Report of the Executive Board pursuant to sec. 203 para. 1 and 2 sentence 2 AktG in conjunction with sec. 186 para. 4 sentence 2 and para. 3 sentence 4 AktG on agenda item 13

Currently, by resolution of the general meeting of the Company on 3 December 2019, Article 5 para. 4 of the Articles of Association authorizes the Executive Board, with the consent of the Supervisory Board, to increase the share capital of the Company in whole or in part, once or several times, by up to 400,000.00 euros by issuing up to 400,000 new no-par value bearer shares against cash and/or non-cash contributions until 15 November 2024 (Authorized Capital 2019). The previous authorization also provides for the possibility of excluding subscription rights in certain cases, which, however, no longer take into account the needs of the Company as a company that is now listed on the stock exchange again. With the cancellation of the Authorized Capital 2019, as far as not made use of, and the creation of a new Authorized Capital 2021 with the possibility to exclude subscription rights, the needs of the Company as a listed company shall be taken into account to the extent permitted by law. Decisions on the coverage of capital needs or the exercise of a strategic measures usually have to be taken on short notice, so it is crucial that the company is able to act without delay. To meet these needs, the German legislator has provided the instrument of authorized capital. It is in the interest of the company that it has the greatest possible flexibility in its corporate financing, strategic M&A decisions and in the participation of members of the Executive Board of the company, members of the management of a company dependent from the Company and employees of the company or a company dependent from the Company. The authorized capital serves this interest.

The proposed authorization provides for the possibility of excluding shareholders' subscription rights. The exclusion of shareholders' subscription rights requires the consent of the Supervisory Board. Pursuant to secs. 203 para. 2, 186 para. 4 sentence 2 AktG, the Executive Board submits this report on the reasons for the proposed authorization to exclude shareholders' subscription rights:

The authorization to exclude any fractional amounts from shareholders' subscription rights serves to present a practicable subscription ratio and thus to facilitate the technical implementation of the capital increase. The shares excluded from the shareholders' subscription rights as free fractions will be sold on the stock exchange or to third parties at the highest price possible.

The legislator has expressed in sec. 186 para. 3 sentence 4 AktG that a capital increase excluding shareholders' subscription rights not exceeding 10% of the share capital shall be possible under reduced conditions. The issue price of the newly issued shares shall be based on the stock exchange price and may only be slightly lower than the average price of the days prior to the subscription of the shares. The discount from the stock exchange price at the time of the use of the authorization will in no case exceed 5% of the current stock exchange price. This will avoid economic disadvantages for the shareholders excluded from the shareholders' subscription rights to the greatest possible extent. In addition, the shareholders excluded from the shareholders' subscription rights have, upon use of the authorization, the opportunity to maintain their previous shareholding quota by acquiring shares in the Company on the stock exchange. The financial and voting interests of the shareholders of the Company are therefore not significantly affected in economic terms. The Executive Board, on the other hand, is enabled, with the approval of the supervisory board, to raise new equity for the company on short notice and at an issue price close to the stock exchange price and to strengthen the equity base. Experience shows that such a capital increase leads to a higher inflow of funds than a comparable capital increase with shareholders' subscription rights because of the ability to act more quickly. The shares issued under exclusion of shareholders' subscription rights pursuant to sec. 186 para. 3 sentence 4 AktG may not exceed 10% of the share capital, neither at the time the authorization becomes effective nor at the time it is used. This 10% limit shall include new and existing shares of the Company that are issued or sold during the term of this authorization on the basis of another authorization pursuant to or in accordance with sec. 186 para. 3 sentence 4 AktG with the exclusion of shareholders' subscription rights; furthermore, shares of the Company are to be imputed, that are or still can be issued for the purpose of servicing conversion or option rights or fulfilling conversion or option obligations attached to convertible and/or option bonds or convertible participation rights to the extent that the bonds or participation rights are issued during the term of this authorization on the basis of a different authorization with exclusion of subscription rights by applying sec. 186 para. 3 sentence 4 AktG accordingly. These requirements take into account the shareholders' need for protection against dilution in accordance with the statutory provisions.

The exclusion of shareholders' subscription rights shall also be possible for the purpose of acquiring companies, parts of companies or participations in companies, within the scope of mergers and/or for the purpose of acquiring other assets, including rights and receivables. In order to preserve the liquidity of the Company, it may be appropriate to pay for an acquisition in shares rather than in cash. The authorised capital enables the Executive Board and Supervisory Board to act flexibly in such cases. In order to be able to promptly and flexibly take into account the interest in payment in the form of shares of the Company in the event of a successful closing of such contracts, it is necessary that the Executive Board be authorized to issue new shares against contributions in kind to the exclusion of shareholders' subscription rights with the consent of the Supervisory Board. The exclusion of the subscription right leads to a corresponding dilution of the participation and voting rights of the existing shareholders. However, if the subscription right were granted, the acquisition of companies, parts of companies or interests in companies, mergers or the acquisition of other assets, including rights and receivables, would probably not be possible and the associated advantages for the Company and the shareholders would not be achieved. There are currently no concrete acquisition targets for which this option is to be used. If the possibility of acquiring companies, parts of companies or participations in companies, mergers or the acquisition of other assets, including rights and receivables, should become concrete, the Executive Board will carefully analyse whether the use of authorized capital for this purpose is necessary and appropriate. The Executive Board will only do so if the acquisition of a company or shareholding or the acquisition of other assets in exchange for shares in the company is in the best interests of the company. The Supervisory Board will only give its required consent if this condition is met. The valuation of the shares of the Company shall be based on the respective stock exchange price and the true value of the Company. The value of the company to be acquired or the shareholding in the company will be determined in accordance with standard valuations.

In addition, the shareholders' subscription rights may be excluded, with the consent of the Supervisory Board, in order to grant holders or creditors of conversion or option rights to shares in the Company or of respective conversion and option obligations from bonds issued or guaranteed by the Company or its consolidated subsidiaries subscription rights as compensation against dilution to the extent to which they would be entitled after exercising such conversion or option rights or fulfilling such conversion or option obligations.This enables the granting of a form of dilution protection customary in the market to the holders or creditors of such instruments. Hence, they are treated as if they were already shareholders. In order to provide the bonds with such protection against dilution, the shareholders' subscription rights to these shares must be excluded.

The Company enables members of the Executive Board, executives and employees of the Company or companies dependent from the Company to participate in the Company and its development through participation programs and share-based compensation. This also applies with respect to obligations to (re)invest in shares of the company (so-called Share Ownership Program) which are or will be agreed. Such participation is also desired by the legislator and is therefore facilitated in several ways. The issue of shares to members of the Executive Board of the company, to members of the management of a company dependent from the Company and to employees of the Company or of a company dependent from the Company is intended to strengthen the identification of these groups of persons with the Company and to give an incentive to pay attention to a permanent increase in the value of the Company. They shall be bound to the Company and also participate as shareholders in its long-term development. In the interest of the Company and its shareholders, this should strengthen the understanding and willingness to assume greater, above all economic, co-responsibility.

As outlined in the remuneration system for the Management Board of GERRY WEBER International AG, which will be presented to the Annual General Meeting on August 19, 2021 under Agenda Item 9, the company is planning to gradually implement a share ownership program for the members of the Management Board in the near future. In addition, the company implemented an Employee Share Ownership Program (ESOP) in 2020, under which certain employees were given the opportunity to purchase company shares. While the company bought back its own shares for this purpose in 2020, if the ESOP is continued in the years 2021 to 2023, shares may be issued from authorized capital amounting to around 1% of the share capital per year. Otherwise there are currently no plans to make use of the authorization. The Executive Board will carefully analyse in each individual case whether it will make use of the authorization to increase capital under exclusion of shareholders' subscription rights. It will only do so if, in the opinion of the Executive Board and supervisory board, it serves the interests of the company and thus of its shareholders.

After considering all circumstances, the Executive Board and Supervisory Board consider the exclusion of shareholders' subscription rights in the aforementioned cases to be objectively justified and appropriate given the reasons outlined above, also taking into account the corresponding dilution effect to the detriment of the shareholders.

The Management Board will report to the next general meeting on each use of the Authorized Capital 2021.

Halle/Westphalia, in July 2021

GERRY WEBER International AG

The Executive Board