic by the World Health Organization.
CPSOA	Claims Purchase and Share Option Agreement.
Creditors' Consents	Please see "*9.1 Material Contracts – Financing Agreements*"
CRM Program	Refers to our Customer Relationship Program.
CRO	Abbreviation for Chief Restructuring Officer.
D&O	The Company's directors and officers.
D&O insurance	Directors and Officers Liability Insurance, a liability insurance payable to the directors and officers of a company as indemnification for certain damages or advancement of defence costs in the event any such insured suffers such a loss as a result of a legal action (whether criminal, civil or administrative) brought for alleged wrongful acts in their capacity as directors and officers or against the organisation.
DALOU	DALOU Grundstücks GmbH & Co. KG, Halle/Westphalia, Germany.

Data Protection Act	German Data Protection Act (*Bundesdatenschutzgesetz*).
Directive on Privacy and Electronic Communication	Directive No 58/2002 (EU) of the European Parliament and of the Council of July 12, 2002, concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on Privacy and Electronic Communication).
EBIT	Defined as earnings before interest and taxes, which is similar to our operating profit as presented in our consolidated income statement.
EBIT margin	Defined as EBIT divided by sales with external third parties.
EBITDA	Defined as earnings before interest, tax, depreciation and amortization.
EBITDA margin	Defined as EBITDA divided by revenue.
eCommerce	Electronic commerce, commonly known as eCommerce, relates to trading in products or services conducted via computer networks such as the internet. eCommerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may include a broader array of technologies such as email, mobile devices, social networks, etc.
EDI	Abbreviation for electronic data interchange system.
EEA	European Economic Area (encompassing all of the members of the European Union and the European Free Trade Association).
EEA Member State	A member state of the EEA.
ESMA Guidelines	The guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015.
ESOP	Employee Stock Option Program.
EStG	German Income Tax Act (*Einkommenssteuergesetz*)
EU	Refers to the European Union.
Euro, EUR or €	Refers to the single currency of the participating member states in the third stage of the European Economic Union pursuant to the Treaty Establishing the European Community.
Euromonitor Report	Report of Euromonitor International on Apparel and Footwear 2019.
Eurostat	Statistical office of the European Union.
Fiege	FIEGE Logistik Stiftung & Co. KG, Greven, Germany.
Fixed Remuneration	Total fixed annual remuneration in gross as annual fixed compensation.
FPS	Abbreviation for Full Package Services (*Vollkauf*).
FSC	Abbreviation for Forest Stewardship Council.
FTE's	Full-time equivalent employees, including trainees.
Galeria Karstadt Kaufhof	Galeria Karstadt Kaufhof GmbH, Essen, Germany.
GDP	Abbreviation for gross domestic product.
GDPR	Regulation (EU) No 679/2016 of the European Parliament and of the Council of 27 April, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
German GAAP	German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*).
Germany	The Federal Republic of Germany.
GERRY WEBER	GERRY WEBER International AG, Halle/Westphalia, Germany together with its direct and indirect subsidiaries.
GERRY WEBER Core Business	Refers to the Wholesale GERRY WEBER Segment and the Retail GERRY WEBER Segment.
GewStG	German Trade Tax Act (*Gewerbesteuergesetz*).
Global Share Certificates	Certificates representing the shares of the Company.
GOTS	Abbreviation for Global Organic Textile Standard.
Gross margin	Defined as the inverse of our cost of materials ratio

Group	Gerry Weber International AG, Halle/ Westphalia, Germany together with its direct and indirect subsidiaries.
GWB	German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*).
GWI / GWI AG	GERRY WEBER International AG, Halle/Westphalia, Germany.
GWI Insolvency Plan	Insolvency plan of GWI AG.
GWR	Gerry Weber Retail GmbH & Co. KG, Halle/Westphalia (now GERRY WEBER Retail GmbH), Germany.
GWR Insolvency Plan	Refers to the insolvency plan of GWR.
HALLE29	Exclusive showroom located in Düsseldorf.
HALLHUBER	Refers to HALLHUBER GmbH, Germany.
HALLHUBER Bridge Loan	Bridge financing of € 16.5 million agreed on February 7, 2019, as amended, to ensure the ongoing business operations of HALLHUBER.
HALLHUBER Bridge Loan Agreement	Agreement covering the HALLHUBER Bridge Loan.
HALLHUBER Segment	Refers to the HALLHUBER segment.
HALLHUBER Shares	Refers to all shares in HALLHUBER GmbH.
HGB	German Commercial Code (*Handelsgesetzbuch*).
HHB	Hallhuber Beteiligungs GmbH, München, Germany.
HHB Shares	Refers to all shares in HALLHUBER Beteiligungs GmbH.
IFRS	Refers to the International Financial Reporting Standards as adopted by the European Union, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB).
ILO	Abbreviation for International Labor Organization.
InsO	German Insolvency Act (*Insolvenzordnung*).
Insolvency Plans	Refers to the GWI Insolvency Plan and GWR Insolvency Plan
ISIN	International Securities Identification Number.
IT	Abbreviation for Information Technology, which refers to the application of computers and telecommunications equipment in order to store, retrieve, transmit and manipulate data, often in the context of a business.
JPM	Refers to J.P. Morgan Securities plc.
JPM AG	Refers to J.P. Morgan AG
JPM Capital Increase	Refers to the capital increase against contributions in cash resolved by the general shareholders' meeting of the Company on February 11, 2020.
JPM Capital Increase Shares	Refers to 195,238 bearer shares with no par value (*Stückaktien*) stemming from the JPM Capital Increase, with full dividend rights from April 1, 2019 with exclusion of the subscription rights of the existing shareholders.
Lease Agreement	Lease agreement concluded by GERRY WEBER Retail GmbH & Co. KG for the outlet store located in Ravenna Park.
LEI	Legal Entity Identifier Number.
Life-Style Fashion	Life-Style Fashion GmbH, Halle/Westphalia, Germany.
Listing	The listing contemplated by this Prospectus.
Listing Agent	Refers to Baader Bank who will act as the listing agent.
Management Board	Refers to the Company's management board (*Vorstand).*
Management Board Chair Person	Chairperson of the Management Board.
Management Link	Management Link GmbH, Maintal, Germany.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May, 2014 on markets in financial instruments, as amended.
MiFID II Requirements	MiFID II together with Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7April, 2016 supplementing MiFID II and local implementing measures.
MIP	Management incentive program.
Modepark Röther	MTR Handels- und Beteiligungs Gmbh, Michelfeld, Germany.
Morrigan	Refers to Morrigan Lending, Designated Activity Company

Nesk	NESK Group, Magrabi, Saudi-Arabia.
Net working capital	Defined as net current assets (current assets less cash and cash equivalents) less our net current liabilities (current liabilities less financial liabilities tax provisions, provisions for personnel and other provisions).
Never-out-of-stock	Never-out-of-stock articles mean articles, which are available associated with the 24-48 hour replenishment of highly requested items at POS. The module allows us to provide the right product, in the right quantities and at the right time at POS.
New Shares	Refers to the (i) Restructuring Capital Increase Shares, (ii) Conditional Capital Shares and (iii) JPM Capital Increase Shares.
NewCo	Newly formed shareholder of HHB or HALLHUBER.
NOS	Abbreviation for never-out-of-stock.
OECD	Organization for the Economic Co-operation and Development.
Omni-channel	Omni-channel retailing is the evolution of multi-channel retailing, but is concentrated more on a seamless approach to the consumer experience through all available shopping channels, *i.e.*, mobile internet devices, computers, stationary stores, television, radio, mailing, etc. In order to address customers through a variety of channels simultaneously, retailers are using an omni-channel approach that will track customers across all channels, for example, by using an integrated database of products, prices, promotions, etc. With omni-channel retailing, marketing is made more efficient with offers that are relative to a specific consumer determined by purchase patterns, social network affinities, website visits, loyalty programs, and other data mining techniques.
Order	Refers to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Original Lenders	Robus, Morrigan and JPM AG.
Otto	Otto GmbH & Co. KG, Hamburg, Germany.
Peek & Cloppenburg	Refers to both companies Peek & Cloppenburg KG, Hamburg and Peek & Cloppenburg KG, Düsseldorf, Germany.
Peter Hahn	Peter Hahn GmbH, Winterbach, Germany.
Plan Effectiveness	October 25, 2019.
Plan Sponsors	Whitebox and Robus.
POS	Abbreviation for points-of-sale.
Principal Shareholders	Please see "*11. Information on the Existing Shareholders*".
Product Liability Directive	Council Directive No 374/85 (EC) of the Council of the European Communities of July 25, 1985 on the approximation of the laws, regulations and administrative provisions on the Member states concerning liability for defective products (Products Liability Directive).
Prospectus	This prospectus.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
PwC	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Kreuzstraße 35, 33602 Bielefeld, Germany.
R&D	Research and development.
Ravenna Park	Refers to our fully-automated logistic centre "Ravenna Park" in Halle (Westfalen).
REACH Regulation	EU Regulation (EC) No 1907/2006 of December 18, 2006, concerning the registration, evaluation, authorization and restriction of chemicals.
Reinstatement Option	Please see "*8.5.2 Insolvency of GERRY WEBER International AG and GERRY WEBER Retail GmbH & Co. KG*".
Restructuring Capital Increase	Refers to the capital increase against contributions in cash conducted in context of the Restructuring implemented by the GWI Insolvency Plan on October 25, 2019 and registered with the commercial register of the local court (*Amtsgericht*) of Gütersloh, Germany on October 31, 2019.

Restructuring Capital Increase Shares..................	Refers to 1,016,623 bearer shares with no par value (*Stückaktien*) stemming from the Restructuring Capital Increase with exclusion of the subscription rights of the existing shareholders and with full dividend rights from April 1, 2019.
Restructuring Program......	Refers to our comprehensive strategic, operational and financial restructuring program.
Restructuring Report.........	Refers to the detailed restructuring report (*Sanierungsgutachten*) prepared by an independent accounting firm in accordance with standard IDW S6 as promulgated by the Institute of Public Auditors in Germany (IDW, Institut der Wirtschaftsprüfer in Deutschland e.V.).
Retail GERRY WEBER Segment..............................	Refers to our Retail segment.
Revenue..............................	Corresponds to "sales revenue" in the Company's financial statements.
Revolving Credit Facility ..	Super senior secured revolving credit facility of € 17,500,000. Please see "*9.1 Material Agreements— Financing Agreements*".
Revolving Credit Facility Agreement..........................	Agreement covering the Revolving Credit Facility.
RFID...................................	Automated Radio Frequency Identification technology.
Robus..................................	Robus SCSp SICAV-FIAR – Robus Recovery Fund II, a fund managed by Robus Capital Management LLP.
Services Agreement...........	Agreement under which Fiege provides certain eCommerce and e-fulfilment services to GWR.
Settlement Agreement........	Settlement agreement between the Company, GWR, Ralf Weber and DALOU, notarized on December 17, 2019, due to various claims in connection with Ravenna Park, the determination of the boundary line between the Ravenna Park property and the neighbouring property owned by DALOU as well as the Lease Agreement.
Shares.................................	New Shares together with the existing shares of the Company.
Short Selling Regulation....	Refers to the Regulation (EU) no. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.
SiNN	SiNN GmbH, Hagen, Germany.
Sponsorship Agreement.....	Sponsorship agreement signed between the Company and GERRY WEBER Management & Event oHG with effect as of January 1, 2013.
sqm	Abbreviation for square meters.
Summary............................	Refers to the summary of this Prospectus.
Supervisory Board	Refers to the Company's supervisory board (*Aufsichtsrat).*
Supervisory Board Chairperson	Refers to the chairperson of the Supervisory Board.
Telemedia Act....................	German Telemedia Act (*Telemediengesetz*).
Term Facilities...................	Senior secured loan amounting to up to € 22,350,586.21.
Term Facility Agreement...	Facilities agreement referring to the Term Facilities.
Trustee................................	Refers to Mr Stefan Meyer (Pluta Rechtsanwalts GmbH) as trustee (*Sachwalter*).
UCC....................................	Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October, 2013 laying down the Union Customs Code (Union Customs Code).
UmwG	German Transformation Act (*Umwandlungsgesetz).*
Unaudited Interim Consolidated Financial Statements	the Company's unaudited interim consolidated financial statements of the Group as of and for the six-month period ended June 30, 2020 (including comparative figures for the six-month period ended June 30, 2019) prepared in accordance with the International Accounting Standard No. 34: *Interim Finacial Reporting* (IAS 34), including the note thereto.
UWG...................................	German Act against Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb*).
Variable Remuneration	Performance-related remuneration in addition to the fixed remuneration.
VAT	Abbreviation for value added tax.
Whitebox............................	WBOX 2018-3 Ltd.

Wholesale GERRY WEBER Segment .... Refers to our Wholesale segment.

WKN.................................... German Securities Code (*Wertpapierkennnummer*).

Wöhrl .... Rudolf Wöhrl SE, Nuremberg, Germany.

WpHG .... German Securities Trading Act (*Wertpapierhandelsgesetz*).

WpPG.................................. German Securities Prospectus Act (*Wertpapierprospektgesetz*).

WpÜG .... German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Zalando .... Zalando SE, Berlin, Germany.

18. RECENT DEVELOPMENTS AND OUTLOOK

18.1 Recent Developments

The insolvency proceedings concerning the assets of GWI and GWR under self-administration (*Insolvenzverfahren in Eigenverwaltung*) were concluded by resolution of the competent Bielefeld District Court – Insolvency Court – of December 27, 2019 with effect as from December 31, 2019 for GWI and of February 20, 2020 with effect as from February 29, 2020 for GWR.

The operational restructuring and strategic repositioning of the GERRY WEBER Group has significantly advanced since its commencement in autumn 2018. Our company-managed POS decreased by 210 POS from 798 POS as of December 31, 2019 to 588 POS as of June 30, 2020. Our franchised wholesale POS declined by 207 POS from 2,437 POS as of December 31, 2019 to 2,230 POS as of June 30, 2020. These store closures and losses had a massive impact on sales revenues for the six-month period ended June 30, 2020.

Between the time of the COVID-19 pandemic's outbreak in Europe in mid-March and the date of this Prospectus, our business activities have been affected by the Covid-19 pandemic in various ways, as specified in more detail in the section "*1. Risk Factors—1.1 Market and Industry Related Risks— The COVID-19 pandemic has had and may continue to have a material adverse effect on our retail and wholesale sales, and supply chain.*" above. The COVID-19 pandemic heavily impacted our Gerry Weber Core Retail and Gerry Weber Core Wholesale business and led to a significant decline in our revenue, which decreased by 43.3% in the six-month period ended June 30, 2020 compared to the six-month period ended June 30, 2019. Our gross profit for the six-month period ended June 30, 2020 declined to € 81.6 million as compared to € 141.3 million for the six-month period ended June 30, 2019. However, our gross margin for the six-month period ended June 30, 2020 increased to 58.1% as compared to 57.0% for the six-month period ended June 30, 2019, due to lower changes in inventories.

In response to the COVID-19 pandemic, we took various countermeasures to protect our employees, customers and operations, including amendments to our Financing Agreements and the deferral of certain claims of insolvency creditors under the Insolvency Plans, as outlined in more detail in the section "*8.5.3 Business Description—Our History—Measures to counter the impact of the COVID-19 pandemic*".

Furthermore, on April 8, 2020, the Management Board resolved, with approval of the Supervisory Board from the same day, to issue bonds due 2023 with an aggregate nominal amount of € 5,148,000, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 1,000 each (the "**€ 1,000 Straight Bonds**") (for a detailed description of the terms and conditions of the € 1,000 Straight Bonds, please see the section "*9.2 Material Contracts—€ 1,000 Straight Bonds*"), bonds due 2023 with an aggregate nominal amount of € 24,979,500, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650 each (the "**€ 650 Straight Bonds**") (for a detailed description of the terms and conditions of the € 650 Straight Bonds, please see the section "*9.3 Material Contracts—€ 650 Straight Bonds*"), convertible bonds (*Wandelschuldverschreibungen*) due 2023 with an aggregate nominal amount of € 1,192,750, split into partial bonds (*Teilschuldverschreibungen*) with a principal amount of € 650 each (the "**Convertible Bonds**") (for a detailed description of the terms and conditions of the Convertible Bonds, please see the section "*9.4 Material Contracts—Convertible Bonds*").

Other than described above, between January 1, 2020 and the date of the Prospectus, there have been no significant changes in our financial condition and operating results.

18.2 Outlook

The adverse influences of the COVID-19 pandemic on the overall economic environment are expected to continue in the second half of 2020. All our stores have been re-opened as of mid-May 2020. As expected, customer footfall is lower than before the occurrence of the COVID-19 pandemic. However, the conversion rate and sales per customer as well as revenues in the online segment have been rising continuously in recent weeks, in each case starting from low levels. Our results of operations and financial position as of and for the fiscal year ending 31 December 2020 depend to a significant extent on the further development of the COVID-19 pandemic, about which there is a high degree of uncertainty. The potential impact of the COVID-19 pandemic on our business operations will, among others, largely depend on the extent to which economic and social life in our markets can return to normal and the extent to which we can implement the planned measures to secure GERRY WEBER Group's future.

Generally speaking, our revenues and earnings will be influenced by external factors such as continued low foot-falls in the stores and the changing consumer behavior as well as the massive implications of the COVID-19 pandemic, but also by internal factors, in particular the ongoing implementation of the operational restructuring exercise in 2020 and beyond.

As planned and in accordance with its disclosure obligations, GERRY WEBER will publish its Q3 report for the nine-month period ended September 30, 2020 on November 30, 2020. Currently, the operational performance continues within the anticipated and previously communicated scope and in line with the Restructuring Report. We expect to report in our Q3 report for the nine-month period ended September 30, 2020 cash and cash equivalents of € 74 million as of September 30, 2020 (€ 91 million as of June 30, 2020). The decline in cash and cash equivalents as of September 30, 2020 as compared to June 30, 2020 is mainly attributable to the repayment of a revolving credit line, the settlement of claims of insolvency creditors as well as seasonal fluctuations in working capital. Furthermore, we expect to report in our Q3 report for the nine-month period ended September 30, 2020 revenues of between € 222 million and € 231 million.

In view of the above, for the fiscal year ending December 31, 2020, we currently expect the GERRY WEBER Group's revenue to range between € 260.0 million and € 280.0 million and GERRY WEBER Group's adjusted EBITDA (excluding the effects of the lease accounting in accordance with IFRS 16, which we apply in a modified retroperspective approach as from April 2019) in a negative medium double-digit million amount. Based on the Restructuring Report, we are targeting to achieve by the end of 2023 annual revenues of around € 394 million, a gross margin of around € 239 million, an EBITDA margin of approximately 7.7%, and a positive free cash flow, which would allow us to refinance outstanding debt at that time and would put us into a position to start paying dividends, subject to supervisory board and shareholder approval.

In preparing the targets described above, we have assumed that there will be no significant changes in the current situation regarding the Covid-19 pandemic or in other existing political, legal, financial, market or economic conditions, or in applicable legislation, regulations or rules (including, but not limited to, accounting policies, accounting treatments and tax rules and interpretative guidance) and that foreign exchange rates will not change materially, in each case except as described in the Prospectus; and that we will not become party to any litigation or administrative proceeding or proceedings that might have a material impact on us of which we are not currently aware.