



HALF-YEAR FINANCIAL REPORT

2020

Half-year financial report as of 30 June 2020

Overview

- * Sales of EUR 82.8 million (previous year: EUR 149.3 million)
- * EBT of EUR –30.3 million (previous year: EUR 6.6 million)
- * Total of 1,028 stores (previous year: 1,043)
- * Confirmation of forecast for the full year

Interim Group management report

FUNDAMENTALS OF THE GROUP

The Group's fundamentals have not materially changed compared to the consolidated financial statements for 2019.

ECONOMIC REPORT

Overall economic conditions

The coronavirus crisis hit the economy hard and triggered a global economic downturn in the first half of 2020. Measures taken by governments to slow the spread of the coronavirus prompted a marked decline in economic output. Brick-and-mortar retailers, in particular, faced a tough test as extensive lockdown measures were imposed. The pandemic resulted in economic implications for Europe in the first quarter of 2020. The partial curfew imposed in the second quarter of 2020 resulted in a prolonged interruption of business activity and had a significant impact on consumer sentiment. The German economy also slowed considerably as a result of the coronavirus crisis. After economic growth had already dipped by 2.0% in the first quarter of 2020, gross domestic product (GDP) slid by 10.1% year-on-year in the second quarter. This is a faster and more pronounced drop in German GDP than during the financial crisis of 2008/2009. The coronavirus crisis cost the fashion retail business more than one-third of its sales in the first half of 2020. They fell by 35% on the previous year. The German online and mail order sector grew by 9.2% on the first half of 2019.

Business trend and position

Business development of the Group as a whole

Measures taken by governments to slow the spread of the coronavirus sent brick-and-mortar retail sales plummeting in the first six months of 2020. A combination of enforced temporary store closures and consumer uncertainty had a negative impact on the development of the Bijou Brigitte Group's sales and profit particularly in the second quarter of 2020. In the reporting period, Group sales fell by 44.5% from EUR 149.3 million in the previous year to EUR 82.8 million.

Business trend by segment

All segments in the Group reported negative business development in the first half of 2020 due to the coronavirus. In particular, the segments in Spain, Italy and Portugal, which rely on tourism, reported a huge drop in sales. In the German segment, sales dropped by 39.2% from EUR 73.2 million to EUR 44.5 million. Sales in the Spanish segment slid by 55.5% from EUR 21.1 million in the previous year to EUR 9.4 million. Portugal reported sales of EUR 1.8 million, down by 59.6% on the prior-year figure of EUR 4.4 million. In Italy, the Group achieved a sales volume of EUR 6.5 million (previous year: EUR 14.7 million; –56.0%). The "Other countries" segment recorded sales of EUR 13.2 million (previous year: EUR 22.8 million; –42.4%). The France region exceeded thresholds defined under IFRS 8 for the first time in the reporting year, meaning that it is shown as a business segment. Compared with sales of EUR 13.0 million in the previous year, French sales slipped by 42.7% to total EUR 7.5 million.

Changes to the store network

As of 30 June 2020, the Bijou Brigitte Group's store network consisted of 1,028 stores (31 December 2019: 1,042). Eight stores were opened in the first six months of the year, while 22 were closed. As part of the moves to streamline the store network, most of the store closures took place in Spain, followed by Germany. Overall, 15 branches were renovated and/or optimised. Three stores moved to more attractive sites within the same shopping centres.

As of 30 June 2020, the store network comprised 521 concessions (31 December 2019: 526).

Earnings position

In the first half of 2020, the development of the Bijou Brigitte Group's sales and profit was significantly affected by the measures taken by government to counteract the spread of the coronavirus. Due to the 44.5% drop in sales, the Group posted a loss of EUR 30.3 million before income taxes (previous year: profit of EUR 6.6 million).

Other operating income improved from EUR 1.8 million to EUR 2.1 million, a trend that can be explained by the use of government subsidies and discounts on liabilities due.

The cost of materials was virtually sliced in half and came to 19.1% of sales in the first half of 2020 (previous year: 20.3%). This development can be explained by structural shifts due to the coronavirus crisis.

In the reporting period, personnel costs dropped by 22.5% from EUR 44.3 million to EUR 34.3 million. Bijou Brigitte made use of state aid in the first half of 2020. The support ranged from various furlough arrangements to exemption from social security contributions and partial wage refunds. The number of employees also dropped due to store closures. As of 30 June 2020, the Bijou Brigitte Group had 2,635 full-time equivalent employees (30 June 2019: 2,839).

Impairment of intangible assets, depreciation of property, plant and equipment and amortisation of rights of use amounted to EUR 32.2 million in the first half of 2020, compared to EUR 31.0 million in the previous year. This trend is directly linked to the negative impact of the pandemic on the Group's retail business, and relates primarily to impairment losses recognised on rights to use leased assets, as well as impairments of property, plant and equipment.

The item "Other operating expenses" was down 16.6% in the first six months of 2020, falling from EUR 36.4 million (H1 2019) to EUR 30.4 million. This can be explained by cost-cutting measures implemented in response to the coronavirus crisis. In the first half of 2020, the Group was able to reduce not only occupancy costs, but also expenses for marketing, repairs and travel, as well as the sales commission for leases – also thanks to credits.

The financial result showed a slight improvement from EUR –2.8 million in the previous year to EUR –2.7 million.

Group earnings after income taxes went down in the first half of 2020, coming in at EUR –25.1 million (previous year: EUR 3.7 million).

Financial position

Development of financial situation

Cash flow from operating activities fell in the reporting period as of the end of June by EUR 49.8 million to EUR –18.6 million (30 June 2019: EUR 31.2 million). This is due first and foremost to the loss from operating activities and the change in inventories, trade receivables and trade payables as a result of the coronavirus crisis.

Cash flow from investing activities came to EUR –3.9 million compared with EUR –4.7 million on 30 June 2019, mainly due to fewer renovations and store openings in the first half of 2020.

In the first half of 2020, cash flow from financing activities amounted to EUR –23.2 million (previous year: EUR –47.2 million). This change is attributable to the decision made at the Annual General Meeting held on 23 June 2020 to maintain liquidity and to suspend dividend payments in 2020 in view of the ongoing spread of the coronavirus and its impact on economic developments in the individual countries.

The Group does not have any loans with banks or other credit institutions. Available overdraft facilities remained the same as in the previous year and were not utilised in H1 2020.

Net assets

Non-current assets decreased to EUR 201.6 million in the reporting period (31 December 2019: EUR 215.8 million), due in particular to a drop in rights of use.

Inventories increased year-on-year and amounted to EUR 69.5 million (31 December 2019: EUR 60.1 million). The increase in inventories is the result of the coronavirus crisis, as sales did not develop as expected in the first half of 2020 due to lockdown measures. The Group is aiming to whittle down most of the increased inventories in the second half of the year.

Current assets (excluding cash) grew by EUR 10.6 million from EUR 68.4 million on 31 December 2019 to EUR 79.0 million, largely due to the increase in inventories.

Cash and cash equivalents fell by 31.8% from EUR 145.5 million (31 December 2019) to EUR 99.2 million at the end of the reporting period. This is attributable primarily to the loss associated with lower sales due to the coronavirus crisis in the first half of 2020 and the increase in inventories.

The global impact of the coronavirus pandemic had a negative impact on balance sheet items as of 30 June 2020 to varying degrees. Total assets fell by EUR 49.9 million to EUR 379.8 million on the reporting date of 30 June 2020 from EUR 429.7 million (31 December 2019). On 30 June 2019, Group equity amounted to EUR 202.6 million compared to EUR 229.5 million on 31 December 2019. The ratio of equity to total assets was therefore 53.3% (31 December 2019: 53.4%).

Non-current liabilities declined by EUR 11.5 million to EUR 115.6 million (30 June 2020) from EUR 127.0 million (31 December 2019). This is due to the drop in lease liabilities.

Overall statement of the Management Board on the economic situation of the Bijou Brigitte Group

The first half of 2020 was dominated by the coronavirus crisis for the Bijou Brigitte Group. While the Group recorded year-on-year sales growth of 8.5% in the period from January to February 2020, the measures taken by governments in March to combat the spread of the virus had a negative impact on the net assets and the financial and earnings position of Bijou Brigitte. At EUR 82.8 million, the Group reported a 44.5% drop in sales overall compared with the same period of the previous year (30 June 2019: EUR 149.3 million). Those countries that rely on tourism, such as Spain, Italy and Portugal, were particularly hard hit. While Germany showed more positive development, sales were not enough to cover costs. The first signs of a recovery, however, started to emerge in July after stores reopened and consumer sentiment started to pick up.

Even back in the early days of the coronavirus crisis, the Management Board took all of the necessary steps to keep costs to a minimum. Savings potential was exploited with regard to staff and rent, with the company taking advantage of government subsidies and negotiating with its landlords in particular. Thanks to these measures, the loss in the first half of 2020 was limited to EUR 30.3 million before income taxes (previous year: profit of EUR 6.6 million). Cost reduction potential will continue to be exploited in various other areas going forward. In the second half of 2020, the Group will continue to focus on offsetting the negative impact of the coronavirus crisis on its business and keeping any effects to a minimum. First, it will continue to implement the measures successfully initiated in the 2019 financial year in order to give customers an incentive to buy again. Second, the consolidation of the store network will continue in all markets.

The Management Board of Bijou Brigitte considers the Group's situation to be stable for the time being, and does not expect to see any real threat to its ability to continue as a going concern. Given the uncertainty surrounding how the crisis will unfold and the impact that it will have on the retail industry and the consumer climate, which is currently impossible to predict, it remains difficult to arrive at an overall assessment.

OPPORTUNITIES AND RISK REPORT

There have been major changes since the opportunities and risks were assessed at the beginning of the year. The risk relating to "epidemics/pandemics" has been moved up a notch from high to very high. Despite a pandemic not being a probable occurrence in statistical terms (based on an observation period of five years), the current crisis will also affect the 2021 financial year. This means that it is appropriate to classify this risk as "very high". Bijou Brigitte presented further risks that could threaten the continued existence of the company or have a significant adverse effect on its net assets, financial and earnings position, with the risk management methods applied, in the risk management report on page 43 et seq. of the 2019 Annual Report.

FORECAST REPORT

Expected development of general economic conditions

The impact that the coronavirus pandemic had on economic activity in the first six months of 2020 was more negative than expected. The IMF expects the economy to gain momentum in the second half of the year and to close 2020 with global economic output down 4.9% on the previous year. Growth of 5.4% is forecast for 2021. The European Commission also expects to see an economic recovery in the second half of 2020, albeit not in all member states. The Commission predicts that economic growth within the eurozone will fall by 8.7% in 2020. Economic output is tipped to increase by 6.1% in 2021. This forecast is based on the assumption that the measures taken by governments to contain the further spread of the virus in the EU will gradually be eased and that we will be spared a second wave of infection. There is also the risk that the job market will show poorer development than expected and that liquidity bottlenecks will push companies into insolvency. Trade disputes between the United Kingdom and the EU also have the potential to hamper growth. In Germany, the coronavirus pandemic has triggered a historic drop in economic output. Moves to ease the containment measures, however, put the German economy back on the road to recovery, with the German Central Bank forecasting growth for the third quarter. The German economy is also being propped up by expansive monetary and fiscal policies. The German Council of Economic Experts expects to see real GDP drop by 6.5% in 2020, with economic growth of 4.9%

expected for 2021. The consumer climate in Germany reached a low in April as a result of the coronavirus pandemic. Economic stimulus packages, such as the announcement of a temporary reduction in value-added tax, have been having a positive impact on consumption since July, with consumer sentiment improving as a result.

Outlook for the Bijou Brigitte Group

The coronavirus pandemic hit the Bijou Brigitte Group's course of business hard in the first half of 2020. There is still a considerable degree of uncertainty surrounding how the crisis will develop, and it remains impossible to quantify the economic implications. These factors make it difficult for the Group to release any reliable forecast for its key financial indicators at the present time.

For Bijou Brigitte, the question as to what the second half of 2020 holds depends primarily on the further development of the crisis. Assuming that there are no government measures imposing additional restrictions and that the recovery trends witnessed in recent months continue, the Bijou Brigitte Group expects to achieve sales of between EUR 210 million and EUR 225 million for the 2020 financial year (2019 financial year: EUR 334.0 million). For Group earnings before income taxes, a loss of between EUR 30 million and EUR 40 million is expected (2019 financial year: profit of EUR 37.4 million).

Inventories as of 31 December 2020 are expected to be between EUR 53 million and EUR 63 million. Assuming that current and non-current liabilities remain at the previous year's level and no additional own shares are bought back, the Group expects an equity ratio of between 48% and 55%. The Bijou Brigitte Group will invest less in the modernisation of its outlets and in a reduced number of new stores in Germany in the current year. The planned investment volume for 2020 will amount to between EUR 5 million and EUR 10 million (2019 financial year: EUR 10.3 million). The company expects the number of stores in the Bijou Brigitte Group at the close of 2020 to be moderately lower than in the previous year.

Hamburg, September 2020

Bijou Brigitte modische Accessoires AG

The Management Board

BIJOU  BRIGITTE

NOTES

Consolidated balance sheet as of 30 June 2020

	30.6.2020 EUR	31.12.2019 EUR
ASSETS		
Non-current assets		
Intangible assets	3,703,735.77	3,842,593.00
Property, plant and equipment	47,045,254.41	50,071,356.78
Rights of use	142,031,155.47	157,098,698.87
Non-current financial assets	2,340,106.81	2,779,803.81
Deferred taxes	6,512,198.86	2,037,431.42
	<u>201,632,451.32</u>	<u>215,829,883.88</u>
Current assets		
Inventories	69,541,128.13	60,119,860.31
Trade receivables	1,190,973.96	1,964,653.33
Tax receivables	1,479,859.99	1,621,013.54
Other financial assets	3,446,701.55	4,237,984.33
Other current receivables	3,305,479.12	431,438.96
Cash and cash equivalents	99,195,209.72	145,462,249.63
	<u>178,159,352.47</u>	<u>213,837,200.10</u>
	<u>379,791,803.79</u>	<u>429,667,083.98</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity		
Subscribed capital	8,100,000.00	8,100,000.00
Capital reserve	3,579,043.17	3,579,043.17
Retained earnings	36,550,490.68	36,550,490.68
Treasury shares	-23,836,380.56	-22,603,780.33
Foreign currency translation reserve	-13,308.47	526,943.07
Group equity earned	178,224,016.15	203,337,652.96
	<u>202,603,860.97</u>	<u>229,490,349.55</u>
Non-current liabilities		
Non-current provisions	4,463,741.96	4,500,646.25
Lease liabilities	111,101,627.63	121,772,085.57
Deferred taxes	0.00	765,611.61
	<u>115,565,369.59</u>	<u>127,038,343.43</u>
Current liabilities		
Current provisions	1,910,625.62	1,954,769.21
Tax liabilities	189,014.65	434,927.80
Trade payables	6,615,976.81	10,784,554.28
Lease liabilities	39,985,815.01	41,042,316.23
Other financial liabilities	5,611,468.55	7,097,038.93
Other current liabilities	7,309,672.59	11,824,784.55
	<u>61,622,573.23</u>	<u>73,138,391.00</u>
	<u>379,791,803.79</u>	<u>429,667,083.98</u>

**Consolidated income statement
for the first half of 2020 from 1 January to 30 June 2020**

	First half-year 2020 EUR	First half-year 2019 EUR
1. Revenue	82,793,330.27	149,252,134.47
2. Other own work capitalised	126,314.40	316,391.81
3. Other operating income	2,109,717.29	1,757,050.04
4. Cost of materials	-15,777,812.19	-30,247,477.10
5. Personnel costs	-34,338,433.88	-44,317,556.97
6. Impairment of intangible assets and depreciation of property, plant and equip- ment and amortisation of rights of use	-32,161,301.32	-30,992,091.38
7. Other operating expenses	-30,365,403.46	-36,415,680.60
8. Operating profit	-27,613,588.89	9,352,770.27
9. Interest and similar expenses	-3,333,354.93	-3,505,261.79
10. Interest income	668,258.79	729,871.36
11. Financial result	-2,665,096.14	-2,775,390.43
12. Earnings before taxes	-30,278,685.03	6,577,379.84
13. Income taxes	5,165,048.22	-2,853,473.15
14. Net profit after taxes	-25,113,636.81	3,723,906.69
Appropriation of profits to shareholders of the parent company	-25,113,636.81	3,723,906.69
Earnings per share:		
Basic	-3.24	0.48
Diluted	-3.24	0.48

Consolidated cash flow statement for the first half of 2019 and 2020

	First half-year 2020 TEUR	First half-year 2019 TEUR
1. Cash flow from operating activities		
Net profit after taxes	-25,114	3,724
Income tax expense (+)	-5,165	2,853
Impairment and depreciation of non-current assets (+)	6,755	6,702
Impairment and depreciation of rights of use (+)	25,406	24,290
Financial result	2,665	2,775
Other non-cash expenses and income	-2,683	-2,931
Income taxes paid (-)	-180	-2,975
Cash inflows from interest (+)	164	144
Earnings from the disposal of non-current assets	148	149
Change in provisions	-81	-183
Change in inventories, trade receivables and other assets	-10,078	-1,249
Change in trade payables and other liabilities	-10,398	-2,056
Cash flow from operating activities	<u>-18,561</u>	<u>31,243</u>
2. Cash flow from investing activities		
Proceeds from the disposal of intangible assets and property, plant and equipment	24	175
Cash outflows (-) for investments in property, plant and equipment	-3,534	-4,543
Cash outflows (-) for investments in intangible assets	-386	-337
Cash flow from investing activities	<u>-3,896</u>	<u>-4,705</u>
3. Cash flow from financing activities		
Cash outflows (-) for payment of dividends by Bijou Brigitte AG	0	-23,350
Cash outflow (-) for the acquisition of treasury shares	-1,233	-1,110
Repayment portion of lease payments (-)	-21,918	-22,645
Cash outflows (-) for interest	-43	-52
Cash flow from financing activities	<u>-23,194</u>	<u>-47,157</u>
4. Cash and cash equivalents at the end of the period		
Changes in cash and cash equivalents (subtotal of 1-3)	-45,651	-20,619
Exchange rate differences	-616	252
Cash and cash equivalents at the start of the period	145,462	137,108
Cash and cash equivalents at the end of the period	<u>99,195</u>	<u>116,741</u>
5. Composition of cash and cash equivalents		
Cash and cash equivalents	<u>99,195</u>	<u>116,741</u>

Consolidated statement of changes in equity
First half of 2019 and 2020

	Subscribed capital TEUR	Capital reserve TEUR	Retained earnings TEUR	Treasury shares TEUR	Currency translation adjustment TEUR	Balance sheet profit TEUR	Total TEUR
As of 1.1.2019	8,100	3,579	40,247	-19,093	563	201,267	234,663
Group earnings	0	0	0	0	0	3,724	3,724
Other income	0	0	0	0	237	0	237
Total earnings	0	0	0	0	237	3,724	3,961
Purchase of treasury shares	0	0	0	-1,110	0	0	-1,110
Dividends	0	0	0	0	0	-23,350	-23,350
As of 30.6.2019	8,100	3,579	40,247	-20,203	800	181,641	214,164
As of 1.1.2020	8,100	3,579	36,551	-22,604	526	203,338	229,490
Group earnings	0	0	0	0	0	-25,114	-25,114
Other income	0	0	0	0	-539	0	-539
Total earnings	0	0	0	0	-539	-25,114	-25,653
Purchase of treasury shares	0	0	0	-1,233	0	0	-1,233
As of 30.6.2020	8,100	3,579	36,551	-23,837	-13	178,224	202,604

No dividend was distributed for the 2019 financial year. The dividend of EUR 3.00 per share for the 2018 financial year was paid in June 2019.

Segment reporting for the first half-year 2020

Stated in TEUR	External revenue		Inter-segment revenue		Total revenue		Segment earnings/Group earnings before taxes		Income taxes		Segment earnings/Group earnings	
	First half-year		First half-year		First half-year		First half-year		First half-year		First half-year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Germany	44,544	73,207	12,318	20,221	56,862	93,428	-10,327	7,237	3,003	-2,814	-7,324	4,423
Spain	9,393	21,112	0	0	9,393	21,112	-5,954	33	272	6	-5,682	39
Italy	6,455	14,683	0	0	6,455	14,683	-3,665	-722	924	156	-2,741	-566
Portugal	1,770	4,376	0	0	1,770	4,376	-1,431	47	326	-4	-1,105	43
France	7,466	13,028	0	0	7,466	13,028	-4,240	-1,295	79	45	-4,161	-1,250
Other countries	13,165	22,846	0	0	13,165	22,846	-4,750	404	561	-242	-4,189	162
	82,793	149,252	12,318	20,221	95,111	169,473	-30,367	5,704	5,165	-2,853	-25,202	2,851
Consolidation	0	0	-12,318	-20,221	-12,318	-20,221	88	873	0	0	88	873
Total	82,793	149,252	0	0	82,793	149,252	-30,279	6,577	5,165	-2,853	-25,114	3,724

Bijou Brigitte AG considers itself a single-product company in the sense that no distinctions are made between product groups, either in sales or in internal reporting, since the customer is offered the entire range as a product. In line with the internal reporting structure, which is based on regions, earnings are geographically segmented.

The distinction between segments subject to mandatory reporting is made in accordance with IFRS 8.5 in conjunction with IFRS 8.13 and IFRS 8.16.

The France region has exceeded a quantitative threshold defined under IFRS 8 for the first time, meaning that it is shown separately as a business segment. The Group is primarily active in five geographical regions: Germany, Spain, Italy, Portugal and France. The activities in other regions are pooled under "Other countries".

The revenue with other segments reported under consolidation is only included in the Germany segment.

Transfer pricing for inter-company revenue is determined on the basis of market prices.

Notes

Accounting principles

Bijou Brigitte modische Accessoires AG prepares its consolidated financial statements in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and as adopted by the EU, including the International Accounting Standards (IAS) and the statements of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC). The provisions of IAS 34 Interim Financial Reporting were taken into account for the half-year financial report as of 30 June 2020.

The financial report on the first half of the 2020 financial year as of 30 June 2020 uses the same accounting and measurement principles as the consolidated financial statements as of 31 December 2019, with the exception of the changes described below. A detailed description of these methods is presented in the 2019 Annual Report.

In the half-year financial report for the first half of 2020, the following standards and interpretations or amendments thereto were applied for the first time in the form adopted by the EU:

- Amendments to IFRS 3: Definition of a Business
- Amendments to IAS 1 and IAS 8: Definition of Materiality
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 9, IAS 39 and IFRS 7: Reform of the reference interest rates – possible impact on financial reporting

The first-time application of these new regulations or amendments had no effect on the net assets, financial and earnings position of the Bijou Brigitte Group or on the presentation of the financial statements and the disclosures made in the notes to the consolidated financial statements.

Impact of COVID-19 on the Group's accounting

As a result of the coronavirus pandemic (COVID-19), the Group has been granted rent concessions in various forms in its capacity as a lessee, particularly payment waivers and the short-term deferral of lease payments. Although the amendments to IFRS 16 regarding accounting for rent concessions in connection with the COVID-19 pandemic had not been endorsed at the time the half-year consolidated financial statements were prepared, the Group has partially applied the optional relief provided by the amendments to IFRS 16. The rent concessions granted in the form of a waiver of lease payments (without any changes to other terms and conditions of the lease) were not recognised as a lease modification, without them being analysed on a case-by-case basis, but rather as a partial derecognition of the lease liabilities together with the recognition of a corresponding profit. In cases in which contractual adjustments were also made (change in the terms of the lease, permanent rent reductions and other adjustments), the rent concessions were recognised as a lease modification.

Reimbursements of social security expenses to be borne by the employer in the amount of EUR 0.6 million have been deducted from personnel costs.

Aid and subsidies that had not yet been applied for at the time the half-year consolidated financial statements were prepared, or for which no binding commitment had been made by the responsible authorities, have not been recognised. Government subsidies in the amount of EUR 0.2 million that had already been received by 30 June 2020 have been recognised in other operating income.

For the purposes of the half-year financial statements as of 30 June 2020, the Group performed impairment tests on its property, plant and equipment, intangible assets and rights of use using the same measurement principles as those applied in the consolidated financial statements as of 31 December 2019. Due to the negative impact of the pandemic on the expected sales of the individual stores, an increased need for impairment was identified. It amounts to EUR 1.0 million for operating and office equipment (previous year: EUR 0.7 million) and EUR 2.8 million for rights of use (previous year: EUR 0.0 million). The Group expects that it will be

able to sell the product range that could not be sold due to the temporary store closures unchanged at a later date. As a result, no additional impairment losses have been recognised on the net realisable value of inventories. There were no major changes in the recoverability of trade receivables.

The half-year financial report has been prepared in accordance with IAS 34. Tax expenses in the Bijou Brigitte Group are calculated on the basis of estimated taxable income for the individual companies.

These interim consolidated financial statements and the interim Group management report have not been audited nor were they subject to an auditor's review.

Scope of consolidation

There were no changes to the scope of consolidation of Bijou Brigitte modische Accessoires AG in the first half of the 2020 financial year compared with the consolidated financial statements as of 31 December 2019.

Following the closure of the last two stores in Finland, the decision was made to liquidate Bijou Brigitte Oy, Helsinki, with effect from 1 July 2020.

Subscribed capital

The subscribed capital of Bijou Brigitte modische Accessoires AG remains unchanged at EUR 8.1 million. It is divided into 8.1 million non-par common shares. The subscribed capital has been fully paid in.

No new resolution authorising the Management Board to increase the share capital was passed at the Annual General Meeting on 23 June 2020.

Treasury shares

A resolution by the Annual General Meeting on 18 June 2019 once again authorised the Management Board, with the consent of the Supervisory Board, to purchase own shares in the company up to a total of 10% of the company's share capital at the time of this resolution (this being EUR 8.1 million) or, if this amount is lower, the share capital existing at the time the authorisation is exercised. These treasury shares may be utilised for

any legally permissible purpose. This authorisation is valid until 17 June 2024.

In the period from 1 January to 30 June 2020, the company purchased 26,570 shares, so the number of shares held by the company as of the reporting date came to 401,292. This corresponds to a 4.95% share of the subscribed capital. The costs of acquisition totalled EUR 23.8 million and have been deducted from equity as treasury shares.

Dividends

The Annual General Meeting held on 23 June 2020 made the decision not to distribute any dividend for the 2019 financial year.

Earnings per share

In accordance with IAS 33, earnings per share are determined by dividing the net income for the reporting period by the weighted average number of shares in circulation. Shares held by the company reduce the number of outstanding shares. As of 30 June 2020, the average number of outstanding shares was 7,747,965.

Earnings per share for the period from 1 January 2020 to 30 June 2020 came to EUR –3.24.

Notes on significant changes in the statement of financial position and income statement

We refer to the disclosures in the half-year Group management report for the first half of 2020.

Events after the half-year reporting date

No events of significance have occurred since the reporting date.

Transactions with related parties

Parties related to the company include members of the Management and Supervisory Boards and their immediate family. Friedrich-Wilhelm Werner, Hamburg, founder of the company and father of the current Chairman of the Management Board, holds a majority interest of 50.4% in the company's subscribed capital.

As overlapping personnel enables Bijou Brigitte AG to exercise significant influence over the board of trustees of the Bijou Brigitte Foundation, established in 2010, the Bijou Brigitte Foundation is also deemed to be a related party.

Declaration by the legal representatives

"We declare that, to the best of our knowledge, the interim consolidated financial statements prepared in accordance with the applicable accounting standards for interim financial reporting give a true and fair view of the net assets, financial and earnings position of the Group, and that the interim Group management report gives a true and fair view of the course of business, including the net income and the position of the Group, and describes the main opportunities and risks of the Group's forecast future development over the remainder of the financial year."

Hamburg, September 2020

The Management Board

Forward-looking statements

This half-year financial report contains forward-looking statements concerning future developments that are based on current assumptions and estimates by the Management Board of Bijou Brigitte modische Accessoires AG. Although these forward-looking statements are assumed to be realistic, it cannot be guaranteed that these expectations will prove to be correct.

Bijou Brigitte modische Accessoires AG

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