BIJOU BRIGITTE

Group Management Report

2023

The English translation of the consolidated financial statements is made available for the sake of convenience. The German version is the definitive version.

Securities Identification Number 522 950 ISIN DE0005229504

Key figures of Bijou Brigitte
Bijou Brigitte Group

		2019	2020	2021	2022		2023
		TEUR	TEUR	TEUR	TEUR		TEUR
1.	Revenue	333.952	204.875	216.028	306.463		327.883
	Change	3,8%	-38,7%	5,4%	41,9%		7,0%
2.	Total operating performance	335.016	205.106	216.423	307.110		328.574
3.	Personnel costs	90.753	72.120	68.794	79.746		88.524
	Change	0,2%	-20,5%	-4,6%	15,9%		11,0%
4.	Number of employees[1)]	2.863	2.542	2.256	2.271		2.353
	Change	-1,1%	-11,2%	-11,3%	0,7%		3,6%
5.	EBITDA	103.460	31.863	75.445	97.842	*	89.295
6.	EBIT	42.771	-28.726	24.409	49.704	*	39.886
	% of total operating performance (EBIT margin)	12,8%	-14,0%	11,3%	16,2%	*	12,1%
7.	Earnings before taxes	37.367	-33.727	19.866	45.770	*	36.011
	Change	17,8%	-190,3%	158,9%	130,4%	*	-21,3%
	% of sales (return on sales)	11,2%	-16,5%	9,2%	14,9%	*	11,0%
8.	Consolidated net profit	25.421	-30.971	17.032	34.888	*	24.075
	Change	18,0%	-221,8%	155,0%	104,8%	*	-31,0%
9.	Value creation	134.161	43.813	93.313	130.069	*	130.931
	Change	9,5%	-67,3%	113,0%	39,4%	*	0,7%
10.	Retention	2.072	-30.971	17.032	34.888	*	-14.419
	Change	198,3%	-1594,6%	155,0%	104,8%	*	-141,3%
11.	Non-current assets	53.914	44.807	37.458	34.886		38.152
12.	Right-of-use assets	157.099	125.368	101.572	106.893		120.486
13.	Capital expenditure	10.303	5.076	3.138	6.943		14.841
14.	Depreciation and amortisation	60.689	60.589	51.037	48.138		49.410
	Total assets	429.667	357.396	354.969	407.406	*	407.427
15.	Change	59,1%	-16,8%	-0,7%	14,8%	*	0,0%
	Equity	229.490	195.306	213.027	253.631	*	239.647
	% of total assets	53,4%	54,6%	60,0%	62,3%	*	58,8%
16.	Return on equity	12,5%	-13,7%	8,7%	15,9%	*	11,2%
17.	Cash flow [2)]	145.462	15.712	76.217	77.593		75.182
18.	Earnings per share (€)	3,27	-4,01	2,21	4,53	*	3,13
19.	Dividend per share (EUR)	0,00	0,00	0,00	5,00		3,50
20.	Total number of stores	1.042	990	926	902		897

1) Average for the year – adjusted to full-time employees

2) From operating activities

* The information has been adjusted as in the notes to the consolidated financial statements

BIJOU BRIGITTE

Combined
Group Management Report

2023

FUNDAMENTALS OF THE GROUP

BIJOU BRIGITTE MODISCHE ACCESSOIRES AG

Business activity and corporate structure

Bijou Brigitte modische Accessoires AG (referred to below as Bijou Brigitte AG) is one of the leading European fashion jewellery chains and looks back on a corporate history spanning 60 years as of this reporting year. The extensive product range comprises around 10,000 articles offering attractive value for money, ranging from fashion and exclusive jewellery to fashion accessories, men’s and children’s jewellery. Bijou Brigitte focuses on a fashion-conscious target group consisting primarily of female customers. In addition to the classic product range, two main jewellery collections are presented twice a year – Spring/Summer and Autumn/Winter – in sync with the change in seasons. Furthermore, seasonal items are offered to mark all special occasions, for example at Christmas, around Valentine’s Day, Mother’s Day, Oktoberfest and during the wedding season in the spring.

At the end of the reporting year, the Group had 897 stores in 17 countries. There are stores in Austria, Belgium, Bulgaria, Czechia, France, Germany, Greece, Hungary, Italy, Montenegro, the Netherlands, Poland, Portugal, Romania, Saudi Arabia, Slovakia and Spain. As in the previous year, German stores made up around 46% of the total store network.

Sales are primarily made in Bijou Brigitte stores that are mainly located on highly frequented shopping streets and in shopping centres. The company has also been selling a selection of items in various department stores through licensed partners in Germany since 2008, and internationally since 2010. This sales channel did not represent a material portion of Group revenue or earnings in the financial year 2023. Bijou Brigitte has had an online shop since 2006, which is constantly updated to meet customer requirements. The online store is now represented in Germany, France, Italy, the Netherlands, Spain and, since April 2023, in Austria. However, the share of Group revenue and earnings arising from this sales channel is also not material. Some of the German stores are operated by lessees, who sell jewellery in the name and on behalf of Bijou Brigitte and receive a revenue-based commission for so doing.

The main external influencing factors include cyclical and macroeconomic conditions and developments in the market and the industry. These affected the business performance and earnings situation of the Bijou Brigitte Group and Bijou Brigitte AG in the 2023 financial year, in particular due to the continuing uncertain geopolitical situation.

Internal management system

The business activity of the Bijou Brigitte Group and Bijou Brigitte AG is based on a regionally aligned network of stores and locations. All major steps along the value chain, as well as its supporting processes, are centrally managed.

The most significant key financial indicators for both the Bijou Brigitte Group and Bijou Brigitte AG are sales and operating earnings before taxes (EBT) as well as the development of inventories, investment volumes and the equity ratio. The Group defines operating earnings before taxes as net profit after taxes plus income taxes (EBT). For the parent company financial statements, earnings before taxes are defined as net income before taxes on income, impairments of long-term financial assets and income from participating interests. The most significant key non-financial indicator is the number of stores.

Segment reporting conforms with the provisions of IFRS 8 and is therefore prepared using the so-called 'management approach'. Internal reporting is based on segmentation by country. The Management Board tracks the performance of key indicators using regular internal reporting so as to be able to react to current business developments.

Research and development

A trading company like Bijou Brigitte does not incur any expenses for research and development in the classic sense.

ECONOMIC REPORT
OF THE GROUP AND BIJOU BRIGITTE AG

Overall economic and sector-related conditions

The global economy lost momentum over the course of 2023. The global economy was burdened by high inflation rates and the associated slowdown in private consumption. Geopolitical risks also increased. The tensions between the USA and China were reflected in trade relations. Furthermore, China's economic development represents the most significant risk for the global economy. The global economy grew by 2.7% in 2023.[1]

European economic growth was also weak during the year. Industrial value creation largely stagnated, mainly due to higher energy costs and ongoing material shortages. While the rate of consumer price inflation returned to normal over the course of the year, inflation continued to weigh on private consumption due to the decline in real incomes. Price-adjusted economic growth in the eurozone in 2023 was 0.6% with consumer price inflation of 5.6%.[2]

The coronavirus pandemic and energy crisis have left their mark on Europe and Germany in particular. The German economy has recorded the lowest growth in the eurozone for four years. The economic recovery is being delayed, primarily due to the effects of the energy crisis and the inflation-related fall in real incomes. During the energy crisis, German economic growth has been weak. Overall, the German economy shrank by 0.4% compared to 2022. Private consumer spending fell by 0.8% compared to the previous year. Despite the economic downturn, the

[1] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023
[2] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023

German labour market proved robust. At just under 46 million, the number of people in employment remained close to the previous year's level. In the reporting year, consumer prices in Germany increased on average by 6.1% compared to the previous year.[3]

The Spanish economy grew by 2.4% in 2023 compared to 2022, not least due to booming tourism, and thus significantly outperformed the average growth in the eurozone. Cost drivers notably included food, mortgage and rent costs. These had a negative impact on private consumption, which saw a growth rate of only 1.5% in the reporting year.[4]

Compared to the previous year, the Italian economy grew by 0.7%. The strongest economic driver was the export of goods and services. There was a north-south divide in the employment rate, which had an impact on economic strength in Italy. Persistently high inflation led to a loss of purchasing power, with the result that private consumption increased by only 1.5% in the reporting year.[5]

Portugal's economic output grew by 2.4% last year, a rate which was above the European average, mainly as a result of robust investment. Employment remained at a stable high level, although private consumption was dampened by inflation and high interest rates in particular, resulting in growth of just 0.5%.[6]

France's economy remained resilient in 2023 and grew at a rate of 0.9%. Geopolitical uncertainties, persistently high energy costs and weak international demand have recently dampened business sentiment. Supported by the government's economic stimulus packages, corporate investment developed dynamically. Private consumption, on the other hand, remained at the previous year's level.[7]

The movement in the US dollar exchange rate is an important factor for Bijou Brigitte, as a large proportion of its merchandise is purchased in US dollars. If the US dollar appreciates (against the

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[3] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023
[4] GTAI: Economic Outlook Spain, 3 January 2024
[5] GTAI: Economic Outlook Italy, 7 December 2023
[6] GTAI: Economic Outlook Portugal, 19 December 2023
[7] GTAI: Economic Outlook France, 1 December 2023

EUR), purchasing costs rise accordingly. The US dollar fluctuated between 1.06 and 1.10 to the euro over 2023. The average US dollar to euro exchange rate was 1.08 in the reporting year, as against 1.05 in the previous year. At 1.10 at the end of 2023, the euro had appreciated by around 2.8% against the end of 2022.

In addition to the general economic conditions, the overall trend in the retail industry is of major importance to the company's performance. 2023 was characterised by numerous challenges for the industry, such as high energy prices, war, inflation, consumer restraint and staff shortages. Consumer sentiment was negatively impacted above all by general economic developments, the uncertainties caused by the war in Ukraine and the escalation in the Middle East, not to mention inflation and the level of disposable income.[8] Many companies recorded downturns in revenue and profits. Overall, the German retail sector achieved an increase in sales of 2.9% compared to 2022, although after adjusting for inflation, sales fell by 3.4%.[9] After peaking during the coronavirus pandemic, German online retail experienced a downturn in the reporting year due to the general economic trend, driven in particular by inflation and weakening consumer sentiment, with a nominal decline in sales of 0.4% and a real decline of 4.3% compared to the previous year.[10]

The tense competitive situation in the retail sector continued last year. There were major shifts in the market structure due to insolvencies and company closures. In the fashion sector, 160 companies had to file for insolvency. This corresponds to an increase of more than 50% compared to the previous year.[11] In contrast, visitor frequency was pleasingly stable last year, albeit with more needs-oriented shopping behaviour on the part of customers.[12] The retail sector for textiles, clothing, shoes and leather goods continued its recovery from the fallout of the pandemic in 2023. A nominal sales increase of 3.7% was achieved here. However, sales are still 4.6% below the level of the pre-Covid year 2019.[13]

[8] Textile industry: TW test club annual accounts 2023, 10 January 2024
[9] German Trade Association (HDE): Situation and prospects in the retail sector, January 2024
[10] HDE: Annual press conference, 31 January 2024
[11] Textile industry: New statistics from the Falkensteg restructuring consultancy, 24 January 2024
[12] Textile industry: TW test club annual accounts 2023, 10 January 2024
[13] German Office for National Statistics: Press release 041, 31 January 2024

Business trend and position for the Group and Bijou Brigitte AG

Business development of the Group as a whole

The Bijou Brigitte Group's sales increased by 7.0% to EUR 327.9 million in the 2023 financial year (previous year: EUR 306.5 million) and were therefore within the forecast range of EUR 320-340 million. This development is primarily due to the positive business development in the branches.

Earnings before taxes (EBT) totalled EUR 36.0 million in the reporting period after EUR 45.8 million* in the same period of the previous year and were, therefore, below the forecast range (EUR 38.0-54.0 million). This is primarily due to significantly higher costs in almost all areas. The Group's post-tax earnings for 2023 were EUR 24.1 million, compared with EUR 34.9 million the previous year.

At EUR 14.8 million, capital expenditure (excluding cash investments in connection with short-term financial planning) was above the previous year's level (2022: EUR 6.9 million), mainly due to store renovations and optimisations, as expected. Due to the significantly higher number of renovations and optimisations compared to the previous year (+184 in total), the forecast range (EUR 7.0 million to EUR 12.0 million) was also exceeded.

At EUR 80.4 million, inventories were both above the previous year's level (2022: EUR 78.9 million*) and above the forecast range (EUR 65.0-75.0 million). The fact that the forecast was exceeded is due to the change in the accounting treatment of discontinued items compared to the previous year, which was not yet known at the time the forecast was prepared in the previous year.

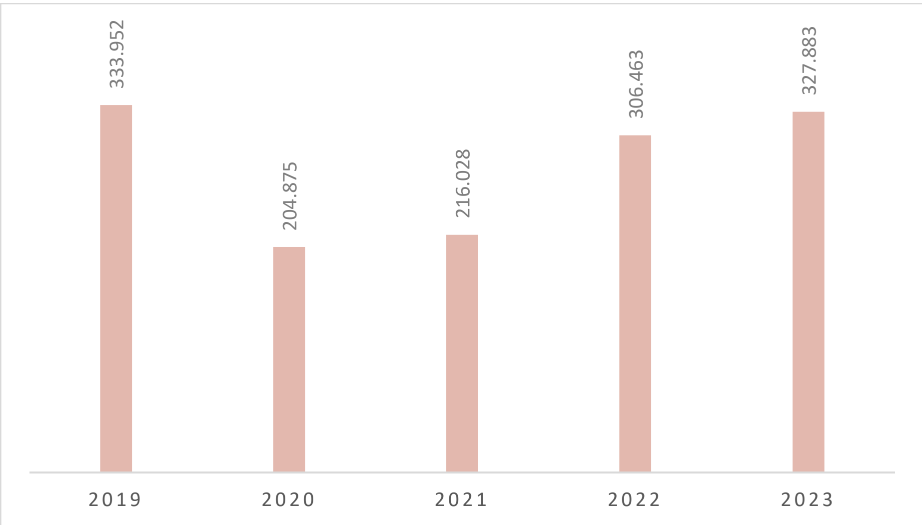
The equity ratio fell to 58.8% in the reporting year (previous year: 62.2%*) and was, therefore, slightly below the forecast (60.0-62.0%). The background to this is the higher-than-expected

*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under "B. Accounting policies; error corrections".

increase of EUR 12.7 million in lease liabilities coupled with EBT that was slightly below expectations.

Due to the high location requirements, fewer new stores were opened than planned in the reporting year. The number of stores as of 31 December 2023 was 897, slightly below the corresponding figure for the previous year (31 December 2022: 902 stores) and slightly below the forecast, which had envisaged a slight rise in store numbers at the close of 2023 relative to the previous year.

Bijou Brigitte Group: Development in sales
(in TEUR) 2019 – 2023



*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting policies; error corrections

Business trend by segment

Revenue in the German segment increased by 10.8% to EUR 167.6 million in the reporting year (previous year: EUR 151.4 million) and the segment result before taxes totalled EUR 21.1 million (previous year: EUR 20.6 million*). This effect resulted mainly from the upswing in in-store business. Investments rose from EUR 4.0 million in the previous year to EUR 7.1 million in the reporting year and were primarily channelled into the renovation of branches and the development of software for administration and sales.

Private consumption in the Spanish market was significantly impacted by inflation in the reporting year. Accordingly, sales fell by 1.7% to EUR 36.7 million (previous year: EUR 37.3 million). Pre-tax earnings fell from EUR 6.8 million* to EUR 4.6 million, primarily due to a decline in sales and simultaneous cost increases. Capital expenditure totalled EUR 1.6 million in the Spanish segment in the reporting period (previous year: EUR 1.2 million). Investments were mainly made in store renovations.

At EUR 33.6 million (previous year: EUR 31.5 million), sales in the Italian segment in the 2023 financial year were up 6.8% on the previous year. Earnings before taxes fell from EUR 5.2 million* in the previous year to EUR 3.3 million in the reporting year, mainly due to cost increases. Capital expenditure totalled EUR 1.7 million and was used in particular for the renovation of shops (previous year: EUR 0.5 million).

At EUR 8.6 million, sales in the Portuguese segment fell by 6.9% compared to the previous year's sales of EUR 9.2 million. The main reason for this was the subdued consumer sentiment caused by inflation and high interest rates. The segment result before taxes dropped to EUR 1.6 million after EUR 2.4 million in the previous year due to increased costs. Capital expenditure of EUR 0.4 million in the reporting year was mainly used for store renovations (previous year: EUR 0.1 million).

*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting principles; error corrections.

At EUR 26.8 million, sales in the French segment increased only slightly in the reporting year compared to EUR 26.4 million in the previous year (+1.2%). Earnings before taxes in this segment amounted to EUR –1.4 million (Previous year: EUR 1.7 million*), primarily due to higher costs and lower other income. Capital expenditure rose from EUR 0.3 million in 2022 to EUR 1.1 million and was mainly used for the renovation of shops.

Sales in the ‘Other countries’ segment, which comprises various European countries, increased by 7.7% to EUR 54.6 million in the reporting year (previous year: EUR 50.7 million). Segmental EBT fell to EUR 7.4 million after EUR 9.8 million* in the previous year. In this segment, too, the main reason for this was also cost increases in almost all expense items. Capital expenditure totalled EUR 2.9 million (previous year: EUR 1.0 million) and was primarily used for store refurbishments.

Business development for Bijou Brigitte AG

Bijou Brigitte AG’s sales increased by 11.3% to EUR 226.2 million in the 2023 financial year (previous year: EUR 203.3 million) and were therefore at the upper end of the forecast range (EUR 217.0 million to EUR 227.0 million). This is primarily due to the positive business development in the branches.

Net profit for the reporting period was EUR 26.2 million, compared with EUR 18.7 million the previous year (+40.2%). This effect is mainly due to the positive development of revenue, the exceptionally large and significant gain from the write-up of inventories and the increased income from participating interests.

The earnings of the Dutch stores were EUR 0.5 million, a decrease of EUR 0.6 million from EUR 1.1 million in 2022. This figure is reflected in Bijou Brigitte AG’s net income for 2023, as the stores are managed as branch establishments of the German company. This development is primarily due to the increased costs for personnel and social media.

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*The previous year’s figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting principles; error corrections.

At EUR 23.9 million, operating earnings before taxes and income from participating interests, including interest, rose by 19.0% compared to the previous year's figure of EUR 20.0 million and were therefore at the upper end of the forecast range of EUR 16.0-24.0 million, primarily due to the positive sales trend in the stores and the extraordinary income from the write-up of inventories.

At EUR 6.6 million, the capital expenditure was above the previous year's level (2022: EUR 3.6 million) and slightly above the forecast range of EUR 4.0-6.0 million, mainly due to store renovations and optimisations as well as the development of new software. Inventories were EUR 54.2 million, a rise of EUR 4.2 million from the previous year (2022: EUR 50.0 million). This was in excess of the forecast of EUR 48.0-52.0 million. The increase of EUR 4.8 million is due to the change in the accounting treatment of discontinued items compared to the previous year.

The equity ratio fell to 48.4%, compared to 59.8% in the previous year. The main reason for this is the dividend payment of EUR 38.5 million made in June 2023. The number of stores as of 31 December 2023 was 428, slightly below the corresponding figure for the previous year (31 December 2022: 430 stores) and slightly below the forecast, which had envisaged a slight rise in store numbers at the close of 2023 relative to the previous year.

Net assets, financial position and results of operations for the Group

Net assets

Non-current assets increased in comparison with the previous year (EUR 149.3 million) to EUR 164.4 million in the reporting year. This effect resulted principally from an increase in right-of-use assets.

At EUR 80.4 million, inventories were slightly above the previous year's level (2022: EUR 78.9 million*). The increase is attributable to sales growth.

Current assets (not including cash and cash equivalents) decreased year-on-year by EUR 17.1 million to EUR 173.7 million (previous year: EUR 156.6 million). This is primarily due to the increase in securities and fixed-term deposits with a term of more than three months included in other financial assets. In the reporting period, cash and cash equivalents decreased to EUR 69.4 million compared to EUR 101.5 million in the previous year, accounting for 17.0% of total assets (previous year: 24.9%) Taking into account the time deposits and securities investments disclosed under other financial assets, financial investments and cash and cash equivalents fell to EUR 154.3 million (previous year: EUR 171.5 million) and accounted for 37.8% of total assets (previous year: 42.1%*).

Bijou Brigitte Group: Overview of assets

in EUR millions	**2023**	**2022**
Non-current assets	164.4	149.3
Inventories	80.4	78.9*
Cash and cash equivalents	69.4	101.5
Other current assets	93.3	77.6
Equity	239.6	253.6*
Non-current liabilities	96.2	81.6
Current liabilities	71.5	72.2*

* The figures for the previous year have been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting policies; error corrections

As of 31 December 2023, Bijou Brigitte had an equity ratio of 58.8% (previous year: 62.2%*) with total assets almost unchanged from the previous year. As of the reporting date, 31 December 2023, the Bijou Brigitte Group's equity amounted to EUR 239.6 million, compared to EUR 253.6 million as of 31 December 2022.

When comparing successive reporting dates, non-current liabilities rose from EUR 81.6 million (31 December 2022) to EUR 96.2 million (31 December 2023). This is primarily due to higher lease liabilities.

Financial position

Main features and objectives of financial management

The financial management of the Bijou Brigitte Group is controlled centrally by the Group parent company. Its area of responsibility ranges from the management of the capital structure and liquidity management to controlling financial risks.

Bijou Brigitte Group: Financial position overview

in EUR millions	**2023**	**2022**
Cash flow from operating activities	73.5	77.6
of which depreciation, amortisation and impairment of fixed assets	11.0	9.3
Cash flow from investing activities	–27.6	–46.8
of which investments in property, plant and equipment and intangible assets	13.1	–6.9
Cash flow from financing activities	–77.6	–39.7

The aim of financial management is primarily to ensure a high equity ratio so as to safeguard the Group's financial independence from the need to borrow capital. At the same time, a high level of earnings should be ensured over the long term through a solid financial basis.

The Management Board and Supervisory Board take a decision annually regarding a dividend proposal once the respective annual financial statements are available and after considering the future business outlook.

Derivative financial instruments for hedging financial risks are not used. Exchange rate risks result for the Bijou Brigitte Group primarily from operating activities.

Development of financial situation

For the 2023 financial year, cash flow from operating activities amounted to EUR 73.5 million after EUR 77.6 million in the previous year. The EUR 9.8 million decrease in operating earnings before income taxes was offset by lower financial requirements from the increase in inventories compared to the previous year.

Cash flow from investing activities amounted to EUR –27.6 million (previous year: EUR –46.8 million). This development is mainly due to the cash inflows and outflows in connection with financial investments recognised in the investment cash flow. The reason for the development of investments in property, plant and equipment and intangible assets (EUR 13.1 million; previous year: EUR 6.9 million) was a significant increase in store renovations and optimisations compared to the previous year.

In the 2023 financial year, cash flow from financing activities totalled EUR –77.6 million after EUR –39.7 million in the previous year. This change is primarily due to the dividend payment of EUR 38.5 million for the 2022 financial year.

Bijou Brigitte does not have any loans with banks or other credit institutions. As in the previous year, there are only very limited overdraft facilities amounting to EUR 0.3 million, which were not utilised in the past financial year.

Results of operations

Bijou Brigitte Group: Earnings position overview

in EUR millions	2023	2022
Revenue	327.9	306.5
Other operating income	4.0	6.7
Cost of materials	72.5	63.7*
Personnel costs	88.5	79.7
Amortisation, depreciation and impairment of intangible assets, property, plant and equipment, and right-of-use assets	49.4	48.1
Other operating expenses	82.3	72.5
Financial result	–3.9	–3.9
Operating result before income taxes	36.0	45.8*
Net profit after taxes	24.1	34.9*

Thanks to the positive business performance, mainly in the German shops, Group sales rose by 7.0% to EUR 327.9 million in the 2023 financial year (previous year: EUR 306.5 million).

Other operating income fell from EUR 6.7 million in the previous year to EUR 4.0 million. The main reason for this was lower exchange rate gains and lower government subsidies.

The share of material costs in relation to Group sales in 2023 rose to 22.1% (previous year: 20.8%*). This slight increase is due to higher procurement costs.

Personnel costs rose by 11.0% from EUR 79.7 million in 2022 to EUR 88.5 million in the 2023 financial year, mainly due to the delayed effect of the increase in the minimum wage in Germany and general salary adjustments. In the past year, the Bijou Brigitte Group employed an average of 2,353 people (converted to full-time equivalents; previous year: 2,271).

*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting principles; error corrections.

Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets amounted to EUR 49.4 million in the 2023 financial year, compared to EUR 48.1 million in the previous year. In the reporting period, amortisation of rights of use amounted to EUR 38.4 million (previous year: EUR 38.9 million). Depreciation and amortisation on property, plant and equipment and intangible assets amounted to EUR 11.0 million in the reporting period (previous year: EUR 9.3 million).

Other operating expenses increased by 13.6% from EUR 72.5 million in the previous year to EUR 82.3 million in the reporting year. This development is primarily due to increased sales commissions to lessees. Increased energy costs, higher expenditure on social media activities and general price increases also contributed to the increase.

Group earnings before taxes fell from EUR 45.8 million* in the previous year to EUR 36.0 million in the 2023 financial year. The return on sales fell accordingly from 14.9%* in 2022 to 11.0%. In the after-tax view, consolidated net profit in the 2023 financial year fell by EUR 10.8 million to EUR 24.1 million after EUR 34.9 million* in the previous year.

Income taxes increased by EUR 1.0 million to a total of EUR 11.9 million despite the EUR 9.8 million decrease in Group earnings before income taxes. This corresponds to a Group tax rate (income taxes/Group earnings before income taxes) of 33.2% after 23.8% in the previous year. Please refer to the explanations in section D. (26) of the notes to the consolidated financial statements for the 2023 financialyear.

Appropriation of profit and dividend proposal

Bijou Brigitte modische Accessoires AG’s net income for the year calculated in accordance with the provisions of the German Commercial Code (HGB) amounted to EUR 26.2 million in the 2023 financial year (previous year: EUR 18.7 million). Adding the profit carried forward of EUR 16.0 million resulting from the dividend payment in 2023 results in balance sheet profit of EUR 42.2 million for the reporting period in the separate financial statements of the AG, compared to EUR 54.5 million in the previous year.

*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting principles; error corrections.

Part of the corporate philosophy of the Bijou Brigitte Group is to allow appropriate participation of the shareholders in the company's success. In view of the positive business results in the 2023 financial year, the Management Board and Supervisory Board of Bijou Brigitte modische Accessoires AG will propose to the Annual General Meeting on 27 June 2024 that a dividend of EUR 3.50 per share (previous year: EUR 3.00 + EUR 2.00 bonus dividend for the company anniversary) be resolved for the 2023 financial year. Based on the total number of shares, this represents a dividend payout ratio of 117.8% of the Group's net profit after taxes. It also corresponds to a dividend yield (dividends / closing price at the end of the year) of 8.7% (previous year:
11.7%). The total payout would therefore be EUR 28.4 million for 8,100,000 common shares. The company's remaining balance sheet profit of EUR 13.8 million will be carried forward to the new account, along with the amount that would be distributed to the common shares held by the company on the day of the Annual General Meeting but, pursuant to Section 71b of the German Stock Corporation Act (AktG), is excluded from distribution.

Earnings per share under IFRS were EUR 3.13 (previous year: EUR 4.53*). At a year-end share price of EUR 40.10, the price-earnings ratio was 12.8.

Net assets, financial position and results of operations for Bijou Brigitte AG

Net assets

Inventories were EUR 54.2 million, a rise of EUR 4.2 million from the previous year (2022: EUR 50.0 million). This development is due in particular to the aforementioned change in the accounting treatment of discontinued stock items compared to the previous year. At EUR 9.5 million, receivables and other assets decreased by EUR 3.3 million compared to the previous year (2022: EUR 12.8 million), mainly due to lower receivables from affiliated companies.

*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting principles; error corrections.

In the reporting period, cash and cash equivalents fell by EUR 59.1 million to EUR 17.1 million (9.6% of total assets) after EUR 76.2 million (46.3% of total assets) in the previous year, primarily due to the investment of cash and cash equivalents in government bonds with a remaining term of up to 12 months. Government bonds in the amount of EUR 70.6 million (2022: EUR 0.0 million) are recognised as other securities within current assets.

As at the balance sheet date of 31 December 2023, Bijou Brigitte AG's equity amounted to EUR 86.2 million after EUR 98.6 million on 31 December 2022. At 48.4% of total assets, the equity ratio was lower than at the previous year-end (59.8%). This is largely due to the fact that dividend payments resumed in the reporting year after a three-year break due to the pandemic.

Liabilities to affiliated companies increased by EUR 21.8 million compared to the previous year. The main reason for this is that Bijou Brigitte AG received EUR 24.5 million more liquidity from its subsidiaries as part of its centralised liquidity management, which is subject to market interest rates.

As in previous years, Bijou Brigitte AG did not take out any short or long-term loans from credit institutions in 2023.

Financial position

Main features and objectives of financial management

Bijou Brigitte AG's financial management ranges from the management of the capital structure and liquidity management to controlling financial risks.

The aim of financial management is primarily to ensure a high equity ratio so as to safeguard Bijou Brigitte AG's financial independence from the need to borrow capital. At the same time, a high level of earnings should be ensured over the long term through a solid financial basis.

The Management Board and Supervisory Board take a decision annually regarding a dividend proposal once the respective annual financial statements are available and after considering the future business outlook. Accordingly, there is no fixed quota with regard to the dividend distribution.

Derivative financial instruments for hedging financial risks are not used. Exchange rate risks result for Bijou Brigitte AG mainly from operating activities.

Development of financial situation

Cash flow from operating activities amounted to EUR 32.2 million in the reporting year compared with EUR 16.8 million in the previous year. This change of EUR 15.6 million is primarily due to the increase in net profit for the year, the decrease in receivables from affiliated companies and an increase in provisions.

In 2023, Bijou Brigitte AG made capital expenditure of EUR 6.2 million (previous year: EUR 3.6 million). The increased investment volume is primarily due to the significant year-on-year rise in the number of store renovations and the purchase of new software.

Depreciation and amortisation increased slightly compared to the previous year to EUR 5.0 million (2022: EUR 4.5 million), primarily due to the capitalisation of internally developed software.

In the 2023 financial year, cash flow from financing activities amounted to EUR –14.9 million following EUR 5.1 million in the previous year. This change is mainly due to the transfer of funds from the Group companies and the dividend payment for the 2022 financial year.

Results of operations

Bijou Brigitte modische Accessoires AG Earnings position overview

in EUR millions	**2023**	**2022**
Revenue	**226.2**	**203.3**
Other operating income and own work capitalised	3.2	4.5
Cost of materials	73.1	69.9
Personnel costs	43.2	38.6
Depreciation and amortisation	5.0	4.5
Other operating expenses	84.3	75.3
Financial result	0.1	0.4
Operating result before taxes	**23.9**	**20.0**
Income from investments	11.3	5.0
Taxes on income and earnings and other taxes	9.0	6.3
Net income for the year	26.2	18.7

In the 2023 financial year, Bijou Brigitte AG's sales increased by 11.3% to EUR 226.2 million (previous year: EUR 203.3 million), primarily due to the positive business development in the shops. The operating return on sales before tax and dividends (operating profit as a percentage of revenue) was 10.5%, a rise relative to the previous year (2022: 9.9%). This is mainly due to the extraordinary income resulting from the write-up of discontinued items described above. After adjusting for this effect, the return on sales before income taxes and income from investments was 8.9%.

Other operating income fell to EUR 2.7 million in the reporting year (previous year: EUR 4.2 million). The main reasons for this decline are lower income from exchange rate differences and from the reversal of provisions.

In the 2023 financial year, the cost of materials as a percentage of sales fell to 32.3% (previous year: 34.4%). The cost of materials ratio was positively influenced to a large extent by the extraordinary income of EUR 3.8 million from the write-up of discontinued items recognised in the cost of materials. Adjusted for this effect, the cost of materials as a percentage of sales was on a par with the previous year at 34.0%.

Personnel costs increased by EUR 4.6 million from EUR 38.6 million in 2022 to EUR 43.2 million in 2023. This is mainly due to the increase in the minimum wage and general salary increases. In the past financial year, Bijou Brigitte AG had an average of 882 employees (converted to full-time equivalents; previous year: 844).

Other operating expenses rose during the period by EUR 9.0 million to EUR 84.3 million (previous year: EUR 75.3 million). This development is primarily due to increased sales commissions to lessees. Furthermore, increased expenses from the addition to the restoration provision and higher expenses for social media activities led to the increase.

Income from equity investments totalled EUR 11.3 million in the reporting year (previous year: EUR 5.0 million) and relates to profit distributions from the subsidiaries in Hong Kong, Bulgaria and Spain.

Net interest income declined to EUR 0.1 million, compared to EUR 0.4 million the previous year, mainly due to higher interest expenses with related companies.

Ultimately, due to higher costs in almost all expense items and significantly lower other operating income, the EUR 22.9 million increase in sales translated into a EUR 3.9 million increase in operating earnings before taxes, which was positively influenced by the exceptional effect of the EUR 3.8 million write-up of discontinued items under German accounting rules in 2023. In the parent company financial statements, the increase in net income is mainly due to the higher income from investments.

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

Despite many economic uncertainties, persistent cost increases and, in some cases, strongly depressed consumer sentiment, sales increases were achieved in the most important segment, Germany, as well as in the Italy, France and Other Countries segments. The Bijou Brigitte Group generated sales of EUR 327.9 million in the 2023 financial year. This represents a year-on-year increase of 7.0%. Reported Group earnings before income taxes dropped from EUR 45.8 million* in the previous year to EUR 36.0 million, primarily due to cost increases in almost all expense items. The store network decreased to 897 locations (previous year: 902 stores).

Bijou Brigitte AG generated sales of EUR 226.2 million in the 2023 financial year. This represents year-on-year growth of 11.3%. The main driver of sales growth was the positive business development in the shops. The reported operating result before taxes rose from EUR 20.0 million in the previous year to EUR 23.9 million, mainly due to the extraordinary income of EUR 3.8 million from the write-up of discontinued items.

The Management Board considers the position in the 2023 financial year of both the Bijou Brigitte Group and of Bijou Brigitte AG to be stable and resilient. With a continued high equity ratio and excellent liquidity, the company is on a solid financial footing for the new financial year.

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*The previous year's figure has been adjusted in accordance with IAS 8. Further explanations can be found in the notes to the consolidated financial statements under B. Accounting policies; error corrections

Non-financial performance indicators

Changes to the store network

Bijou Brigitte opened 15 new stores across the Group in the year under review. 20 locations were closed. The closures mainly took place in Germany, Spain and Italy as well as in Egypt (franchise). A total of 69 stores were renovated in the year under review, while smaller optimisation measures were implemented in the shop design of a further 175 stores. Six stores improved their location by relocating. The Bijou Brigitte Group operated a network of 897 stores in Germany and abroad as of the reporting date of 31 December 2023 (31 December 2022: 902).

Within Bijou Brigitte AG, three new stores were opened in Germany and six stores were closed. This reduced the number of German locations from 417 in the previous year to 414. One new location was opened in the Netherlands in the reporting year, increasing the number of stores from 13 in the previous year to 14. As at 31 December 2023, the total number of Bijou Brigitte AG stores, including the 18 franchise stores in Saudi Arabia and four in Montenegro, was 450 (previous year: 453). In Germany, 33 locations were renovated and 43 stores optimised in the 2023 financial year. In the Netherlands, optimisations were carried out at four locations. The number of German concession operations rose to 406 in the past year (previous year: 396).

OPPORTUNITIES AND RISK REPORT

Opportunities and risk management

The early recognition of risks and opportunities, as well as the subsequent measures, is an important part of corporate governance at Bijou Brigitte. As part of the company's risk management system, appropriate principles and procedures have been set out in a directive, applicable throughout the Group, which is based on legal requirements and professional standards (such as those of the Institute of Public Auditors in Germany [IDW]). Risk management is an integral part of the centralised and decentralised planning, management and control processes. The risks and opportunities report in principle covers the entire statutory consolidation group of Bijou Brigitte AG.

Overall statement of the Management Board

In the 2023 financial year, the Bijou Brigitte Group continued to monitor the macroeconomic environment, developments in the retail sector, and its in-house processes in order to identify risks and opportunities early on. Structured systematic risk management processes have ensured the efficient management of overall risks in the Group. Developments that pose a threat to the company as a going concern can thus be recognised in good time and appropriate measures can be taken to ensure the company's continued existence. Risk management ensures that urgent risks are forwarded to the Management Board as appropriate at all times.

Due to the general geopolitical risks and uncertainties in particular, permanent risk monitoring is the focus of the entire company. The Bijou Brigitte Group is not directly affected by the effects of the ongoing Russian war of aggression, as Bijou Brigitte does not operate stores, franchise stores or concessions in Russia or Ukraine. However, the indirect effects, notably inflation risks, financial market movements and high purchase costs for energy and raw materials, may affect the Group's net assets, financial position and results and are therefore monitored continuously. The war in the Middle East between Israel and the terrorist organisation Hamas also has no direct impact on the Bijou Brigitte Group, as Bijou Brigitte has no business activities in this region either.

The Management Board continuously analysed and monitored the risk-bearing capacity of the Bijou Brigitte Group in the 2023 financial year, taking into account earnings and liquidity developments. After assessing all current risks and interdependencies, there were no risks jeopardising the Bijou Brigitte Group's net assets, financial position and results of operations in the year under review.

Risk definition

Risks are events and developments that have a certain degree of probability of occurring and that have a major negative financial impact on the achievement of targets and the fulfilment of the company's mission.

However, it should be noted that this definition should not be equated with risk avoidance. Rather, it is a matter of managing opportunities and risks in an effective and efficient way. Essential risks to the company's business activities or continued existence should be identified, evaluated and contained or reduced. Opportunities should also be utilised in the best possible way. The aim is to apply risk management systematically in order to minimise the potential threat posed by unknown and/or insufficiently managed risks. When identifying opportunities and risks, social and ecological factors that affect Bijou Brigitte's business activities must be taken into account in addition to economic aspects.

Risk strategy

The aim of the Bijou Brigitte Group's risk strategy is to safeguard the continued existence of the company and, furthermore, to increase the company's value on a sustainable basis. Opportunities should be used in an optimal way and company risks should be proactively managed. Risks to the continued existence of the company must be avoided.

Risk management process

Bijou Brigitte has defined the following standardised risk management sub-processes: identifying and reporting risks at an early stage, assessing risks in the same way, managing risks and developing measures, monitoring risks and implementing the measures.

The known risks from the previous year and newly identified risks for the current year are reviewed by the respective risk owners twice every year, adjusted where necessary, and the subsequent risk potentials reassessed. Risks are monitored over a period of twelve months.

Dealing with ad hoc risks

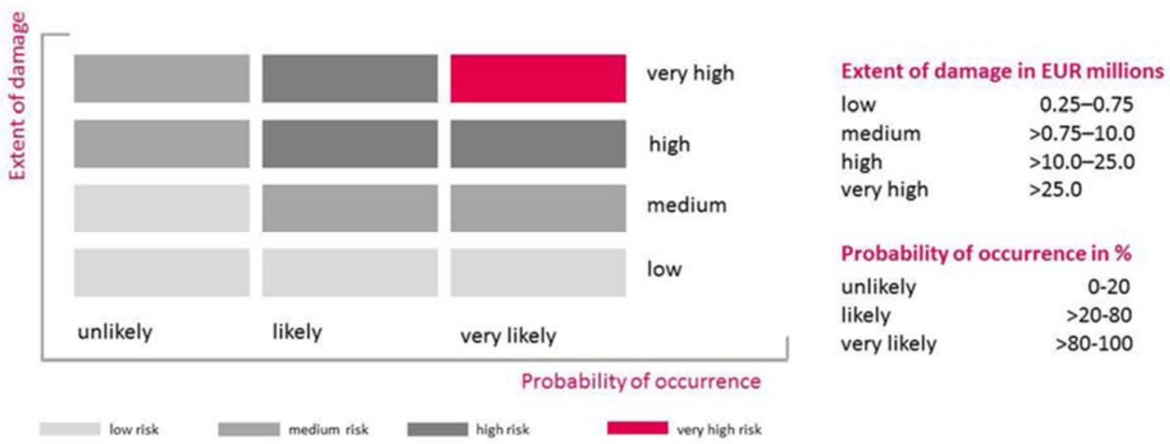
If new risks arise in the short term due to changes in general social, political, market or industry conditions or in the business itself, the relevant risk owner has a duty to inform the risk manager and the Management Board immediately. In this case, the new risk is assessed accordingly. Furthermore, appropriate measures must be taken to avert or minimise the new risk.

Roles and responsibilities

The Management Board defines the corporate strategy and objectives as a foundation on which the risk management system is set. The binding system requirements are therefore formulated top-down and apply to all operating units. The actual responsibility for recording and managing risks along the value chain starts bottom-up with the responsible specialists in the operating units. In the course of internal risk training, employees tasked with risk management were informed about the set-up and workflows in place, as well as how to implement processes.

Risk assessment

Accounting for the countermeasures taken, the identified risks are subject to a standardised assessment in terms of their probability of occurrence and scale of potential damage, and classified as low, medium, high or very high.



Potential risk interdependencies are also noted. In addition, risk owners use the risk survey to assess whether the risks that exist within their sphere of responsibility have cross-departmental impacts. Any such risk interdependencies that exist are also assessed. The departments/risk owners involved will then introduce appropriate joint measures to control the risk.

Risk aggregation and risk-bearing capacity

If multiple risks posing a very high total risk were to occur at the same time and over an extended period, this could jeopardise Bijou Brigitte's ability to continue as a going concern. In the risk-bearing capacity calculation, the material risks are summarised into an overall risk position (risk aggregation) and compared with the risk coverage potential. Adequate risk-bearing capacity is deemed to exist if the risk coverage potential is sufficient to cover all material risks on an ongoing basis. Risk coverage potential is defined as the maximum amount of capital available to address risks. At Bijou Brigitte, it is made up of shareholders' equity and/or cash and cash equivalents.

Risk management

The aim of risk management is to develop individual countermeasures to reduce the likelihood of a risk occurring and/or to limit the maximum amount of potential damage. A general distinction is drawn between four forms of management: prevention, acceptance, mitigation and transfer. No transactions are performed that violate the Group's code of conduct or company guidelines. Furthermore, the conclusion of insurance policies can serve to compensate for financial risks.

Risk reporting

Risk reporting ensures that the findings of risk control are communicated in a timely, understandable and meaningful way. Risk causes and their countermeasures are presented in tables. A risk matrix is then created to allow swift identification of material risks. The risks are also ranked in order of priority. A risk report is prepared at least twice a year and sent to the Management Board and Supervisory Board. In the event of an exceptional risk situation, the Management Board and Supervisory Board are informed immediately.

Risk reporting covers both accountability functions (proof of compliant behaviour) as well as safeguarding functions (measures to prevent errors) and auditability functions (basis for the Supervisory Board's review, internal audit).

Accounting-related internal control system

An accounting-related internal control system has been set up to ensure the correctness of bookkeeping and accounting and the reliability of financial reporting in the consolidated financial statements. As an integral part of the Group accounting process, it comprises security and monitoring measures for preventative, supervisory and detection purposes in accounting and operating functions. Such measures include the separation of functions, the double-check principle, approval processes, IT checks, access restrictions in the IT system and system-supported methods to process Group accounting-related data. Process instructions, standardised reporting formats and IT-based reporting and consolidation processes serve as support for Group accounting and the accounting-related reporting for the subsidiaries included in the consolidated financial statements. Standard Group-wide accounting and valuation methods are ensured by comprehensive Group accounting requirements. Protection systems defend digital data from unauthorised access.

Independent monitoring[14]

Internal audit forms part of the internal control system. Key components of the internal control system comprise, in addition to compliance with statutory and in-house regulations, a clear definition of responsibilities, use of an effective IT control system and comprehensive application of the principle of dual control, which form the basis for a reliable and compliant accounting process. Internal audit regularly assesses RMS processes as part of its monitoring function. Monitoring the appropriateness and effectiveness of the RMS is a responsibility of the Supervisory Board, which is fulfilled by the audit committee of the Supervisory Board. The Group's external auditor also forms an assessment of the adequacy of the measures put in place for the early identification of risks to Group's ability to continue as a going concern in the context of its audit of the consolidated financial statements. After a thorough review and assessment of the current risk position and the measures taken to minimise and/or prevent risks, the Supervisory Board confirmed the appropriateness and effectiveness of the RMS in the Bijou Brigitte Group.

[14] This information is not part of the management report in accordance with Section A.5 of the German Corporate Governance Code. It goes beyond the statutory requirements for the management report and is therefore excluded from the audit of the management report by the auditor.

Explanation and assessment of significant opportunities and risks

The risk and opportunity profile is largely unchanged compared to the previous year, although pandemic-related risks in particular have been reduced from 'high' to 'medium' and energy procurement risks from 'medium' to 'not material'. The risks and opportunities that were assessed as at least 'medium' in the internal risk reporting in terms of the risk assessment presented are presented below.

Economy

The general economic conditions have an influence on the business activities and thus on the net assets, financial position and results of operations of the Bijou Brigitte Group. Unpredictable disturbances within the global economic interdependencies can lead to effects that are difficult to assess. Economic risks potentially lead to a reduction of purchasing power in the affected countries and regions and can thus cause a decline in demand for offered products. Economic risks could be associated with a high impact on results over the one-year observation period due to the associated fluctuations in sales.

Market conditions in Europe have changed significantly since the start of the Russia-Ukraine war; the energy and commodity markets have been particularly affected. Inflation is still at a high level, although price increases have fallen over the course of the year. The purchasing power of private households rose across Europe in the reporting year, although this increase was not sufficient to offset inflation-related price increases. Long-term changes, for example in consumer preferences and market conditions, are still subject to a high degree of uncertainty. Europe-wide action plans and strategies need to be developed in a global context to effectively address the challenges.

The Bijou Brigitte Group continuously monitors the macroeconomic, political and regulatory situation in all major markets in order to identify potential problem areas at an early stage and quickly adjust business activities accordingly. Possible adjustments include shifting investments to other, more attractive markets, consolidating the entire store network, especially closing unprofitable stores, and permanently implementing cost-saving measures. Overall, Bijou Brigitte continues to classify the economic and macroeconomic risks as high.

Opportunities arise for Bijou Brigitte in such a phase of economic weakness through the value for money of the items it offers, as a change in purchasing behaviour from high-priced to low-priced products could have a positive effect on Bijou Brigitte's sales.

Market and industry

In addition to economic and sector-specific political conditions, increasing competition, in particular a change in consumer preferences and a change in brand perception can also harbour risks. A change in customer behaviour with regard to consumption habits, for example, is leading to a shift from bricks-and-mortar to online retailing. This is contributing to the already partial desolation of city centres and is accompanied by a decline in the number of visitors to shopping centres and high streets, which is in turn reflected in footfall in the stores. Possible changes in the legal framework can also have a negative impact on the development of sales. The in-store fashion market has been under pressure for years, and current political crises have further exacerbated the situation. At the same time, sustainability is becoming an increasingly important topic, particularly among the younger demographic.

Bijou Brigitte permanently analyses the market situation as well as the sales development and customer frequencies in all of the Group's key markets. New offers and services are continuously developed in order to offer customers an attractive shopping experience and thus to increase customer frequency and customer loyalty over the long term. Currently, we are only seeing a slight change in customers' purchasing behaviour. Changes in customer behaviour or other consumer preferences therefore have no material impact on results. Nevertheless, the risk continued to be classified as high in the 2023 financial year.

Bijou Brigitte continues to work on the consistent expansion of its online retail business and its activities on social media channels. The further integration of bricks-and-mortar and online retail into an omnichannel strategy offers Bijou Brigitte opportunities to further increase brand awareness and sales.

Procurement

Bijou Brigitte sources the majority of its goods from the Far East. This gives rise to potential purchasing risks, which may stem, for example, from rising raw material, material and freight costs, disruptions in the supply chain and quality problems. The company counteracts these risks within the framework of its risk management. The broad-based network of suppliers means potential risks associated with dependency on individual suppliers or their failure to deliver are minimised. Selling prices are also adjusted – as far as possible – to reflect current market conditions. Events such as changes in the law and social upheaval in the countries from which we source our products may result in higher procurement costs and delivery delays. This risk is again classified as high in the 2023 financial year.

Failure to meet quality requirements or agreed delivery times, changes in procurement conditions in the supplier country due to wars or sanctions, or the potential loss of a supplier due to sudden business closure, force majeure or epidemics may all have a negative impact on Bijou Brigitte. Given the geographical spread of our supplier network, the probability of a complete collapse of supplies due to natural disasters or similar reasons is very low. Procurement risk is classified as medium in the current financial year.

Growing pressure from competitors and changes to the legal framework are additional risks that are classified as medium for the 2023 financial year. This may present Bijou Brigitte with opportunities, as competitors could withdraw from the market and permit Bijou Brigitte to further consolidate its market position.

Human resources

The demands on a successful HR management system are increasing due to the digital transition, demographic and social change and the rising demand for specialists and managers. Changes in the law along with recent court rulings mean that there is a need to regularly overhaul existing regulations on labour law.

Attracting, developing and retaining talent poses major challenges for companies, especially due to demographic change. This is countered with various personnel marketing measures. Furthermore, internal employees are increasingly being trained to fill vacancies that have arisen in other departments. In this way, the workforce can be optimised. The existing applicant management system is being continuously developed to facilitate the administrative processes in recruiting. The selection process will also be further improved to ensure that each vacancy is filled by the right employees with the right skills. Increasing use is also being made of digital recruitment options.

To retain qualified staff, the remuneration system is regularly adapted to the respective target groups and market conditions, and flexible working time models offered as far as possible. Vocational training is being continued both at the head office and in the stores. The staff shortage risk continues to be assessed as medium in the 2023 financial year.

Opportunities could arise through, e.g., stepping up HR marketing measures, so as to position Bijou Brigitte as an attractive employer and thus find suitable applicants.

Sustainability

If violations of legal or regulatory requirements lead to the closure of factories in the countries where our products are manufactured, this could result in longer lead times due to production stoppages or to revenue losses due to a complete loss of supplies. By the same token, changes in legislation on sustainable energy use in the producing countries may lead to higher procurement costs. Our Supplier Code of Conduct, which is binding on all suppliers, forms the basis for compliance with minimum labour standards, human rights and the protection of nature and the environment. Bijou Brigitte mitigates these risks by conducting regular on-site quality audits and consistently following up on violations of human rights. A balanced supplier portfolio and the expansion of the supplier network to other countries also contribute to risk reduction. This risk group is classified as “medium” for 2023.

By continuously raising staff awareness of sustainability and consistently implementing all necessary statutory measures and requirements, the Bijou Brigitte Group will be able to continue making its contribution to protecting the environment. This could also be a positive sign for customers, shareholders and employees to be conscious of their responsibility for future generations and actively contribute to achieving European sustainability targets. Not least, sustainable business development could also represent a competitive advantage in the market.

Pandemic

The potential risks posed by governmental measures to contain infection rates during a pandemic can have huge effects on the entire Bijou Brigitte Group. In particular, possible store closures during lockdowns and far-reaching access restrictions in the locations can lead to a massive slump in sales while costs continue to be incurred.

Bijou Brigitte constantly monitors current geopolitical and economic developments in European countries and, if necessary, takes early action to minimise the risk of another pandemic as far as possible. This includes the consolidation of the entire store network, especially the closure of unprofitable stores, the securing of liquidity and the permanent implementation of cost-saving measures. E-commerce is being expanding on a continuous basis. In the event of another pandemic, all necessary protective measures will be taken to minimise the risk of infection for employees and customers. To this end, Bijou Brigitte regularly adapts its safety concept to reflect the applicable regulations and conditions. The risk will be downgraded from ‘high’ to ‘medium’ in the 2023 financial year.

Currency

A large proportion of merchandise is purchased in US dollars. If the US dollar appreciates (against the EUR), purchasing costs rise accordingly. Short-term exchange rate fluctuations are evened out because the inventory acts as a sort of buffer. Longer-term exchange rate fluctuations are not protected through hedging transactions. The risk of a subsequent narrowing of the gross margin can sometimes be reduced by changing the selling price. The foreign exchange market is continuously monitored and the information obtained is passed on to the commodity planning department. Overall, the risk remained classified as medium in the 2023 financial year.

Conversely, a falling US dollar exchange rate could give rise to opportunities, as lower costs of supply could enable higher profit margins to be achieved.

Materials management

Rising inventory differences from shoplifting are mainly due to an increase in gang crime. Bijou Brigitte continuously monitors inventory differences in the stores. Furthermore, anti-theft devices in certain product areas and appropriate product presentation help to reduce theft. Overall, this risk will be upgraded from 'low' to 'medium' in the 2023 financial year.

Information technology

Unauthorised intrusion into IT systems, malware, viruses and worms, as well as hardware and software manipulation, can lead to a loss of productivity and additional costs. Bijou Brigitte has a comprehensive IT security concept for permanent monitoring (BSI, DCSO) as well as for overseeing the control systems. Virus scanners, a firewall and a comprehensive access and authorisation concept are effective measures to combat cybercrime. This risk is assessed as 'medium' in the 2023 financial year.

SEPARATE NON-FINANCIAL REPORT

The current sustainability report enables Bijou Brigitte to comply with the CSR reporting requirements pursuant to Sections 289b et seq. and 315b et seq. of the German Commercial Code (HGB). The separate non-financial report for the 2023 financial year has been reviewed by the audit committee/Supervisory Board of Bijou Brigitte AG and is permanently available for consultation by the public on the website www.group.bijou-brigitte.com under the heading "Investor Relations/Sustainability".

Sustainability-related opportunities and risks, especially climate-related risks, are, insofar as they exist and are material to the operations of Bijou Brigitte, set out in the "Opportunity and Risk Report" section of this management report.

OTHER INFORMATION

Declaration pursuant to Sections 289f and 315d of the German Commercial Code (HGB)

The declaration on corporate governance, the remuneration report and the remuneration system and the other disclosures required pursuant to Sections 289f/315d of the HGB are permanently available for consultation by the public on the website www.group.bijou-brigitte.com under the heading "Investor Relations/Corporate Governance". The declaration contains disclosures relating to corporate governance practices, organisation and working procedures, the diversity plan and the remuneration of the Management and Supervisory Boards, as well as the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG).

Disclosures relating to takeovers pursuant to Section 315 (4) of the German Commercial Code (HGB)

Bijou Brigitte AG has subscribed capital (share capital) of EUR 8.1 million. The amount of share capital did not change in the 2023 financial year. It is divided into 8,100,000 bearer shares with no par value. Each common share conveys the same rights and constitutes one vote at the Annual General Meeting.

Friedrich-W. Werner, the company founder and former Chairman of the Management Board, holds 50.4% and thus the majority of the subscribed capital.

Insofar as employees of Bijou Brigitte AG have invested in the company as shareholders, there are, to the company's knowledge, no special characteristics as regards the option of exercising voting rights.

As per Section 6(2) of the company's articles of association, the Supervisory Board decides on the number of Management Board members and their appointment or the revocation of such appointment. Furthermore, the statutory provisions set out under Section 84 AktG on the appointment and dismissal of Management Board members shall apply.

Amendments to the articles of association are governed by Sections 133 and 179 AktG and thus require an appropriate resolution by the Annual General Meeting. In addition, Article 19 of the company's articles of association states that the Supervisory Board is only permitted to amend the articles of association with the consent of the Management Board where such amendments only relate to the wording. In this respect, no resolution is required from the Annual General Meeting.

Pursuant to the resolution of the Annual General Meeting on 17 June 2021, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the company by up to EUR 4 million, in one or more stages, by issuing up to 4,000,000 new no-par value bearer shares in return for cash and/or contributions in kind in the period until 16 July 2026 (authorised capital).

For disclosures in relation to treasury shares, please refer to the notes to the consolidated financial statements.

FORECAST REPORT

OF THE GROUP AND BIJOU BRIGITTE AG

Expected trend in general economic conditions

The global economic outlook for 2024 remains subdued. The global tightening of monetary policy continues to curb investment activity. Global consumer price inflation is expected to fall to 3.8%. It is expected that real wages will continue to recover only slowly, such that there will only be a moderate increase in private consumer spending. After global trade shrank last year, the German Council of Economic Experts expects global trade in goods to increase by 1.5% in 2024. Global GDP is likely to grow by 2.2%.[15] Slightly stronger growth is expected in Europe due to rising real wages. As a result, real purchasing power should also recover and private consumption should pick up again. Overall economic growth in the eurozone is expected to amount to 1.1% in the current year. Due to the continued high number of vacancies, the labour market is expected to remain stretched. Inflation is expected to weaken further and consumer prices in the eurozone are expected to rise at a rate of 2.9%.[16]

The German economy is expected to grow by just 0.2% in 2024 with an inflation rate of 2.3%.[17] This means that economic development is only likely to gain momentum at a modest pace. Improved real income growth is expected to stabilise private consumption, not least due to further increases in earned income and higher social benefits, meaning that private consumer spending could rise by 1.1%. Due to ongoing demographic change, it can be assumed that the shortage of labour will worsen and the labour market will lose momentum. However, a major reduction in employment is not to be expected.[18]

The growth momentum of the Spanish economy is likely to slow down slightly in the current year. Nevertheless, with an expected increase of 1.7% in real gross domestic product (GDP), Spain is in a good position compared to the rest of Europe. The European Commission assesses the investment trend as particularly positive. Inflation is expected to fall slightly and private

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[15] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023
[16] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023
[17] ifo Institut: ifo Economic forecast Spring 2024, 6 March 2024
[18] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023

consumption should rise.[19] According to the EU Commission, Portugal's real economic output is set to rise by 1.3% this year. The powerful upswing following the coronavirus crisis is thus likely to come to an end. The increase in economic output is primarily due to very robust capital investment.[20] Exports are likely to be the strongest growth driver in Italy in 2024, while real domestic demand will only increase moderately due to inflation, meaning that the Italian economy will grow by 0.9% on a price-adjusted basis. Consumer demand is likely to develop better than capital investment, which is expected to stagnate in 2024.[21] Economic output in France is forecast to grow only slightly by 0.9% in real terms, although the upward pressure on prices is likely to be slowly contained and inflation should fall significantly in 2024. Furthermore, a more stable energy price trend is expected, meaning that consumer confidence and thus private consumption should increase.[22]

The German Retail Association (HDE) expects the retail sector to grow by 3.5% in nominal terms in 2024. This corresponds to a real increase of 1.0%. Sales in bricks-and-mortar retail are expected to rise by 3.6% in nominal terms this year. Online retail is expected to achieve growth of 3.0% and has been ruled out as a growth driver.[23] The forecast is therefore only cautiously optimistic. The main reason for this is the continuing high level of uncertainty among both consumers and companies. Risks such as supply chain problems, labour shortages and a low propensity to invest could have a negative impact on the industry's growth. On the other hand, rising real incomes and lower inflation could boost consumer sentiment and thus private consumption and contribute to sales growth.[24] The increase in vacancies in city centres remains one of the biggest challenges in the current year. The HDE expects a further 5,000 locations to close by the end of 2024.[25]

In view of the uncertainties surrounding the development of the global economy and private spending behaviour as well as the uncertain effect of monetary policy, the forecast is subject to considerable downside risks. A worsening of the global political situation, a lack of recovery in the

[19] GTAI: Economic Outlook Spain, 3 January 2024
[20] GTAI: Economic Outlook Portugal, 19 December 2023
[21] GTAI: Economic Outlook Italy, 7 December 2023
[22] GTAI: Economic Outlook France, 1 December 2023
[23] HDE: Annual press conference, 31 January 2024
[24] German Trade Association (HDE): Info Economy – Situation and outlook in the retail sector, January 2024
[25] HDE: HDE Forecast, 7 February 2024

Chinese economy or a renewed rise in energy prices are just as much risk factors as a stronger slowdown in demand and a decline in consumer sentiment. These risk factors could once again slow economic growth in the current year.[26]

Outlook for the Bijou Brigitte Group and Bijou Brigitte AG

The macroeconomic and sectoral conditions outlined above could impact the future net assets, financial position and results of the Bijou Brigitte Group and Bijou Brigitte AG. Bijou Brigitte's operating forecast for the current financial year remains subject to considerable uncertainties.

Based on the assumption that there will be no further major economic or political upheavals over the course of the year, that the general rise in prices will continue to slacken off and that there will be no downturn in consumer confidence, the Bijou Brigitte Group could achieve revenue between EUR 330.0 million and EUR 350.0 million in the 2024 financial year (2023 financial year: EUR 327.9 million). Group earnings before taxes could be between EUR 32.0 million and EUR 42.0 million (2023 financial year: EUR 36.0 million). For inventories, an amount of between EUR 75.0 million and EUR 85.0 million is forecast for the reporting date of 31 December 2024 (31 December 2023: EUR 80.4 million). Assuming that current and non-current liabilities are above the previous year's level and that no further treasury shares are repurchased, the Group expects an equity ratio of between 58.0% and 62.0% (2023: 58.8%) for 2024. Capital expenditure in the 2024 financial year could be between EUR 12.0 million and EUR 18.0 million (2023: EUR 13.1 million). The company expects the number of stores in the Bijou Brigitte Group at the close of 2024 to be higher than in the previous year (31 December 2023: 897 stores).

For Bijou Brigitte AG, revenue of EUR 228.0-238.0 million is expected for the 2024 financial year (2023 financial year: EUR 226.2 million). Operating profit before taxes for 2024 could be between EUR 17.0 million and EUR 25.0 million (2023 financial year: EUR 23.9 million).

Capital expenditure for Bijou Brigitte AG is forecast at EUR 4.0-6.0 million for the 2024 financial year (2023: EUR 6.6 million). Inventories as of 31 December 2024 could be between

[26] German Council of Economic Experts: Annual Expert Report 2023/24, December 2023

EUR 52.0 million and EUR 56.0 million (2023: EUR 54.2 million). The company expects the number of German and Dutch Bijou Brigitte stores to be slightly higher at the close of 2024 than at the end of the previous year (31 December 2023: 428 stores).

Overall, the focus in the 2024 financial year is on continuing the positive sales momentum of the past year and containing the expected cost increases as far as possible. Bijou Brigitte will continue to expand its omnichannel activities to increase the visibility and perception of the Bijou Brigitte brand in an even more effective way.

Hamburg, 24 April 2024

Bijou Brigitte modische Accessoires Aktiengesellschaft

The Management Board

Roland Werner
Chairman

Marc Gabriel
Member of the
Management Board

Jürgen Gödecke
Member of the
Management Board

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Consolidated balance sheet as of 31 December 2023

ASSETS

	Notes	31.12.2023 EUR	31.12.2022 EUR	
ASSETS				
Non-current assets				
Intangible assets	(1)	2.836.740,69	3.346.280,35	
Property, plant and equipment	(2)	35.315.268,10	31.539.811,79	
Right-of-use assets	(3)	120.486.420,41	106.892.525,99	
Non-current financial assets	(4)	1.994.523,86	1.808.506,43	
Deferred taxes	(5)	3.770.396,95	5.757.931,75	
		164.403.350,01	149.345.056,31	
Current assets				
Inventories	(6)	80.389.530,89	78.938.558,47	*
Trade receivables	(7)	1.603.345,34	1.691.738,76	
Tax receivables	(8)	752.014,89	304.985,10	
Other financial assets	(9)	90.146.024,42	74.851.285,93	
Other current receivables	(10)	777.567,28	772.048,70	
Cash and cash equivalents	(11)	69.354.997,39	101.502.236,80	
		243.023.480,21	258.060.853,76	
		407.426.830,22	407.405.910,07	*

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments in the notes to the consolidated financial statements under "B. Accounting policies; Error corrections".

LIABILITIES

	Notes	31.12.2023 EUR	31.12.2022 EUR	
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity	(12)			
Subscribed capital		8.100.000,00	8.100.000,00	
Capital reserve		3.579.043,17	3.579.043,17	
Retained earnings		41.788.109,96	41.788.109,96	*
Treasury shares		-23.836.380,56	-23.836.380,56	
Foreign currency translation reserve		148.023,49	-286.397,84	
Group equity generated		209.868.080,23	224.286.356,17	*
		239.646.876,29	253.630.730,90	
Non-current liabilities				
Non-current provisions	(14)	4.860.725,65	3.808.651,24	
Lease liabilities	(15)	89.976.308,74	76.077.786,52	
Deferred taxes	(13)	1.411.798,75	1.707.548,11	
		96.248.833,14	81.593.985,87	
Current liabilities				
Current provisions	(14)	2.270.222,80	1.605.888,60	
Tax liabilities	(16)	2.679.667,16	5.876.819,60	*
Trade payables	(17)	10.158.338,37	8.308.130,75	
Lease liabilities	(15)	34.965.409,91	36.185.007,09	
Other financial liabilities	(17)	9.234.110,95	8.348.834,56	
Other current liabilities	(17)	12.223.371,60	11.856.512,70	
		71.531.120,79	72.181.193,30	*
		407.426.830,22	407.405.910,07	*

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Consolidated income statement
for the financial year 1 January to 31 December 2023

	Notes	2023 EUR	2022 EUR	
Revenue	(18)	327.883.316,73	306.463.197,95	
Other own work capitalised	(19)	690.626,50	646.373,53	
Other operating income	(20)	4.084.937,41	6.673.282,66	
Cost of materials	(21)	-72.505.919,87	-63.742.997,02	*
Personnel costs	(22)	-88.523.972,41	-79.745.838,17	
Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets	(23)	-49.409.579,20	-48.137.847,48	
Other operating expenses	(24)	-82.333.853,64	-72.451.969,25	
Operating profit		39.885.555,52	49.704.202,22	*
Interest and similar expenses	(25)	-6.395.809,85	-4.553.627,29	
Interest income	(25)	2.521.489,11	619.102,40	
Financial result	(25)	-3.874.320,74	-3.934.524,89	
Earnings before taxes (EBIT)		36.011.234,78	45.769.677,33	*
Income taxes	(26)	-11.935.970,72	-10.881.370,66	*
Net profit after taxes (Group earnings)		24.075.264,06	34.888.306,67	*
Profit attributable to shareholders of the parent company		24.075.264,06	34.888.306,67	*
Earnings per share	(27)			
Basic		3,13	4,53	*
Diluted		3,13	4,53	*

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments in the notes to the consolidated financial statements under "B. Accounting policies; Error corrections".

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Consolidated statement of comprehensive income
for the financial year 1 January to 31 December 2023

	Notes	2023 EUR	2022 EUR	
Group earnings		**24.075.264,06**	**34.888.306,67**	*
Amounts that may subsequently be reclassified to the income statement				
Currency translation differences	(12)	434.421,33	536.020,30	
Other income		**434.421,33**	**536.020,30**	
Comprehensive income		**24.509.685,39**	**35.424.326,97**	*
Comprehensive income attributable to:				
shareholders of the parent company		24.509.685,39	35.424.326,97	*

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments in the notes to the consolidated financial statements under "B. Accounting policies; Error corrections".

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Consolidated Cash Flow Statement for 2022 and 2023

	2023 EUR	2022 EUR	
1. Cash flow from operating activities			
Net profit after taxes	24.075.264,06	34.888.306,67	*
Income tax expense (+) / proceeds (-)	11.935.970,72	10.881.370,66	*
Impairment and depreciation of non-current assets (+)	11.040.017,51	9.260.423,51	
Impairment and depreciation of right-of-use assets (+)	38.369.561,69	38.877.423,97	
Financial result	3.874.320,74	3.934.524,89	
Other non-cash expenses and income	547.392,04	-616.576,69	
Income taxes paid (-) / income taxes received (+)	-13.888.367,51	-10.487.317,14	
Cash inflows from interest (+)	2.454.645,73	606.041,21	
Cash outflows from interest (-)	-6.029.274,39	-4.182.698,63	
Earnings from the disposal of non-current assets	139.904,12	262.153,02	
Change in provisions	3.820,52	-796.028,81	
Change in inventories, trade receivables and other assets	-2.156.356,58	-11.095.693,10	*
Change in trade payables and other liabilities	3.102.342,91	6.062.204,24	
Cash flow from operating activities	73.469.241,56	77.594.133,80	
2. Cash flow from investing activities			
Proceeds from the disposal of intangible assets and property, plant and equipment	154.189,94	79.002,90	
Cash outflows (-) for investments in property, plant and equipment	-12.036.254,89	-5.922.700,98	
Cash outflows (-) for investments in intangible assets	-1.091.534,30	-1.020.768,77	
Cash inflows (+)/outflows (-) for financial investments as part of short-term financial planning	-14.640.426,49	-39.923.535,73	
Cash flow from investing activities	-27.614.025,74	-46.788.002,58	
3. Cash flow from financing activities			
Cash outflows (-) for payment of dividends by Bijou Brigitte AG	-38.493.540,00	0,00	
Repayment portion of lease payments (-)	-39.040.006,41	-39.551.226,31	
Cash outflows (-) for interest	-104.314,81	-192.094,54	
Cash flow from financing activities	-77.637.861,22	-39.743.320,85	
4. Cash and cash equivalents at the end of the period			
Changes in cash and cash equivalents (subtotal of 1–3)	-31.782.645,40	-8.937.189,63	
Changes due to exchange rates	-364.594,01	1.007.439,55	
Cash and cash equivalents at the start of the period	101.502.236,80	109.431.986,88	
Cash and cash equivalents at the end of the period	69.354.997,39	101.502.236,80	
5. Composition of cash and cash equivalents			
Cash and cash equivalents	69.354.997,39	101.502.236,80	

* The previous year’s figures have been adjusted in accordance with IAS 8. We refer to our comments in the notes to the consolidated financial statements under “B. Accounting policies; Error corrections”.

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Consolidated Statement of Changes in Equity for 2022 and 2023

	Subscribed capital EUR	Capital reserve EUR	Retained earnings EUR	Treasury shares EUR	Foreign currency translation reserve EUR	Group equity generated EUR	Total EUR
As of 1.1.2022	8.100.000,00	3.579.043,17	41.788.109,96 *	-23.836.380,56	-822.418,14	189.398.049,50	218.206.403,93 *
Group earnings	0,00	0,00	0,00	0,00	0,00	34.888.306,67 *	34.888.306,67 *
Other income	0,00	0,00	0,00	0,00	536.020,30	0,00	536.020,30
Total earnings	0,00	0,00	0,00	0,00	536.020,30	34.888.306,67 *	35.424.326,97 *
As of 31.12.2022	8.100.000,00	3.579.043,17	41.788.109,96 *	-23.836.380,56	-286.397,84	224.286.356,17 *	253.630.730,90 *
As of 1.1.2023	8.100.000,00	3.579.043,17	41.788.109,96 *	-23.836.380,56	-286.397,84	224.286.356,17 *	253.630.730,90 *
Group earnings	0,00	0,00	0,00	0,00	0,00	24.075.264,06	24.075.264,06
Other income	0,00	0,00	0,00	0,00	434.421,33	0,00	434.421,33
Total earnings	0,00	0,00	0,00	0,00	434.421,33	24.075.264,06	24.509.685,39
Dividends	0,00	0,00	0,00	0,00	0,00	-38.493.540,00	-38.493.540,00
As of 31.12.2023	8.100.000,00	3.579.043,17	41.788.109,96	-23.836.380,56	148.023,49	209.868.080,23	239.646.876,29

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments in the notes to the consolidated financial statements under "B. Accounting policies; Error corrections".

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Notes to the consolidated financial statements for 2023

A. Purpose of business

Bijou Brigitte modische Accessoires Aktiengesellschaft with registered offices in 22399 Hamburg (Germany), Poppenbütteler Bogen 1, (Bijou Brigitte AG), is recorded in the commercial register of the Hamburg District Court under the number HRB 38204. The current version of the articles of association is dated 20 June 2023. The financial year is the calendar year. The purpose of the company is the manufacture, import and sale of fashion jewellery, gold and silver jewellery, fashion accessories and complementary articles.

B. Accounting principles

Principles

The company's consolidated financial statements as of 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (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 Interpretation Committee (IFRIC) and the Standard Interpretations Committee (SIC). During this process, all standards and interpretations to be applied to the 2023 financial year have been considered to the extent that they are relevant for these consolidated financial statements. The comparative figures for the 2022 financial year were determined according to the same principles.

Bijou Brigitte AG applies Section 315e of the German Commercial Code (HGB) and prepares and publishes the consolidated financial statements according to the International Financial Reporting Standards. Furthermore, all additional disclosures and explanations required by German commercial law are published even if they are not mandatory under IFRS.

The consolidated financial statements are prepared in euros (EUR). All amounts are rounded to two decimal places and therefore rounding differences of one cent may occur in the additions.

The consolidated balance sheet has been divided into non-current and current items in accordance with IAS 1.51 ff. The consolidated income statement has been prepared using the total cost method. The composition of individual items in the consolidated balance sheet and consolidated income statement is explained in points C and D of the Notes.

The consolidated financial statements were prepared by the Management Board on 16 April 2024 and submitted to the Supervisory Board for approval at its meeting on 24 April 2024. It was therefore possible for the Supervisory Board to make changes to the consolidated financial statements up until this date.

Accounting policies

The first-time application of the following new and amended IASB standards and interpretations for the 2023 financial year has no material impact on the presentation of the Group's net assets, financial position and results of operations. This includes:

- Amendments to IAS 1 and the IFRS Practice Statement 2: Disclosure of accounting policies
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 12: Deferred taxes related to assets and liabilities arising from a single transaction
- Amendments to IAS 12: International tax reform - Pillar 2 model rules
- Amendments to IAS 4: Extension of the temporary exemption from the application of IFRS 9
- IFRS 17 Insurance Contracts
- Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 - comparative information

The following new standards and interpretations, and amendments to existing IASB standards and interpretations, which have been partially adopted by the EU and are applicable to financial years beginning after 1 January 2024, were not applied early in the preparation of these consolidated financial statements. Having reviewed the potential impact, the company does not expect any material adjustments to the consolidated financial statements from the first-time application of these new or amended standards.

- Amendments to IAS 1: Classification of liabilities as current or non-current
- Amendments to IAS 1: Non-current liabilities with covenants
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangements
- Amendments to IAS 21: Lack of exchangeability
- Amendments to IFRS 16: Lease liability in a sale and leaseback

Judgement and estimates

The preparation of the consolidated financial statements using the Group accounting guidelines requires management to assess facts, estimates and assumptions that may have an effect on the value of assets, liabilities and financial obligations as of the balance sheet date as well as on income and expenses in the financial year. Although these estimates and assumptions have been made with the greatest of diligence on the basis of past experience and all available information, the actual results may vary.

Assumptions underpinning the estimates are subject to regular evaluation. Changes to estimates are made appropriate to the period.

Property, plant and equipment and intangible assets:
When measuring property, plant and equipment and intangible assets, the expected useful life of the asset needs to be estimated. The determination of the fair values of assets and the useful lives of assets is based on experience and management judgement.

The Group assesses the estimated useful lives of property, plant and equipment on every balance sheet date. There was no cause for the management to make changes to the useful lives of any assets in the year under review.

When determining the impairment of property, plant and equipment and intangible assets, estimates are also made that relate, among other things, to the cause, timing and amount of the impairment (details on the accounting and valuation policies can be found below, while the carrying amounts are shown under C. Notes 1 and 2).

Inventories:

Inventories are measured by estimating whether the carrying amounts exceed the net realisable values. These future net realisable values are estimated by assessing the future demand and price development, as well as the available inventory quantities.

Income taxes:

Income taxes are to be estimated for each tax jurisdiction in which the Group does business. In the process, the expected actual income tax for each taxable entity is to be calculated. Management must use its own judgement when calculating actual and deferred taxes. Deferred tax assets are recognised to the extent that it is probable that they can be utilised (details of the accounting policies can be found below, while the carrying amounts are shown under C. Notes 5, 13 and 26).

Provisions:

The recognition and measurement of provisions in connection with pending legal disputes or other outstanding claims and restoration obligations are linked to estimates made by management. The carrying amounts recognised in the balance sheet result from the use of assumptions and estimates (details on the accounting policies can be found below, while the carrying amounts are shown under C. Note 14.).

Scope of consolidation and consolidation methods

The scope of consolidation includes the following companies:

Parent company:

- Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

Subsidiaries:

- Bijou Brigitte modische Accessoires Ges. mbH, Vienna, Austria
- Fashion Dream Limited, Hong Kong, China
- “Senso di Donna” Vertriebs GmbH, Hamburg, Germany
- Rubin GmbH, Buxtehude, Germany
- Bijou Brigitte Sp.z o.o., Warsaw, Poland
- Bijou Brigitte modische Accessoires S.L., Barcelona, Spain
- Bijou Brigitte Divatcikk Kereskedelmi Kft., Budapest, Hungary
- Bijou Brigitte Acessórios de Moda Unipessoal, Lda., Lisbon, Portugal
- Bijou Brigitte s.r.o., Prague, Czechia
- Bijou Brigitte s.r.l., Milan, Italy
- Bijou Brigitte Monoprosopi EPE, Athens, Greece
- Bijou Brigitte Accessoires de Mode SAS, Strasbourg, France
- Bijou Rubin Lille SARL, Wasquehal - France[1)]
- Bijou Rubin Beauvais SARL, Beauvais - France[1)]
- Bijou Rubin Paris SARL, Paris - France[1)]
- Bijou Rubin Limoges SARL, Poitiers - France[1)]
- Bijou Rubin Bordeaux SARL, Trélissac -France[1)]
- Bijou Rubin Villefranche SARL, Villefranche - France[1)]
- Bijou Rubin Grenoble SARL, Grenoble - France[1)]
- Bijou Rubin Nimes SARL, Nimes - France[1)]
- Bijou Rubin Toulouse SARL, Toulouse, France
- Bijou Rubin Menton SARL, Menton - France[1)]
- Bijou Rubin Calais SARL, Calais - France[1)]
- Bijou Rubin Annecy SARL, Annecy - France[1)]
- Bijou Rubin Angers SARL, Angers - France[1)]
- Bijou Rubin Nantes SARL, – Tremblay-en France - France[1)]
- Bijou Rubin Rodez SARL, Rodez - France[1)]
- Bijou Rubin Valence SARL, Valence – France[1)]
- Bijou Rubin Mulhouse SARL, Mulhouse - France[1)]
  Bijou Brigitte s.r.o., Trenčín, Slovakia
- “BIJOU BRIGITTE” EOOD, Sofia, Bulgaria
- S.C. Bijou Brigitte S.R.L., Medias, Romania
- BIJOU BRIGITTE S.P.R.L., Brussels, Belgium
- Bijou Brigitte GmbH, St. Gallen, Switzerland
- BIJOU RUBIN S.P.R.L., Brussels, Belgium

- Bijou Brigitte SCI, Strasbourg – France[1)]
- Dauber GmbH, Vienna – Austria[2)]
- Sommer GmbH, Vienna - Austria[2)]

1) Held indirectly via Bijou Brigitte Accessoires de Mode SAS, Strasbourg - France

2) Held indirectly via Bijou Brigitte modische Accessoires Ges. mbH, Vienna - Austria

The scope of consolidation of Bijou Brigitte modische Accessoires AG was reduced by two fully consolidated companies in the 2023 financial year compared to the consolidated financial statements as at 31 December 2022. The liquidation of BIJOU BRIGITTE SARL, Weiswampach - Luxembourg, was completed on 22 August 2023 and the company was therefore deconsolidated as of this date. The sale of Yiwu City Tai Ya Jewellery Company Ltd., Yiwu - China, as at 1 July 2023 was registered on 25 July 2023 and the company was deconsolidated accordingly as of this date. The sales price of EUR 218,656.00 was paid in full in the reporting year. The assets and liabilities recognised in the company at the time of the sale amounted to

	EUR
Non-current assets	6,071.44
Current assets	408,298.62
thereof cash and cash equivalents	357,849.09
Equity	214,122.51
Current liabilities	200,247.55

The deconsolidation result is therefore €4,533.49

Bijou Brigitte modische Accessoires AG wholly owns every company directly or indirectly. Bijou Brigitte modische Accessoires AG holds 99% of the capital of BIJOU BRIGITTE S.P.R.L., Brussels, and BIJOU RUBIN S.P.R.L., Brussels, while Rubin GmbH, Buxtehude, a wholly owned subsidiary of Bijou Brigitte modische Accessoires AG, holds the remaining 1% of the capital of each company.

The reporting date of the Bijou Brigitte modische Accessoires AG Group and its subsidiaries is 31 December. All financial statements of consolidated companies that are subject to audit were examined by independent auditors or the Group auditor.

Intra-Group profits and losses, sales revenue, expenses and income, as well as receivables and liabilities among consolidated companies and unrealised profits have been eliminated.

Tax accruals were made in accordance with IAS 12 for consolidation events with an effect on profit or loss to the extent that any differences arising will reverse over time.

The consolidated financial statements are based on the historical cost of acquisition and production, restricted by the measurement of financial assets and liabilities at fair value through profit or loss.

Accounting policies

Foreign currency translation

The annual financial statements of foreign subsidiaries have been translated into euros in accordance with the principle of functional currency in IAS 21. The functional currency of the company in question is the respective national currency. As a result, currency translation of equity is performed at the historical exchange rate. For the other balance sheet items, the exchange rate at the balance sheet date is used, while the average annual exchange rate is used for income, expenses and Group earnings. Differences arising from currency translation are recognised in other income pursuant to IAS 21.

Transactions denominated in a foreign currency are translated using the prevailing exchange rate on the day of the transaction. Any gains or losses arising from the settlement of such transactions as well as from the translation of monetary assets and liabilities are reported in the income statement. These are recognised in other operating income or other operating expenses.

The exchange rates used by the Group to translate foreign currencies are taken from the following table:

		Closing rate 31.12		**Average exchange rate**	
	1 EUR =	**2023**	**2022**	**2023**	**2022**
Bulgaria	BGN	1.9521	1.9521	1.9528	1.9546
China	CNY	7.8631	7.3679	7.6808	7.0760
Hong Kong	HKD	8.6517	8.3235	8.4786	8.2276
United Kingdom	GBP	0.8691	0.8871	0.8686	0.8547
Poland	PLN	4.3410	4.6865	4.5272	4.6907
Romania	RON	4.9737	4.9439	4.9504	4.9311
Switzerland	CHF	0.9265	0.9852	0.9712	1.0017
Czechia	CZK	24.716	24.142	23.988	24.546
Hungary	HUF	382.390	400.390	380.498	393.057
USA	USD	1.1075	1.0679	1.0827	1.0506

Intangible assets

Intangible assets with determinable useful lives acquired against payment are capitalised at their cost of acquisition, while internally produced intangible assets with determinable useful lives are capitalised at their cost of production if the criteria for capitalisation pursuant to IAS 38 have been fulfilled. During the year, the development costs of internally generated software came to EUR 946,921.20 in the financial year (previous year: EUR 805,533.65). The whole of this amount was capitalised. No research costs were incurred, as in the previous year. Assets are amortised over their expected useful life, applying the straight-line method over the following periods:

Purchased software	4 - 5 years
Internally produced software	3 -5 years
Rights acquired against payment	3 -15 years

Amortisation is reported as amortisation of intangible assets. There are no intangible assets with an indefinite useful life.

The expected useful life, together with amortisation methods, are reviewed at the end of each financial year and in the case of exceptional events. All changes in estimates are taken into consideration prospectively.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is calculated for each asset using the straight-line method over the planned useful life based on cost.

Useful life has been estimated as follows for the following assets:

Buildings	20 - 40 years
Outdoor facilities	2 - 15 years
Technical equipment and machinery	3 - 10 years
Operating and office equipment	3 - 20 years

Depreciation and write-downs are reported as depreciation of property, plant and equipment.

Land is not depreciated.

Right-of-use assets

The right-of-use assets arise from lease agreements under which the right to use sales premises is transferred to the Bijou Brigitte Group as lessee. The Group leases sales premises mainly as retail stores and in some cases as office and storage areas. The lease agreements are generally concluded for fixed periods of one to twelve years. The rental terms are individually negotiated and thus differ considerably from one agreement to the next. Since 1 January 2019, leases have been recognised as a right-of-use asset and corresponding lease liability as of the date on which the Group is able to use the leased asset (see also "Leases").

The right-of-use assets are measured at cost, thus comprising:

- the initial measurement amount of the lease liability
- all lease payments made as of or prior to provision, less any lease incentives received
- all initial direct costs incurred by the lessee

The right-of-use asset is subject to straight-line depreciation over the term of the lease, since this corresponds to its useful life. Renewal options are taken into account when determining the useful life, provided that there is sufficient certainty that the Group will exercise the option. Whether and for how long a renewal option will be exercised is often not known with sufficient certainty until shortly before the scheduled end of the lease, as it depends on the negotiations with the landlords. Exercising renewal options results in new obligations for the Group depending on the right-of-use asset and the length of the renewal. Renewal options typically involve lease terms similar to the original lease term (1-12 years).

The majority of leases do not contain special termination rights enabling Bijou Brigitte to terminate leases ahead of schedule. It may, however, happen that leases are terminated before the end of the agreed term as a result of contract negotiations on a case-by-case basis. If the negotiations lead to changes in the terms of the contract that did not form part of the original lease, these contract changes are recognised in the balance sheet if they are legally binding.

Impairment of non-current assets

In accordance with IAS 36, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets as of the balance sheet date in order to determine whether there are grounds for impairment. If such grounds exist, the recoverable amount of the asset is estimated so as to ascertain the size of any potential impairment loss. If the recoverable amount cannot be estimated for the individual asset, the recoverable amount of the cash-generating unit (store level) to which the asset belongs is estimated.

The recoverable amount is the higher of the net realisable value and the value of the expected cash inflow from the use of the asset. If the estimated recoverable amount of an asset (or cash-generating unit) is lower than the carrying amount, then the carrying amount of the asset (or cash-generating unit) is reduced to the recoverable amount. If, in the course of subsequent periods, the recoverable amount goes up again, then the asset value is restored (with the exception of goodwill) up to the maximum value that would have been reached had no impairment charge been made.

The process of determining the potential need for impairment is based on the present value of the expected cash inflow from the use of the assets of a given store (a store being treated as a cash-generating unit). Impairment tests are based on the company's plans and forecasts, with a detailed planning period of five years and a perpetuity thereafter. The planning assumptions made here correspond to those in the forecast report of the combined management report for the 2023 financial year. For the time after the detailed planning period, the forecast is extrapolated based on country-specific annual growth rates of between 0.5% and 1% (previous year: 0.5% and 1.0%). The cash flows forecast on this basis are generally discounted at weighted pre-tax discount rates of between 14.9% (previous year: 14.6%) and 17.3% (previous year: 16.7%).

For 2023, these rates were as follows:

	Weighted pre-tax interest rates
Germany	16.4% (previous year: 14.8%)
Spain	15.7% (previous year: 15.4%)
Italy	17.3% (previous year: 16.7%)
Portugal	14.9% (previous year: 14.6%)
France	15.5% (previous year: 14.8%)
Eastern Europe	15.5% (previous year: 14.7%)

The following specific country risk premiums and tax rates were used when calculating impairment so as to take into account the economic differences between the geographical fields of activity of the Group:

	Country risk premium	**Tax rate**
Germany	0.0% (previous year: 0.0%)	29.8% (previous year: 29.8%)
Spain	0.3% (previous year: 1.6%)	25.0% (previous year: 25.0%)
Italy	1.0% (previous year: 2.2%)	27.9% (previous year: 27.9%)
Portugal	0.2% (previous year: 1.5%)	21.0% (previous year: 21.0%)
France	0.0% (previous year: 0.9%)	25.0% (previous year: 25.0%)
Eastern Europe	0.8% (previous year: 1.9%)	15.7% (previous year: 15.7%)

The reversal of an impairment loss reflects an increase in the estimated performance of a store (value in use) since the most recent impairment loss was recognised. Reversals are recognised when the recoverable amount increases, due to a permanent change in the business plan for the store in question, the timing of the expected future cash flows or the discount rate.

The impairments recognised in 2023 and previous years concern stores that were or will be closed down and stores with a track record of losses for which, given their location, positive development can no longer be expected. In general, therefore, the impairments recognised in previous years by Bijou Brigitte are highly unlikely to be reversed. Furthermore, the future course of business of Bijou Brigitte, as set out in the forecast report contained in the combined management report for 2023, is subject to considerable uncertainty in respect of both the current year and future years. Given this background, Bijou Brigitte recognised no impairment reversals in 2023 despite the positive trend in that year.

Financial instruments

Financial instruments are contract-based economic transactions that give rise to both a financial asset for one entity and a financial liability or equity instrument for another entity.
Pursuant to IFRS 9, financial instruments fall into the following categories:

- Financial assets and liabilities measured at amortised cost
- Financial assets and liabilities measured at fair value through other comprehensive income
- Financial assets and liabilities measured at fair value through profit and income

The Group measures its financial assets at amortised cost. Financial instruments are initially recognised at fair value. In the case of financial assets or liabilities that are not carried at fair value through profit or loss, the transaction costs directly attributable to the purchase of the asset or the issuing of the liability are to be included.

Financial assets that arise directly from the provision of cash, goods or services to a debtor are carried at amortised cost or adjusted if applicable.

Financial assets measured at amortised cost are recognised in non-current assets unless they are due within twelve months of the balance sheet date.

Due to their short maturities, the carrying amounts of financial instruments such as cash, trade receivables and trade payables, as well as the current portion of non-current items, approximately correspond to the fair value of these financial instruments.

The Group only derecognises a financial asset if the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset and all of the material risks and rewards of ownership to a third party.

Financial instruments measured at fair value can be classified and categorised into (measurement) levels according to the significance of the factors and information included in their measurements. Financial instruments are assigned to a particular level depending on the significance of their input factors for their overall measurement, i.e. to the lowest level that is significant to the measurement as a whole. The measurement levels are broken down hierarchically according to their input factors:

Level 1 – the prices listed in active markets for identical assets or liabilities (adopted without any changes);

Level 2 – input factors not related to the listed prices considered in level 1 that nonetheless can be observed directly (i.e. as price) or indirectly (i.e. derived from prices) for the asset or liability;

Level 3 – factors for the measurement of the asset or liability (non-observable input factors) that are not based on observable market data.

Financial assets and liabilities are only netted and reported as a net amount if there is a legal right of set-off and the intention is to settle on a net basis or to clear the associated liability by liquidating the asset concerned. As in the previous year, there was no netting in 2023.

Inventories

Inventories are carried at cost of acquisition, or at the lower net realisable value using the weighted average. Ancillary purchasing costs, i.e. the costs of in-house and outsourced logistics, including transportation to subsidiaries throughout Europe, are also included in the cost of inventories.

The net realisable value is the estimated revenue attainable in the course of normal business less the estimated necessary selling expenses.

Inventory impairments are recognised in the cost of materials.

Trade receivables

Trade receivables mainly include receivables from concession partners and are carried at the original invoice amount, which corresponds to the amount of the unconditional consideration at the time of recognition. Irrecoverable receivables are written down as soon as the payment default has been determined. Such receivables, which tend to be current receivables, are subsequently valued at amortised cost using the effective interest method, less impairment losses, in accordance with IFRS 9.

As other financial assets, the trade receivables from the sale of goods are subject to the expected credit loss model provided for in IFRS 9. The impairment losses for financial assets are based on assumptions regarding the default risk and the expected loss rates. The Group exercises discretion when making these assumptions and selecting the input factors for the calculation of the impairments, based on its past experience, the prevailing market conditions and forward-looking estimates at the end of each reporting period. The main assumptions and input factors utilised are:

- probabilities of default
- historical default rates
- customer credit ratings

In light of the Group’s business model, the impairment system under IFRS 9 does not have any major impact on other financial assets, because the historical loss rates did not have any material impact on the Group and the default risk as of the balance sheet date has not increased significantly since the time of initial recognition. Specific valuation allowances amount to EUR 276,422.14 (previous year: EUR 226,875.43) after additions of EUR 127,660.68 (previous year: EUR 96,762.91), utilisation of EUR 0.00 (previous year: EUR 0.00) and reversals of EUR 78,113.97 EUR (previous year: EUR 0.00) in the financial year.

Cash and cash equivalents

This item comprises cash, bank balances on call and other short-term deposits with an original time to maturity of less than three months. These are classified as financial instruments under the category of financial assets measured at cost. Cash and cash equivalents are also subject to the provisions governing impairment set out in IFRS 9, although the identified impairment loss was immaterial.

Equity

Borrowed capital and equity instruments are classified as financial liabilities or equity depending on the economic conditions of the contractual agreement.

An equity instrument is a contract that provides the basis for a residual claim to the assets of an entity once all associated liabilities have been deducted. Equity instruments are recorded as issue proceeds received less direct issue costs.

When Bijou Brigitte AG acquires its own shares, the consideration paid (including the attributable transaction costs) is deducted from equity. If such shares are sold again later, the consideration received is added to equity again with due attention being paid to income tax effects.

Financial liabilities

Financial liabilities are first recognised at fair value less transaction costs. In the course of subsequent measurements, financial liabilities are carried at amortised cost using the effective interest method. Financial liabilities are derecognised when settled. Refund liabilities and rights to recover the goods returned by customers are not recognised, because experience has shown that product returns by customers are not highly probable and that a significant reversal of the revenue will not occur. The validity of this assumption and the estimated number of returns are reassessed as of every balance sheet date.

Taxation

Income tax expense represents the sum of the current tax expense and the change in deferred taxes.

Current taxes

Current tax expense is determined on the basis of the taxable income for the year. Taxable income differs from the Group earnings reported in the consolidated income statement as it excludes expenses and income that are taxable or tax deductible in later years or never. Group liability for current taxes is calculated using the tax rates applicable as of the balance sheet date.

Judgements regarding the realisability of uncertain tax items and future tax relief are also based on assumptions and estimations. An asset or a liability arising from an uncertain tax item is recognised in accordance with IAS 12 if payment or reimbursement for the tax risk is likely. The uncertain tax item is measured at its expected value.

Deferred taxes

Deferred taxes are recognised according to the liability method for temporary differences arising from the differences between the carrying amount of assets and liabilities in the IFRS financial statements and their tax carrying amount. Furthermore, deferred tax assets are recognised for future usable tax losses.

Deferred tax assets and liabilities are determined on the basis of the expected tax rates (and tax laws) that will foreseeably apply when the debt is satisfied or the asset is recovered. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Group expects to satisfy the liability or to realise the asset as of the balance sheet date.

Deferred tax liabilities that arise from temporary differences relating to investments in subsidiaries are recognised unless the time at which the temporary differences are reversed can be determined by the Group and it is likely that the temporary differences will not reverse in the foreseeable future due to this influence.

The carrying amount of deferred tax assets is reviewed annually on the balance sheet date and reduced if it is no longer likely that sufficient taxable income will be available to realise the asset in whole or in part. Deferred tax assets are therefore only recognised to the extent that future taxable profit is expected to be available against which the temporary differences can be utilised or the tax losses can be utilised.

Deferred tax assets and liabilities are netted if there is an enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax claims and tax liabilities on a net basis.

Current and deferred taxes are recognised as expense or income through profit or loss unless they are related to items that were recognised in other income.

Provisions

Provisions are carried if the Group has a statutory or de facto obligation arising from past events, the fulfilment of which will probably give rise to an outflow of funds. If the management expects that a payment obligation will be reimbursed by a third party, for instance in the case of an insurance policy, the reimbursement claim is carried as a distinct asset and is recognised as other operating income, as long as the reimbursement is all but assured.

The amount of the provision recognised is the best estimate at the balance sheet date of the expenditure required to settle the present obligation, taking into account the risks and uncertainties underlying the obligation. Non-current provisions are discounted and carried at the present value of the expected expenses.

Income recognition

The Group operates a chain of retail stores that sell fashion jewellery and fashionable accessories. Revenue is recorded when a Group company or concession partner sells merchandise to an end consumer or a franchisee. Revenue from the sale of merchandise over the internet to end consumers is recorded at the time the power of disposal associated with the merchandise is transferred to the customer, hence at delivery. Payment is normally due immediately. Transactions are settled by bank transfer, credit card or debit card. Revenue is recognised less all sales reductions, excluding excise duties and after intra-Group sales have been eliminated.

The vast majority of gift vouchers sold to customers are valid for three years and are recognised as a contract liability. Amounts remaining on gift vouchers that have not been redeemed after three years are recognised as income, subject to an ex gratia period of one year.

The Group introduced a customer loyalty programme called BB-Club in Germany and Spain in 2019. The programme was extended to Italy and France in 2020 and to the Netherlands and Austria in 2023. Customers receive a physical BB-Club Card in store, which is activated by completing an application form or by registering online. This also creates a digital customer card in the BB-Club customer area. Customers who register online but would like a physical customer card can get one in store and then link it to their existing digital card online. On joining the BB-Club customers receive numerous advantages in the form of discounts, gifts on special occasions and invitations to exclusive events. Points are collected with every purchase (EUR 1.00 spent equals one point). Once 100 points have been collected, customers receive a discount coupon worth EUR 10.00, which can be redeemed only with a new purchase of at least EUR 20.00 in store or in the online shop. The discount coupon is valid for three months after receipt. The anticipated contract liability is reviewed on an ongoing basis and recognised as a reduction to revenue.

Interest is recognised in the period in which it accrued.

Interest on borrowed capital

Interest on borrowed capital is recognised directly as an expense, provided that no qualifying assets as defined by IAS 23 are present for which interest on borrowed capital is to be capitalised.

As the Group is fully self-financed, as in the previous year, there are no attributable interest expenses that must be capitalised when recognising qualifying assets.

Leases

Assets and liabilities resulting from leases are recognised at their present value as of their initial recognition.

The lease liabilities include the present value of the following lease payments:

- Fixed payments less any lease incentives receivable
- Variable lease payments linked to an index or an interest rate, initially measured with the index or interest rate as of the provision date

The lease payments are discounted at the Group's incremental borrowing rate, since it is not possible to determine an implicit interest rate for the lease. As a starting point, the Group uses a risk-free interest rate to determine the incremental borrowing rate and adjusts it to the lessee's credit risk. Other adjustments also relate to the term of the lease and the economic environment (country risk).

The Group has not made use of the relief options for lessees in its lease accounting. The payments for short-term leases (less than or equal to twelve months) and for leases of low-value assets have thus been recognised as outlined above. However, the Bijou Brigitte Group has applied the existing optional reliefs provided by the amendments to IFRS 16 (Rent concessions in connection with the Covid-19 pandemic) since 1 January 2020. As a result, without being individually examined, payment waivers and short-term moratoriums on lease payments received were, and continue to be, recognised as reductions in the lease obligations rather than as lease modifications, with the corresponding recognition of a profit. In cases where the lease period was modified or permanent rent concessions were obtained, the rent concessions were accounted for as a lease modification.

The Group is exposed to possible future increases in variable lease payments that may arise from a change in an index or an interest rate. These potential changes in lease instalments are not accounted for in the lease liability until they become effective. The lease liability is adjusted against the right-of-use asset as soon as changes in the index or interest rate affect the leasing rates. Such agreements are included in the majority of the leases in the Bijou Brigitte Group.

Each lease instalment is divided up into repayment and interest expense. The interest expense is recognised in the income statement under borrowing costs over the term of the lease, so that a fixed periodic interest rate applies for the remaining amount of the liability for each period.

Some real estate leases include variable payments depending on the sales realised by the stores based in these properties. The percentage rate for the sales-based variable payments varies in each agreement. The sales-related lease payments are recognised in profit and loss for the period in which the condition triggering the payments is met. Sales-related lease payments are of minor importance. These make up 0.6% of the total lease payments (previous year: 0.3%).

The valuation of the lease liabilities takes account of the non-cancellable basic lease term as well as extension options. The terms are determined based on the possibility for extension or cancellation by the lessee insofar as the (non-)exercise of the option by the Group is reasonably certain. The Group carries out a review on an ongoing basis.

State subsidies

State aid and subsidies that are requested and received in connection with the coronavirus pandemic are recognised when a binding award has been issued by the competent authority in the country concerned. Government subsidies that have already been received or definitively approved by the balance sheet date are recognised in other operating income in the relevant financial periods. The Group previously applied for Interim Aid III in Germany. The final account for Interim Aid III, which was submitted on time in April 2023, showed a repayment to the donor of EUR 431,778.61. This amount matches the repayment amount of EUR 431,800.00 that was determined by the recalculation carried out in 2022. As a result, no adjustment to the expected obligations was necessary in 2023. The final account statement was not yet available at the time these consolidated financial statements were prepared. As in the previous year, the obligation is recognised under other financial obligations.

Error corrections

In the 2023 financial year, the valuation assumptions for remaining stocks of goods that will no longer to be restocked (‘discontinued items’) were critically scrutinised and reviewed. These discontinued items were not recognised in the balance sheet in previous years due to a write-down of 100%. In view of the positive business development and on the basis of an analysis of the actual sales prices achieved for these items in recent years, this write-down was deemed inappropriate. In previous years, these items should only have been written down by 25%, instead of the 100% write-down that was in fact recognised. Against this background, corrections had to be made based on the opening balance sheet as at 1 January 2022, which are explained below.

The impairment previously recognised for this item group amounted to

31.12.2022 EUR	01.01.2022 EUR
9,190,435.10	10,456,286.42

After adjusting the assumed sales prices and the expected distribution costs, the necessary impairment amounts to

31.12.2022 EUR	01.01.2022 EUR
2,168,459.66	2,879,528.01

This finding led to the following error corrections:

Inventories were increased as at 31 December 2022 and 1 January 2022 as follows:

31.12.2022 EUR	01.01.2022 EUR
7,021,975.44	7,572,336.48

The effect on earnings of EUR 7,572,336.48 for the years prior to 2022 was recognised in retained earnings, after taking into account the related taxes of EUR 2,392,858.33, and thus led to an increase in equity of EUR 5,179,478.15 as at 1 January 2022.

As discontinued items were previously written down at a flat rate of 100%, no cost of materials was recognised at the time of sale as no carrying amount was recognised in the balance sheet. As the inventories of these items have now been recognised with effect from 1 January 2022 at a carrying amount of EUR 7,572,336.48, a cost of materials must also be recognised retrospectively in 2022.

In the 2022 financial year, the cost of materials was increased by EUR 550,361.04 and income tax was reduced accordingly by EUR 173,914.09, so that the overall effect on earnings for the year ended 31 December 2022 was EUR 376,446.95. Earnings per share for the 2022 financial year deteriorated by €0.05 to €4.53 as a result.

Due to these error corrections, both the consolidated balance sheet and the consolidated income statement as at 31 December 2022 have been amended.

As a result of these changes, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and, in some cases, the notes to the consolidated financial statements were also corrected for the 2022 financial year. In the notes to the consolidated financial statements, the segment reporting and the disclosures under items 6) Inventories, 12) Equity, 21) Cost of materials, 26) Income taxes and 27) Earnings per share have been adjusted.

C. Notes to the consolidated balance sheet

(1) Intangible assets

Intangible assets are valued at acquisition cost less straight-line amortisation over the expected useful life. The carrying amounts of intangible assets as of the balance sheet date may be taken from the following table:

	Rights acquired against payment EUR	Purchased software EUR	Internally produced software EUR	Total EUR
Cost 1.1.2022	**12,008,368.86**	**2,844,872.77**	**3,960,327.38**	**18,813,569.01**
Currency translation differences	0.00	648.37	0.00	648.37
Additions	100,000	115,235.12	805,533.65	1,020,768.77
Disposals	-423,675.49	0.00	0.00	-423,675.49
Cost 31.12.2022	**11,684,693.37**	**2,960,756.26**	**4,765,861.03**	**19,411,310.66**
Accumulated depreciation and impairments 1.1.2022	**10,660,305.86**	**2,148,413.41**	**2,376,362.38**	**15,185,081.65**
Depreciation				
Additions	391,972.00	291,221.00	608,050.65	1,291,243.65
Disposals	-423,674.99	0.00	0.00	-423,674.99
Impairment	12,380.00	0.00	0.000	12,380.00
Accumulated depreciation and impairments 31.12.2022	**10,640,982.87**	**2,439,634.41**	**2,984,413.03**	**16,065,030.31**
Net carrying amount 31.12.2022/1.1.2023	**10,043,710.50**	**521,121.85**	**1,781,448.00**	**3,346,280.35**
Cost 1.1.2023	**11,684,693.37**	**2,960,756.26**	**4,765,861.03**	**19,411,310.66**
Currency translation differences	0.00	-138.04	0.00	-138.04
Additions	37,000.00	107,613.10	946,921.20	1,091,534.30
Disposals	-62,141.67	-342,646.85	-1,719,124.39	-2,123,912.91
Transfers	0.00	-344,489.05	344,489.05	0.00
Cost 31.12.2023	**11,659,551.70**	**2,381,095.42**	**4,338,146.89**	**18,378,794.01**
Accumulated depreciation and impairments 1.1.2023	**10,640,982.87**	**2,493,634.41**	**2,948,413.03**	**16,065,030.31**
Depreciation				
Additions	363,531.00	175,277.22	1,061,276.20	1,600,084.42
Disposals	-62,141.17	-341,797.85	-1,719,122.39	-2,123,061.41
Transfers	0.00	-96,933.05	96,933.05	0.00
Impairment	0.00	0.00	0.00	0.00
Accumulated depreciation and impairments 31.12.2023	**10,942,372.70**	**2,176,180.73**	**2,423,499.89**	**15,542,053.32**
Net carrying amount 31.12.2023	**717,179.00**	**204,914.69**	**1,914,647.00**	**2,836,740.69**

The impairment losses of EUR 0.00 (previous year: EUR 12,380.00) on rights acquired against payment related to branches where the commercial development did not meet the originally expected cash flows.

(2) Property, plant and equipment

The carrying amounts of property, plant and equipment as of the balance sheet date may be taken from the following table:

	Land and buildings EUR	Machinery, technical equipment EUR	Operating and office equipment EUR	equipment under con-struction EUR	Total EUR
Cost 1.1.2022	**20,476,572.78**	**26,591.86**	**101,269,760.96**	**165,654.71**	**121,938,580.31**
Currency translation differences	0.00	0.00	-33,448.21	52.00	-33,396.21
Additions	0.00	0.00	5,788,730.04	133,876.56	5,922,606.60
Disposals	0.00	0.00	-7,462,367.82	-11,681.00	-7,474,048.82
Transfers	0.00	0.00	80,425.17	-80,425.17	0.00
Cost 31.12.2022	**20,476,572.78**	**26,591.86**	**99,643,100.14**	**207,477.10**	**120,353,741.88**
Accumulated depreciation and impairments 1.1.2022	**9,273,694.54**	**26,588.36**	**78,808,828.61**	**0.00**	**88,109,111.51**
Depreciation					
Additions	524,131.00	0.00	7,055,983.41	0.00	7,580,114.41
Disposals	0.00	0.00	-7,251,981.28	0.00	-7,251,981.28
Additions	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	376,685.45	0.00	376,685.45
Accumulated depreciation and impairments 31.12.2022	**9,797,825.54**	**26,588.36**	**78,989,516.19**	**0.00**	**88,813,930.09**
Net carrying amount 31.12.2022/1.1.2023	**10,678,747.24**	**3.50**	**20,653,583.95**	**207,477.10**	**31,539,811.79**

	Land and buildings EUR	Machinery, technical equipment EUR	Operating and office equipment EUR	equipment under construction EUR	Total EUR
Cost 1.1.2023	**20,476,572.78**	**26,591.86**	**99,643,100.14**	**207,477.10**	**120,353,741.88**
Currency translation differences	0.00	0.00	87,138.67	-135.87	87,002.80
Additions	0.00	19,392.50	13,634,655.03	94,795.45	13,748,842.98
Disposals	0.00	0.00	-11,523,888.01	-1,851.77	-11,525,739.78
Transfers	0.00	0.00	132,960.35	-132,960.35	0.00
Cost 31.12.2023	**20,476,572.78**	**45,984.36**	**101,973,966.18**	**167,324.56**	**122,663,847.88**
Accumulated depreciation and impairments 1.1.2023	**9,797,825.54**	**26,588.36**	**78,989,516.19**	**0.00**	**88,813,930.09**
Depreciation					
Additions	524,131.00	606.50	8,836,421.14	0.00	9,361,158.64
Disposals	0.00	0.00	-10,905,283.40	0.00	-10,905,283.40
Additions	0.00	0.00	0.00	0.00	0.00
Impairment	0.00	0.00	78,774.45	0.00	78,774.45
Accumulated depreciation and impairments 31.12.2023	**10,321,956.54**	**27,194.86**	**76,999,428.38**	**0.00**	**87,348,579.78**
Net carrying amount 31.12.2023	**10,154,616.24**	**18,789.50**	**24,974,537.80**	**167,324.56**	**35,315,268.10**

The impairment losses on operating and office equipment totalling EUR 78,774.45 (previous year: EUR 376,685.45) relate to branches for which the economic development did not meet the expected cash flows. Write-downs related to the segments are as follows:

	2023 EUR	2022 EUR
Germany	21,557.07	228,867.88
Spain	6,977.00	77,258.00
Italy	8,990.00	4,624.00
Portugal	0.00	0.00
France	0.00	40,931.57
Other countries	41,250.38	25,004.00
Total	78,774.45	376,685.45

(3) Right-of-use assets

	Buildings EUR
Cost 1.1.2022	**222,297,979.99**
Currency translation differences	-265,424.49
Additions	46,883,355.33
Disposals	-18,375,797.09
Cost 31.12.2022	**250,540,113.74**
Accumulated depreciation and impairments 1.1.2022	**120,725,578.42**
Depreciation	
Additions	37,543,487.26
Disposals	-15,955,414.64
Impairment	1,333,936.71
Accumulated depreciation and impairments 31.12.2022	**143,647,587.75**
Net carrying amount 31.12.2022	**106,892,525.99**
Cost 1.1.2023	**250,540,113.74**
Currency translation differences	121,747.32
Additions	57,828,006.08
Disposals	-15,909,526.85
Cost 31.12.2023	**292,580,340.29**
Accumulated depreciation and impairments 1.1.2023	**143,647,587.75**
Depreciation	
Additions	38,147,501.86
Disposals	-9,923,229.56
Impairment	222,059.83
Accumulated depreciation and impairments 31.12.2023	**172,093,919.88**
Net carrying amount 31.12.2023	**120,486,420.41**

The additions and disposals of historical costs and depreciation shown above include all changes from the accounting of leases. This presentation also includes reassessments of contract terms and modifications of leases.

The impairment losses on rights of use totalling EUR 222,059.83 (previous year: EUR 1,333,936.71) relate to stores for which the commercial development did not meet the expected cash flows.

(4) Non-current financial assets

	2023 EUR	2022 EUR
Rent deposits paid	1,994,523.86	1,808,506.43

This balance sheet item is only used to report long-term deposits paid, in particular rental deposits. These serve to secure rental agreements and were discounted at an interest rate of 3.065% (previous year: 3.770%) until expiration of the respective lease.

(5) Deferred taxes

Deferred tax assets and liabilities are measured according to IAS 12. Deferred taxes are calculated for all temporary differences between the balance sheet and tax carrying amounts, from consolidation measures and for realisable loss carryforwards. The calculation of deferred taxes is based on the expected tax rates in the countries at the time of realisation. The domestic deferred tax assets and liabilities were calculated using an income tax rate of 31.6% as in the previous year. Tax rates of between 9.0% and 27.9% were applied for foreign taxes, as in the previous year.

Development of deferred taxes
(net amount of deferred tax assets after deduction of deferred tax liabilities):

	2023 EUR	2022 EUR
As of 1 January (deferred tax assets)	4,050,383.64	5,320,984.89
Currency translation differences	3,242.81	-1,883.10
Deferred taxes recognised in the income statement	-1,695,028.25	-1,268,718.15
of which temporary differences	*-996,213.52*	*491,195.06*
of which loss carryforwards	*-698,814.73*	*-1,759,913.21*
As of 31 December (deferred tax assets)	2,358,598.20	4,050,383.64

Deferred tax assets and liabilities are netted if there is a legal set-off claim for actual tax receivables and liabilities and the deferred taxes are due to the same tax authority.

The change in deferred taxes from currency translation differences was recognised in other comprehensive income at EUR 3,242.81 (previous year: EUR -1,883.10).

The deferred tax assets and liabilities are distributed among the following balance sheet items:

	2023		2022	
	Assets EUR	Liabilities EUR	Assets EUR	Liabilities EUR
Intangible assets	666,119.86	43,192.42	808,046.17	230,576.82
Property, plant and	333,400.89	1,933,254.01	386,390.80	1,695,850.80
equipment	0.00	32,617,695.35	0.00	28,465,693.51
Right-of-use assets				
Inventories	783,973.26	2,655,937.21	769,936.66	2,148,845.95
Receivables	0.00	2,652.72	0.00	3,063.26
Non-current financial assets	38,161.91	0.00	39,393.75	0.00
Cash and cash equiva-lents	187,096.44	0.00	0.00	137,937.23
Provisions	1,813,517.42	41,227.21	1,344,626.66	43,028.19
Lease liabilities	33,619,168.18	0.00	30,656,777.44	0.00
Trade payables				
	102,583.38	0.00	0.00	27,073.86
Other liabilities	35,976.86	0.00	25,908.14	0.00
Loss carryforwards	2,072,558.92	0.00	2,771,373.65	0.00
	39,652,557.12	**37,293,958.92**	**36,802,453.26**	**32,752,069.62**
Netting	-35,882,160.17	-35,882,160.17	-31,044,521.51	-31,044,521.51
Carrying amount	**3,770,396.95**	**1,411,798.75**	**5,757,931.75**	**1,707,548.11**

Deferred tax assets are considered for tax loss carryforwards to the extent that their utilisation for future taxable income is probable. As at the balance sheet date, the Group had tax loss carryforwards of EUR 8,336,591.92 (previous year: EUR 11,845,155.93) which were recognised as deferred tax assets. The usefulness of tax loss carryforwards is based on the general earnings development of the regions concerned. The planning calculation is based on a time horizon of five years. The loss carryforwards for which no deferred taxes were recognised amount to EUR 4,666,893.77 (previous year: EUR 4,590,724.01). The ability to utilise these loss carryforwards is not limited in time. As at 31 December 2023, deferred tax assets for temporary differences in the amount of EUR 1,354,636.21 (previous year: EUR 113,016.69) were not recognised. Deferred tax assets of EUR 540,654.26 were offset against deferred tax liabilities (previous year: EUR 0.00) in spite of current-year losses.

Deferred tax assets of EUR 1,642,539.03.51 (previous year: EUR 1,099,922.93) are expected to be realised in the course of the coming financial year, along with deferred tax liabilities of EUR 2,699,817.14 (previous year: EUR 2,359,948.49).

No deferred tax liabilities were recognised on temporary differences in connection with shareholdings in subsidiaries of EUR 7,547,226.58 (previous year: EUR 7,451,112.60), as it is unlikely that these temporary differences will be reversed to any significant extent in the foreseeable future.

(6) Inventories

Inventories are classified as follows:

	2023 EUR	2022* EUR
Raw materials, consumables and supplies	3,529,940.29	3,152,228.50
Merchandise	76,859,590.60	75,786,329.97
	80,389,530.89	78,938,558.47

Furthermore, there are advance payments on inventories totalling EUR 164,342.10 (previous year: EUR 88,241.64). These are reported under other current receivables. The impairment losses on the net realisable value of inventories amount to EUR 3,846,325.01 (previous year: EUR 3,893,744.19)*. The difference of EUR -47,419.18 from the impairment losses and reversals of impairment losses recognised in the financial year (previous year: EUR -233,617.80) is reported under cost of materials. The background to the write-up of inventories is the positive business performance in 2023. The carrying amount of inventories, which was recognised at the lower of cost and net realisable value, was EUR 11,328,560.82 as at the balance sheet date (previous year: EUR 8,555,113.13*).

(7) Trade receivables

	2023 EUR	2022 EUR
Trade receivables	1,879,767.48	1,918,614.19
Value adjustments	-276,422.14	-226,875.43
	1,603,345.34	1,691,738.76

The value adjustments relate to receivables that are probably uncollectible. All trade receivables were due within one year.

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments under "B. Accounting principles: Error corrections".

Value adjustments on trade receivables have developed as follows:

	2023 EUR	2022 EUR
As of the beginning of the year	226,875.43	130,112.52
Additions (expenses for value adjustments)	127,660.68	96,762.91
Reversals	-78,113.97	0.00
As of the end of the year	276,422.14	226,875.43

Expenses and income from value adjustments are recognised under other operating expenses or income.

The majority of the receivables that arise in Bijou Brigitte's stores are settled immediately in the store. The outstanding receivables as at the balance sheet date mainly relate to receivables from concession and franchise partners that will be settled in the short term and for which no significant impairment is expected.

There is no concentration of credit risk, which means that it is not necessary to take any risk precautions beyond the value adjustments already made.

(8) Tax receivables

Tax receivables relate to income taxes.

(9) Other financial assets

	2023 EUR	2022 EUR
Other receivables due from third parties	5,539,118.94	4,884,806.94
Short-term fixed deposits	14,041,095.44	69,966,478.99
Short-term investments in securities	70,565,810.04	0.00
	90,146,024.42	74,851,285.93

Other receivables from third parties are exclusively current and consist mainly of cash in transit, receivables from credit card processing, credit balances on service charge accounts for rental properties and rental deposits due for repayment to the Bijou Brigitte Group within one year.

Short-term fixed deposits comprise funds with an original maturity of more than three months but no more than twelve months.

Short-term securities investments consist exclusively of US dollar and German EUR government bonds with a remaining term of up to twelve months.

(10) Other current receivables

	2023 EUR	2022 EUR
Other tax receivables	55,845.16	209,593.19
Receivables from the German employment agency	15,831.15	41,381.32
Accrued income	541,548.87	432,832.55
Advance payments on inventories	164,342.10	88,241.64
	777,567.28	772,048.70

Other tax receivables include tax refund claims on advance tax prepayments (EUR 6,897.85; previous year: EUR 169,167.49) and input tax deductible in the subsequent year (EUR 48,947.31 ; previous year: EUR 40,425.70).

(11) Cash and cash equivalents

	2023 EUR	2022 EUR
Current accounts and cash on hand	61,927,592.69	95,461,254.11
Call money	7,427,404.70	6,040,982.69
	69,354,997.39	101,502,236.80

All cash and cash equivalents also represent the cash equivalents relevant to the cash flow statement as defined by IAS 7.

(12) Equity

The individual equity components and their changes are shown in the consolidated statement of changes in equity.

The Group manages its equity structure with the aim of being able to function independently of the capital market. The aim continues to be to achieve a high equity ratio of between 45% and 55%. In the 2023 financial year, the equity ratio was 58.8% (previous year: 62.26%)*. The capital structure is reviewed every six months. In doing so, it is ensured that all Group companies can generate sustainable cash surpluses and operate on the basis of being a going concern. The Group's overall strategy has not changed compared with the previous year.

The Group is not subject to any minimum capital requirements.

Subscribed capital

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments under "B. Accounting principles: Error corrections".

The subscribed capital of Bijou Brigitte modische Accessoires AG remains unchanged at EUR 8,100,000.00. It is divided into 8,100,000 non-par common shares. The subscribed capital has been fully paid in.

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 ten per cent of the company's share capital at the time of this resolution (this being EUR 8,100,000.00) 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.

As in the previous year, the company held 401,292 common shares on the balance sheet date. This corresponds to a 4.95% share of the subscribed capital (previous year 4.95%). The costs of acquisition totalled EUR 23,836,380.56 (previous year: EUR 23,836,380.56) and were deducted from equity as treasury shares.

	in shares
Shares issued as of 1 January 2022	7,698,708
Shares bought back and not cancelled as part of the share buy-back programme in the 2022 financial year	0
Shares issued as of 31 December 2022/1 January 2023	7,698,708
Shares bought back and not cancelled as part of the of the share buy-back programme in the 2023 financial year	0
Shares issued as of 31 December 2023	7,698,708

Authorised capital

Pursuant to the resolution of the Annual General Meeting on 17 June 2021, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital on one or more occasions until 16 July 2026, but by no more than EUR 4,000,000.00 in total, by issuing up to 4,000,000 new no-par value bearer shares in return for cash and/or non-cash contributions (authorised capital).

Reserves

The **capital reserve** is the premium of EUR 3,579,043.17 (previous year: EUR 3,579,043.17) from the capital increase of a nominal EUR 511,291.88 in 1989.

Retained earnings comprise the parent company's legal reserve of EUR 246,542.39 and other retained earnings of EUR 41,541,567.57 (previous year: EUR 41,541,567.57*).

At EUR 23,836,380.56, the amount deducted for treasury shares did not change in the reporting year. The **foreign currency translation reserve** includes all currency differences arising from the translation of the annual financial statements of foreign subsidiaries whose functional currency is not the euro.

Currency translation differences are broken down by country as follows:

	2023 EUR	2022 EUR
Hong Kong	2,456,201.32	2,870,245.97
Hungary	-1,800,018.87	-2,044,301.57
Poland	-848,845.74	-1,649,257.06
China	0.00	-22,328.33
Czechia	528,862.20	701,244.92
Other countries	-188,175.42	-142,001.77
Total	**148,023.49**	**-286,397.84**

(13) Deferred tax liabilities

See point 5.

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments under "B. Accounting principles: Error corrections".

(14) Provisions

	Provisions for stores EUR	Provisions for personnel EUR	Other provisions EUR	Total EUR
As of 1.1.2022	**4,789,501.30**	**713,414.80**	**707,652.55**	**6,210,568.65**
Currency translation	-4,246.55	0.00	904.54	-3,342.01
Additions not recognised in the income statement	48,680.32	0.00	0.00	48,680.32
Additions	140,600.00	79,814.61	53,186.09	273,600.70
Additions due to compounding	16,847.14	0.00	0.00	16,847.14
Reversals	-70,290.23	-36,776.86	-589,293.79	-696,360.88
Utilisation	-219,740.74	-170,244.58	-45,468.76	-435,454.08
As of 31.12.2022 / 1.1.2023	**4,701,351.24**	**586,207.97**	**126,980.63**	**5,414,539.84**
Currency translation	6,162.25	0.00	-570.42	5,591.83
Additions not recognised in the income statement	1,712,588.09	0.00	0.00	1,712,588.09
Additions	84,400.00	142,723.03	47,976.93	275,099.96
Additions due to compounding	137,498.52	0.00	0.00	137,498.52
Reversals	-137,075.72	-347.02	-13.00	-137,435.74
Utilisation	-180,735.96	-70,412.90	-25,785.19	-276,934.05
As of 31.12.2023	**6,324,188.42**	**658,171.08**	**148,588.95**	**7,130,948.45**

Provisions classified according to when they are likely to be utilised:

	2023 EUR	2022 EUR
More than one year	4,860,725.65	3,808,651.24
Within one year	2,270,222.80	1,605,888.60
	7,130,948.45	5,414,539.84

The addition to provisions includes interest of EUR 137,498.52 (previous year: EUR 16,847.14) in relation to the provisions for stores. Provisions to be utilised after one year relate solely to obligations to restore store space to its original condition. The current portion of these provisions amounts to EUR 1,059,062.77 (previous year: EUR 460,000.00).

Provisions for stores

Provisions for stores mainly consist of existing obligations from ancillary rental costs and costs associated with store closures. Provisions for ancillary rental costs are quantified on the basis of past experience of corresponding additional demands in previous years. The costs associated with store closures are calculated using estimates based on the cost of restoring shop floor space to its original condition and taking account of past experience. Provisions for restoring store space to its original condition are recognised with no effect on profit or loss as part of the cost of acquisition of the relevant assets. In the financial year, the expected costs per store closure were increased on the basis of observed cost increases. As a result of this change in estimate, the provisions for restoration increased by EUR 1,640,112.67.

The definitive timing and cost of a store closure are unknown. An average residual lease term of eight years is assumed.

Provisions for personnel

Provisions for personnel primarily comprise obligations for compensation to be paid for personnel leaving the company and long service awards, the timing of which is not foreseeable.

Other provisions

Other provisions mainly include costs for ongoing litigation and compensation claims, the timing of which cannot be estimated in advance.

(15) Lease liabilities

The lease liabilities recorded are broken down as follows:

	2023 EUR	2022 EUR
Non-current	89,976,308.74	76,077,786.52
Current	34,965,409.91	36,185,007.09
	124,941,718.65	112,262,793.61

The amount of non-current undiscounted lease liabilities with a maturity of between one and five years is EUR 85,851,916.44 (previous year: EUR 71,738,461.72) and with a maturity of more than five years EUR 14,876,545.59 (previous year: EUR 10,981,198.65).

Total lease payments in 2023 amounted to EUR 45,071,033.52 (previous year: EUR 43,732,975.84).

Reconciliation of financial liabilities:

Lease liabilities

	EUR
As of 1.1.2022	**107,722,543.49**
Changes affecting payments	-39,551,226.31
Currency translation	-89,704.15
Additions	44,394,242.25
Interest expenses	4,182,698.63
Interest paid[1)]	-4,182,698.63
Reduction due to contractual amendments	-475,994.74
Other changes	262,933.02
As of 31.12.2022	**112,262,793.56**
As of 1.1.2023	**112,262,793.56**
Changes affecting payments	-39,040,006.41
Currency translation	301,585.32
Additions	51,365,275.75
Interest expenses	6,029,274.39
Interest paid[1)]	-6,029,274.39
Reduction due to contractual amendments	0.00
Other changes	52,070.43
As of 31.12.2023	**124,941,718.65**

[1)] Reported in the cash flow statement under cash flow from operating activities

(16) Tax liabilities

Tax liabilities relate to income taxes.

(17) Trade payables, other financial liabilities and other current liabilities

	2023 EUR	2022 EUR
Trade payables	10,158,338.37	8,308,130.75
Other financial liabilities	9,234,110.95	8,348,834.56
Tax liabilities for other taxes	6,539,390.72	6,891,888.81
Other liabilities for social security	2,255,462.49	1,923,583.26
Contractual liabilities	3,428,518.39	3,041,040.63
Other current liabilities	12,223,371.60	11,856,512.70
	31,615,820.92	**28,513,478.01**

Other financial liabilities mainly consist of personnel-related liabilities of EUR 4,474,191.75 (previous year: EUR 3,636,533.18), royalties and commissions of EUR 775,000.00 (previous year: EUR 803,000.00) and outstanding invoices, in particular for premises and energy costs, the preparation of financial statements and audits, totalling EUR 3,603,243.70 (previous year: EUR 3,308,684.17). They are due in less than one year.

Contract liabilities include advance payments received (vouchers) from contracts with customers of EUR 2,928,278.39 (previous year: EUR 2,690,548.63) and discount coupons of EUR 500,240.00 from the “BB-Club” loyalty programme that were still valid on the reporting date (previous year: EUR 350,492.00).

Contractual liabilities developed as follows in the financial year:

	Contractual liabilities EUR
As of 1.1.2023	**2,690,548.63**
Currency translation differences	-3,781.80
New vouchers issued	5,616,044.34
Redeemed vouchers	-4,975,173.38
Expired vouchers	-399,359.40
As of 31.12.2023	**2,928,278.39**

In the reporting period, EUR 1,208,472.85 of redeemed vouchers and EUR 399,359.40 of non-redeemed expired vouchers that were included in the balance of contract liabilities at the beginning of the period were recognised as income.

Refund liabilities and rights to recover the goods returned by customers are not recognised, because experience has shown that product returns by customers are not highly probable and that a significant reversal of the revenue will not occur. The validity of this assumption and the estimated number of returns are reassessed as of every balance sheet date.

D. Notes to the consolidated income statement

(18) Revenue / segment reporting

The breakdown of revenue is shown in segment reporting. Segment reporting follows the provisions of IFRS 8, according to which it must be prepared using the management approach. Internal reporting is based on segmentation by country.

(19) Other own work capitalised

The amount results primarily from the capitalisation of own work in expanding stores. This is recognised in property, plant and equipment under "Other equipment, operating and office equipment".

(20) Other operating income

	2023 EUR	2022 EUR
Exchange rate gains	1,294,039.79	2,176,230.53
Income from rent	1,127,949.07	638,742.99
Income from damage compensation	500,994.58	477,441.78
Income from the reversal of provisions	137,221.58	696,360.88
Income from the disposal of property, plant and equipment and the modification of right-of-use assets	119,149.11	81,373.03
Income from government grants due to COVID-19	114,415.46	459,011.64
Income from lease liability reductions	59,265.44	818,684.07
Income from the reversal of advance payments received	0.00	611,445.66
Other operating income	731,902.37	713,992.08
	4,084,937.40	6,673,282.66

Exchange rate gains of EUR 1,142,012.37 (previous year: EUR 1,854,366.79) are attributable to financial assets and liabilities measured at amortised cost.

(21) Cost of materials

	2023 EUR	2022* EUR
Expenses for services purchased	118,110.44	123,517.29
Expenses for goods purchased	72,387,809.43	63,619,479.73
	72,505,919.87	63,742,997.02

(22) Personnel costs

	2023 EUR	2022 EUR
Wages and salaries	72,193,415.21	65,197,116.33
Social security contributions	16,330,557.90	14,548,721.84
	88,523,972.41	79,745,838.17

Social security contributions include EUR 6,050,738.23 (previous year: EUR 5,314,713.99) in pension expenses. The employer contribution rate for statutory pension insurance in Germany was 9.30% of gross wages (previous year: 9.30%).

The average number of employees during the year was 3,543 (previous year: 3,445); this corresponds to 2,353 full-time equivalents (previous year: 2,271). Of these employees, 1,318 (previous year: 1,282) work in Germany. In accordance with the 1991 OECD directive on the publication duties of multinational companies, according to which the purpose of disclosing the number of employees is to give a full and fair view of the actual employment situation, the number of employees was converted to full-time equivalents.

	2023	2022
Administration, shipment, shopfitting, production	461	441
Sales in Germany	403	389
Sales abroad	1,489	1,441
	2,353	2,271

(23) Depreciation, amortisation and impairment of intangible assets, property, plant and equipment and right-of-use assets

Depreciation, amortisation and impairment can be seen under points 1, 2 and 3. The distribution of depreciation, amortisation and impairment across the individual geographical regions is presented in the segment reporting.

* The previous year’s figures have been adjusted in accordance with IAS 8. We refer to our comments under “B. Accounting principles: Error corrections”.

A total impairment charge of EUR 300,834.28 (previous year: EUR 1,723,002.19) was recognised on assets recognised as at 31 December 2023. This amount breaks down into EUR 0.00 (previous year: EUR 12,380.00) for intangible assets, EUR 78,774.45 (previous year: EUR 376,685.45) for property, plant and equipment and EUR 222,059.83 (previous year: EUR 1,333,936.74) for right-of-use assets. It is recognised in profit or loss under impairment of intangible assets and property, plant and equipment and impairment of right-of-use assets.

(24) Other operating expenses

	2023 EUR	2022 EUR
Commission on sales/leases	34,467,806.08	29,872,627.56
Occupancy costs	10,952,790.00	10,229,677.12
Bank and consultancy fees	8,737,054.71	8,417,867.14
Costs of delivering goods and packaging	4,632,714.65	3,771,413.71
Advertising and decoration expenses	4,256,656.57	3,257,350.56
Maintenance and repairs	3,798,166.29	3,081,786.87
Travel and entertainment costs	2,037,519.16	1,520,450.59
Exchange rate losses	2,001,097.90	1,979,412.34
Temporary workers	1,452,595.98	1,483,992.47
Postage and telephone	1,045,923.78	1,107,984.94
Commission on sales for concessions	1,004,597.75	957,704.87
Other taxes and levies	724,217.80	775,997.88
Expenses for licences	688,190.72	254,313.03
Voluntary social expenses	616,359.17	267,184.58
Accounting losses from the disposal of assets	586,267.05	216,892.11
Insurance	413,778.10	460,670.23
Fees and dues	133,807.85	108,852.79
Loss on deconsolidation	34,116.06	0.00
Repayment of coronavirus aid	0.00	459,520.35
Miscellaneous operating expenses	4,750,194.02	4,228,270.11
	82,333,853.64	72,451,969.25

Commission on sales/leases includes cost reimbursements and other expenses paid to a lessee for the operation of shops in Germany.

Miscellaneous operating expenses consist primarily of costs for brokerage commissions, office and operating supplies and services from third parties.

Exchange rate losses of EUR 1,839,316.18 (previous year: EUR 1,876,193.17) are attributable to financial assets and liabilities measured at amortised cost.

(25) Financial result

	2023 EUR	2022 EUR
Interest and similar expenses	-104,314.81	-192,094.54
Interest expenses on operating taxes	-140.78	-57.00
Discounting of non-current receivables	-124,581.35	-161,929.98
Accrual of non-current provisions	-137,498.52	-16,847.14
Interest expense for leases	-6,029,274.39	-4,182,698.63
	-6,395,809.85	-4,553,627.29
Interest income	2,521,489.11	619,102.40
Financial result	-3,874,320.74	-3,934,524.89

Commissions totalling EUR 103,948.16 (previous year: EUR 101,419.10) were incurred in respect of guarantees.

(26) Income taxes

Income taxes reported include the actual taxes paid or owed in individual countries as well as deferred taxes.

	2023 EUR	2022* EUR
Actual tax expense	10,240,942.47	9,612,603.40
Deferred tax income (-)/tax expense (+) (see point 5)	1,695,028.25	1,268,767.26
Recognised income tax expense	11,935,970.72	10,881,370.66

* The previous year’s figures have been adjusted in accordance with IAS 8. We refer to our comments under “B. Accounting principles: Error corrections”.

Reconciliation of expected with reported income tax expense:

	2023 EUR	2022* EUR
Group earnings before income taxes	36,011,234.78	45,769,677.33
Expected tax expense of 31.6% (2022: 31.6%)	11,379,550.19	14,463,218.03
Tax decreases due to tax-exempt income	-170,643.38	-267,225.22
Tax increases due to non-tax-deductible expenses	1,132,760.32	682,618.71
Impact of differences in national tax rates	-1,410,580.31	-2,074,867.45
Measurement of deferred tax assets	1,498,535.28	-1,536,217.51
Other effects	-512,799.44	-414,598.15
Utilisation of unrecognised tax loss carryforwards	-34,362.28	30,829.48
Taxes for previous years	53,510.44	-2,387.23
Recognised income tax expense	11,935,970.72	10,881,370.66

As in the previous year, a total tax rate of 31.6% was used to determine the expected tax rate in the 2023 financial year. This tax rate is composed of the corporate income tax rate (15%), the solidarity surcharge (5.5% on corporate income tax) and the average trade tax rate for the locations of Bijou Brigitte AG (15.8%).

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments under "B. Accounting principles: Error corrections".

(27) Earnings per share

Earnings per share were calculated in accordance with IAS 33.
Basic earnings per share are obtained by dividing the net profit for the period attributable to the shareholders by the number (weighted average) of common shares in circulation during the year. Shares held by the company reduce the number of outstanding shares. As of 31 December 2023, the average number of outstanding shares came to 7,698,708, the same as in the previous year. Since there were no warrants or option rights, diluted earnings per share are the same as basic earnings per share.

Earnings per share are calculated as follows:

	2023 EUR	2022* EUR
Group earnings	24,075,264.06	34,888,306.67
Group earnings attributable to the shareholders	24,075,264.06	34,888,306.67
Common shares entitled to dividends (average)	7,698,708	7,698,708
Earnings per share		
Basic	3.13	4.53
Diluted	3.13	4.53

* The previous year's figures have been adjusted in accordance with IAS 8. We refer to our comments under "B. Accounting principles: Error corrections".

E. Other notes

Segment reporting

IFRS 8 requires segment reporting to be prepared using the management approach. Bijou Brigitte modische Accessoires AG sees itself as a one-product company in that it does not differentiate between different product groups in either sales or internal reporting, but offers customers the complete range as one product. Earnings are therefore segmented geographically in order to provide management with plausible data and a basis to make decisions.

The Group is primarily active in five geographical regions: Germany, Spain, Italy, France and Portugal. As the business processes, target groups and sales processes, as well as the product range itself, are generally very similar in the other countries, these countries are summarised in the “Other countries” reportable segment in accordance with IFRS 8.13 and IFRS 8.16.

The segments presented cover all of the activities in a country. The allocation of external sales is based on the location of the sales markets.

The measurement principles for segment reporting are based on IFRS as used in the consolidated financial statements. There are no measurement differences between the reported segments and the Group due to the harmonisation of internal and external reporting. Figures are allocated to segments entirely by the accounting units. Segment earnings equal the earnings for the period as required by IFRS 8. Transfer pricing for intra-Group revenue is determined on the basis of market prices.

Segment capital expenditure comprises the additions to intangible assets and property, plant and equipment.

Pursuant to IFRS 8.23, no assets and liabilities were measured for the segments subject to reporting, since such figures are not internally reported to the respective company decision-maker.

Segment reporting

	External revenue		Inter-segment revenue		Total revenue		Other expenses for premises and personnel costs		Other expenses and income		Depreciation and amortisation		Interest income		Interest expenses		**Segment earnings/Group earnings before taxes**		Income taxes		**Segment earnings/Group earnings**		Segment capital expenditure	
Figures in EUR	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 *	2023	2022	2023	2022	2023	2022	2023	2022 *	2023	2022 *	2023	2022 *	2023	2022
Germany[(1)]	167,646,833.56	151,358,447.23	44,447,825.93	39,667,322.47	212,094,659.49	191,025,769.70	-46,500,719.84	-42,346,897.85	-117,911,700.67	-102,428,316.44	-24,514,896.10	-24,534,408.34	2,202,215.45	847,549.14	-4,271,136.03	-1,942,383.35	**21,098,422.30**	**20,621,312.86**	-7,379,728.23	-6,962,788.02	**13,718,694.07**	**13,658,524.84**	6,320,679.61	3,960,424.42
Spain	36,681,169.19	37,298,450.17	0.00	0.00	36,681,169.19	37,298,450.17	-12,218,092.39	-11,487,538.61	-14,576,232.71	-13,469,520.13	-5,356,644.69	-4,997,217.56	851,507.15	92,028.86	-772,553.47	-682,823.13	**4,609,153.08**	**6,753,379.60**	-1,058,906.50	-1,721,240.07	**3,550,246.58**	**5,032,139.53**	1,351,093.57	1,152,778.42
Italy	33,618,542.72	31,472,373.91	0.00	0.00	33,618,542.72	31,472,373.91	-11,782,382.30	-10,259,895.70	-13,794,209.55	-11,464,891.84	-4,159,326.75	-3,940,230.03	290,500.90	2,302.50	-908,018.32	-644,387.98	**3,265,106.70**	**5,165,270.86**	-913,449.60	-1,520,649.04	**2,351,657.10**	**3,644,621.82**	1,548,422.24	468,608.01
Portugal	8,597,545.17	9,236,911.27	0.00	0.00	8,597,545.17	9,236,911.27	-2,363,331.38	-2,343,175.81	-3,396,732.22	-3,284,730.99	-1,403,799.14	-1,172,741.63	381,122.28	63,368.75	-298,759.28	-126,344.83	**1,516,045.43**	**2,373,286.76**	-332,251.30	-552,562.67	**1,183,794.13**	**1,820,724.09**	319,253.48	87,949.73
France	26,756,971.84	26,432,009.56	0.00	0.00	26,756,971.84	26,432,009.56	-10,548,916.84	-9,508,010.42	-11,871,329.94	-9,706,447.58	-4,922,445.23	-4,912,192.41	38,431.39	4,839.92	-824,773.35	-620,458.96	**-1,372,062.13**	**1,689,740.11**	-1,081,721.45	1,540,833.22	**-2,453,783.58**	**3,230,573.33**	971,884.90	322,771.56
Other countries	54,582,254.25	50,665,005.81	0.00	0.00	54,582,254.25	50,665,005.81	-16,095,822.88	-14,234,628.87	-21,457,500.95	-17,153,254.15	-9,052,467.29	-8,581,057.51	808,684.65	116,105.49	-1,369,577.12	-1,045,245.77	**7,415,570.66**	**9,766,925.00**	-1,169,913.64	-1,664,964.08	**6,245,657.02**	**8,101,960.92**	2,616,455.39	950,937.61
	327,883,316.73	306,463,197.95	44,447,825.93	39,667,322.47	372,331,142.66	346,130,520.42	-99,509,265.63	-90,180,147.26	-183,007,706.04	-157,507,161.13	-49,409,579.20	-48,137,847.48	4,572,461.82	1,126,194.66	-8,444,817.57	-5,061,644.02	**36,532,236.04**	**46,369,915.19**	-11,935,970.72	-10,881,370.66	**24,596,265.32**	**35,488,544.53**	13,127,789.19	6,943,469.75
Consolidation	0.00	0.00	-44,447,825.93	-39,667,322.47	-44,447,825.93	-39,667,322.47	0.00	0.00	43,928,789.66	39,066,160.14	0.00	0.00	-2,050,972.71	-507,092.26	2,049,007.72	508,016.73	**-521,001.26**	**-600,237.86**	0.00	0.00	**-521,001.26**	**-600,237.86**	0.00	0.00
Total	327,883,316.73	306,463,197.95	0.00	0.00	327,883,316.73	306,463,197.95	-99,509,265.63	-90,180,147.26	-139,078,916.38	-118,441,000.99	-49,409,579.20	-48,137,847.48	2,521,489.11	619,102.40	-6,395,809.85	-4,553,627.29	**36,011,234.78**	**45,769,677.33**	-11,935,970.72	-10,881,370.66	**24,075,264.06**	**34,888,306.67**	13,127,789.19	6,943,469.75

* The previous year's figures have been adjusted in accordance with IAS 8. For more details, please refer to the Notes to the Consolidated Financial Statements under "B. Accounting principles; Error corrections".

(1) The Germany segment also includes the purchasing companies in Hong Kong and China (until 30 June 2023).

Revenue is primarily from the sale of merchandise.

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

"Depreciation and amortisation" includes the following impairment losses: EUR 114,927.78 for the Germany segment (previous year: EUR 855,143.13), EUR 39,250.56 for the Spain segment (previous year: EUR 225,757.04), EUR 14,620.65 for the Italy segment (previous year: EUR 128,703.60), EUR 0.00 for the Portugal segment (previous year: EUR 0.00), EUR 19,138.07 for the France segment (previous year: EUR 224,764.33), and EUR 112,897.22 for the other countries segment (previous year: EUR 288,634.06).

Material non-cash segment expenses amount to EUR 186,126.54 for the Germany segment (previous year: EUR 277,502.27), EUR 25,229.88 for the Spain segment (previous year: EUR 112,684.77), EUR 144,711.91 for the Italy segment (previous year: EUR 117,245.64), EUR 10,362.91 for the Portugal segment (previous year: EUR 7,455.68), EUR 82,130.56 for the France segment (previous year: EUR 46,634.01), and EUR 608,208.78 for the other countries segment (previous year: EUR 313,964.23).

Intangible assets and property, plant and equipment totalled EUR 24,168,643.70 in Germany (previous year: EUR 22,988,065.44) and EUR 13,983,365.09 abroad (previous year: EUR 11,898,026.70). Of this amount, the Spain segment accounted for EUR 2,840,044.58 (previous year: EUR 2,328,731.91), the Italy segment for EUR 2,394,156.70 (previous year: EUR 1,650,747.41), the Portugal segment for EUR 554. 512.50 (previous year: EUR 459,176.09), the France segment for EUR 2,926,613.10 (previous year: EUR 3,344,293.92) and the other countries segment for EUR 5,268,038.21 (previous year: EUR 4,115,077.37).

Right-of-use assets amounted to EUR 57,995,762.78 in Germany (previous year: EUR 48,562,641.14) and EUR 62,490,657.63 abroad (previous year: EUR 58,329,884.85). Of this amount, EUR 10,753,026.80 (previous year: EUR 9,513,750.23) is attributable to the Spain segment, EUR 11,818,715.77 (previous year: EUR 11,327,838.53) to the Italy segment, EUR 3,881,492.50 (previous year: EUR 3,447. 459.86) to the Portugal segment, EUR 13,801,844.86 (previous year: EUR 11,787,341.06) to the France segment and EUR 22,235,577.70 (previous year: EUR 22,253,495.17) to the other countries segment.

Financial instruments

Abbreviation	English	German											
AC	Amortised cost	Amortised cost											
			Carrying amount according to IFRS 9				**Fair value as of 31.12.2023**		**Carrying amount according to IFRS 9**				**Fair value as of 31.12.2022**
in EUR	**Valuation category pursuant to IFRS 9**	**Carrying amount 31.12.2023**	Amortised cost	Cost of acqui-sition	Fair value through OCI	Fair value through profit or loss		**Carrying amount 31.12.2022**	Amortised ac-quisition costs	Cost of acqui-sition	Fair value through OCI	Fair value through profit or loss	
Assets													
Other non-current financial assets	AC	1,994,523.86	1,994,523.86				1,994,523.86	1,808,506.43	1,808,506.43				1,808,506.43
Trade receivables	AC	1,603,345.34	1,603,345.34				1,603,345.34	1,691,738.76	1,691,738.76				1,691,738.76
Other financial assets	AC	90,146,024.42	90,146,024.42				90,630,023.81	74,851,285.93	74,851,285.93				74,851,285.93
Financial assets	AC	0.00	0.00				0.00	0.00	0.00				0.00
Cash and cash equivalents	AC	69,354,997.39	69,354,997.39				69,354,997.39	101,502,236.80	101,502,236.80				101,502,236.80
Liabilities													
Non-current interest-bearing liabilities	AC	0.00	0.00				0.00	0.00	0.00				0.00
Current interest-bearing liabilities	AC	0.00	0.00				0.00	0.00	0.00				0.00
Trade payables	AC	10,158,338.37	10,158,338.37				10,158,338.37	8,308,130.75	8,308,130.75				8,308,130.75
Other financial liabilities	AC	9,234,110.95	9,234,110.95				9,234,110.95	8,348,834.56	8,348,834.56				8,348,834.56

Most cash and cash equivalents, trade receivables and other financial assets have short residual maturities.

As a result, their carrying amounts as at the reporting date correspond approximately to their fair value, with the exception of government bonds. The remaining difference between the fair value and the carrying amount of non-current interest-bearing liabilities is considered to be immaterial.

Trade payables and other financial liabilities usually have short residual maturities. For this reason, the carrying amount corresponds to the fair value.

The total carrying amount of assets in the AC category is EUR 163,098,891.01 (previous year: EUR 179,853,767.92).

The total carrying amount of liabilities in the AC category is EUR 19,392,449.32 (previous year: EUR 16,656,965.31).

Net earnings by valuation category

	2023						2022					
		From subsequent valuation				**Net earnings**		From subsequent valuation				**Net earnings**
in EUR	From interest	At Fair value	Currency translation	Value adjustment	From disposals		From interest	At Fair value	Currency translation	Value adjustment	From disposals	
Amortised cost (AC)	2,399,518.40	0.00	-697,303.81	-49,546.71	0.00	1,652,667.88	366,496.98	0.00	-21,826.38	-96,762.91	0.00	247,907.69
Total	**2,399,518.40**	**0.00**	**-697,303.81**	**-49,546.71**	**0.00**	**1,652,667.88**	**366,496.98**	**0.00**	**-21,826.38**	**-96,762.91**	**0.00**	**247,907.69**

Interest from financial instruments is recognised in the financial result.

Net gains or losses from currency translation and from impairments on trade receivables are recognised in other operating expenses or income.

Interest for the amortised cost (AC) measurement category also includes interest income and expenses of EUR -57,737.97 from the compounding and discounting of non-current receivables (previous year: EUR -148,868.79).

Financial risk factors

In the course of its normal business operations, the Bijou Brigitte Group is exposed to a number of financial risks such as exchange rate fluctuations, interest and liquidity risks. The risk management system monitors these risks in order to minimise negative effects on Group earnings.

Pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), the Management Board set up a monitoring system so as to identify developments that may endanger the continued existence of the company in a timely fashion. The monitoring system and its organisation cover the entire Group managed by the company.

The company has identified material risks and introduced appropriate monitoring measures.

The monitoring measures are primarily implemented at the head office in Hamburg; the corresponding developments in the subsidiaries are also monitored here. Monitoring mainly involves analysing business assessments, which are updated on a daily basis in some cases. If anything unusual becomes apparent, the employees responsible take appropriate measures to obtain a detailed analysis of the events and to clarify them, if necessary on site.

Measures are monitored directly by members of the Management Board, first-level managers and the internal audit department to ensure the communication of identified risks.

Currency risks

Currency risks as defined by IFRS 7 arise through financial instruments of a monetary nature and denominated in a currency other than the functional currency; exchange rate differences arising from the translation of financial statements into the Group currency are not included.

The currency risks of the Bijou Brigitte Group result from operating and investing activities.

Individual Group companies primarily perform their daily business in their respective functional currency. For this reason, the exchange rate risk from normal business operations is estimated to be low. Furthermore, the currencies of foreign subsidiaries are mainly stable and not subject to any significant exchange rate fluctuations. In the event of business transactions processed in currencies subject to substantial exchange rate fluctuations, such as the US dollar, the currency's performance is continuously monitored and, if necessary, foreign exchange hedges are made. The company does not currently see any need for action.

As shown in section (9) Other financial assets, the company has invested its cash and cash equivalents in short-term time deposits and government bonds, some of which are denominated in USD. With these investments, the company is exposed to exchange rate risk if the US dollar develops unfavourably in relation to the euro.

Currency sensitivity analyses are based on the following assumptions:

Changes in exchange rates have an impact on earnings and equity with regard to trade payables denominated in US dollars as well as the overnight deposits and government bonds denominated in US dollars. If the euro had appreciated (depreciated) by 10% against the US dollar as at 31 December 2023, earnings and equity would have been EUR 3,910,418.03 lower (higher) (31 December 2022: EUR 2,268,621.68 lower (higher)).

Interest, default and liquidity risks

Group earnings and operating cash flow are practically free from interest-rate changes and default risks associated with sales. Default risks do not exceed the carrying amounts of financial instruments. Liquidity risks stem primarily from the Group's expansion activities. Risks associated with the Group's expansion are monitored by the Management Board and are currently deemed to be negligible in view of the company's excellent liquidity and equity ratio. Furthermore, the majority of outstanding receivables are attributable to payment transactions with concession partners with a high credit rating. There are therefore usually no payment delays.

Other relevant disclosures can be found in the risk report in the Group management report.

A sensitivity analysis was not performed for reasons of materiality.

Leases

The following amounts in connection with leases are included in the balance sheet and income statement:

	2023 EUR	2022 EUR
Right-of-use assets		
Buildings 31.12.	120,486,420.41	106,892,525.99
Additions	57,828,006.08	46,883,355.33
Depreciation	38,147,501.86	37,543,487.26
Impairment	222,059.83	1,333,936.71
Lease liabilities		
Non-current	89,976,308.74	76,077,786.52
Current	34,965,409.91	36,185,007.09
	124,941,718.65	112,262,793.61
Total cash outflows	45,071,033.52	43,732,975.84
Interest expenses	6,029,274.39	4,182,698.63
Expenses for variable lease payments not included in the lease liabilities	258,216.73	143,918.29

Conditional lease payments are recognised as expenses in the period in which they are incurred. The variable payments based on the sales achieved totalled EUR 258,216.73 in the financial year (previous year: EUR 143,918.29).

Events after the balance sheet date

No events of significance have occurred since the reporting date.

Transactions with related parties

Related parties of Bijou Brigitte modische Accessoires AG are the members of the Management Board, the members of the Supervisory Board, other employees in key positions in the areas of finance, human resources, IT and sales, and their close relatives. The benefits granted in the financial year, which were exclusively of a short-term nature, totalled EUR 2,960,752.94 (previous year: EUR 2,956,071.10). No other benefits were granted.

Friedrich-Wilhelm Werner, the company's founder and Chairman of the Management Board until 31 December 2008, father of the current chairman of the Management Board, Roland Werner, Hamburg, is the company's majority shareholder with 50.4% (previous year: 50.4%) of the subscribed capital, has control over Bijou Brigitte modische Accessoires AG as the "ultimate controlling party" within the meaning of IAS 24.13 and is thus also a related party of Bijou Brigitte modische Accessoires AG.

The Chairman of the Management Board, Roland Werner, is a close family member of Friedrich-Wilhelm Werner.

As overlapping personnel enables Bijou Brigitte modische Accessoires 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. The Group donated a total of EUR 200,000.00 to the Foundation in 2023 (previous year: EUR 200,000.00).

No balances were outstanding with related enterprises or persons at the balance sheet date, with the exception of liabilities to members of the Management Board in relation to performance-related pay, which were disclosed in current provisions.

Supervisory Board

Dr Friedhelm Steinberg, self-employed lawyer, Hamburg

Chairman

Honorary President of the Hamburg Stock Exchange, Hamburg

Member of the following supervisory boards:

- Fondsbörse Deutschland Beteiligungsmakler AG, Hamburg (Chairman)
- BÖAG Börsen AG, Hamburg-Hannover-Düsseldorf (Deputy Chairman)

Member of comparable domestic and foreign governance bodies:

- Exchange Council of Hamburg Stock Exchange, Hamburg (Honorary Chairman)
- Medical Chamber Pension Scheme, Hamburg (Member of Supervisory Committee)
- Ed. Heckewerth Nachf. GmbH & Co. KG, Hiddenhausen (Member of Advisory Board)
- Hamburgische Investitions- und Förderbank, Hamburg (Member of Advisory Board)
- Tierpark Hagenbeck gemeinnützige Gesellschaft mbH, Hamburg (Member of the Foundation Board until 31 May 2023)

Claus-Matthias Böge, Managing Director of CMB Böge Vermögensverwaltung GmbH, Hamburg

Deputy Chairman

Member of the following supervisory boards:

- Hamborner REIT AG, Duisburg (Deputy Chairman)

Matthias Ebermann, electrician, head of technical store support at Bijou Brigitte AG, Hamburg

Employee representative

Committees of the Supervisory Board

Audit Committee

- Claus-Matthias Böge (Chairman)
- Dr Friedhelm Steinberg (Deputy Chairman)
- Matthias Ebermann

Management Board

- Roland Werner, merchant, Hamburg
  Chairman of the Management Board (full-time)
- Marc Gabriel, merchant, Hamburg
  Member of the Management Board for Finance (full-time)
- Jürgen Gödecke, merchant, Drage
  Member of the Management Board for Sales (full-time)

Remuneration of the Supervisory and Management Boards

Total remuneration of the Supervisory Board for 2023 came to EUR 120,000.00 (previous year: EUR 90,000.00). Dr Friedhelm Steinberg received EUR 60,000.00 of this amount (previous year: EUR 45,000.00),
Mr Claus-Matthias Böge EUR 40,000.00 (previous year: EUR 30,000.00) and Mr Matthias Ebermann EUR 20,000.00 (previous year: EUR 15,000.00).

Total remuneration of the Management Board in 2023 consisted of performance-based and non-performance-based components. As in the previous year, long-term incentive components did not come into effect during the financial year. Total non-performance-related remuneration for 2023 came to EUR

1,185,739.10 (previous year: EUR 1,132,360.54), of which Mr Roland Werner received EUR 550,236.14 (previous year: EUR 545,570.23), Mr Marc Gabriel EUR 336,848.97 (previous year: EUR 312,966.06) and Mr Jürgen Gödecke EUR 298,654.00 (previous year: EUR 273,824.25). Total contractually awarded performance-related remuneration for 2023 came to EUR 739,344.71 (previous year: EUR 944,000.77), of which Mr Roland Werner received EUR 369,672.36 (previous year: EUR 472,000.38), Mr Marc Gabriel EUR 184,836.18 (previous year: EUR 236,000.19) and Mr Jürgen Gödecke EUR 184,836.18 (previous year: EUR 236,000.19).

The total performance-related remuneration granted in the 2023 financial year will be paid out in the following year less the advance payments made in 2023.

Advances and loans granted

The Management Board did not receive any advances or loans in 2023.

Auditors' fees

Fees for the auditor (RSM Ebner Stolz GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft) amounted to EUR 317,193.02 for the financial year (previous year: EUR 230,000.00). This is made up as follows:

	2023 EUR	2022 EUR
Audit services	315,681.02	230,000.00
Other services	1,512.00	0.00
	317,193.02	230,000.00

Audit services include EUR 41,280.52 in relation to the audit of the financial statements for the previous year.

Other services relate to support for the 2023 Annual General Meeting.

Dividend per share

In agreement with the Supervisory Board, the Executive Board proposes to the Annual General Meeting that a dividend of EUR 3.50 (previous year: basic dividend of EUR 3.00 and bonus dividend of EUR 2.00 due to the company's 60th anniversary) per no-par value share be distributed on the share capital of EUR 8,100,000.00 entitled to dividends for 2023. The total dividend distribution thus amounts to EUR 28,350,000.00 (previous year: EUR 40,500,000.00). The payout is reduced by the amount of the dividend on treasury shares.

This dividend is recognised as a component of equity in the consolidated financial statements. The dividend liability will be recognised in the 2024 financial year. In the 2023 financial year, the total dividend of EUR 5.00 per no-par value share was distributed as resolved.

German Corporate Governance Code (Section 161 AktG)

The Management and Supervisory Boards of Bijou Brigitte modische Accessoires Aktiengesellschaft have issued a declaration of conformity pursuant to Section 161 AktG and made this publicly available on the Bijou Brigitte website www.group.bijou-brigitte.com.

Hamburg, 24 April 2024

Bijou Brigitte modische Accessoires Aktiengesellschaft, Hamburg

The Management Board

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Roland Werner	Marc Gabriel	Jürgen Gödecke

Independent auditors’ report

For Bijou Brigitte modische Accessoires AG, Hamburg

Audit report for the consolidated financial statements and combined management report

Audit opinion

We have audited the consolidated financial statements of **Bijou Brigitte modische Accessoires AG, Hamburg**, and its subsidiaries (the Group) – comprising the consolidated balance sheet as of 31 December 2023, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2023 as well as the notes to the consolidated financial statements, including a summary of the most important accounting policies. We have also audited the combined parent company and group management report (the "combined management report") for Bijou Brigitte modische Accessoires AG, Hamburg for the financial year from 1 January to 31 December 2023. In accordance with German statutory requirements, we have not audited the content of the separate non-financial report for 2023 pursuant to Sections 289b and 315b of the German Commercial Code (HGB), which has been published on the company’s website and is referred to in the “Separate non-financial report” section of the combined management report, the corporate governance statement pursuant to Section 315d HGB in conjunction with Section 289f HGB, which is published on the company’s website and referred to in the “Other disclosures” section of the combined management report in the subsection entitled “Statement pursuant to Sections 289f and 315d HGB”, or the statements in the “Independent Monitoring” subsection of the risk and opportunity report in the combined management report.

In our opinion, based on the findings of our audit,

- the consolidated financial statements in this report comply in all material respects with IFRS as applicable in the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, and give a true and fair view of the Group's net assets, financial position and results of operations in accordance with these requirements as of 31 December 2023, as well as the results of operations for the financial year from 1 January to 31 December 2023, and
- the combined management report contained in this annual report as a whole conveys a true picture of the Group's position. The combined management report is consistent with the consolidated financial statements in all material respects, meets all of the requirements under German law and accurately portrays the risks and opportunities of future development. Our audit opinion on the combined management report does not cover those components of the combined management report mentioned above whose content was not audited.

In accordance with Section 322 (3) (1) HGB, we declare that our audit has not led to any reservations regarding the correctness of the consolidated financial statements or the combined management report.

Basis for the audit opinion

We conducted the audit of the consolidated financial statements and the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014) in compliance with German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]). Our responsibility according to these regulations and standards is described in more detail in our audit report under "Responsibility of the auditor in the audit of the consolidated financial statements and the combined management report". Pursuant to European and German commercial and professional regulations, we are independent from the Group companies and have fulfilled all other German professional obligations in line with these requirements. Moreover, pursuant to Article 10 (2) (f) of the EU Audit Regulation, we also declare that we have not provided any prohibited non-audit services as described in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our audit opinions of the consolidated financial statements and the combined management report.

Particularly important audit issues in the audit of the consolidated financial statements

Particularly important audit issues are issues that, in our professional opinion, were the most significant for our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These issues were taken into consideration during the audit of the consolidated financial statements as a whole and in the process of forming an opinion; we do not express a separate opinion for these issues.

Below, we present the key audit matters from our point of view:

1) Right-of-use assets and lease liabilities (IFRS 16)
2) Valuation of inventories

1) Right-of-use assets and lease liabilities (IFRS 16)

a) Risk in relation to the consolidated financial statements

As at the balance sheet date, the consolidated financial statements of Bijou Brigitte modische Accessoires AG, Hamburg disclosed right-of-use assets of EUR 120.5 million arising from leases and lease liabilities of EUR 124.9 million. Right-of-use assets and lease liabilities thus represent 29.6% and 30.7% of the Group's total assets and liabilities, respectively. The Group has put processes in place to ensure that the recording of leases is complete and accurate.

Accounting for right-of-use assets and lease liabilities involves the use of estimates and judgement by management, in particular regarding the discount rates applied and the estimation as to whether any contractual options are likely be exercised.

The company's disclosures on right-of-use assets and lease liabilities are contained in sections B. (Right-of-use assets), B. (Leases), C. 3, C. 15 and E. (Leases) of the consolidated financial statements and in the section entitled "Group net assets, financial position and results of operations" in the combined management report.

Given the significance of this matter to the Group's financial position and the complexity of the requirements under IFRS 16, the accounting treatment of the right-of-use assets and lease liabilities arising from the leases entered into was especially important.

b) Audit approach and conclusions

In the context of our audit, we assessed the appropriateness and effectiveness of the processes put in place by the Group to ensure that leases were fully recorded. We also conducted sample tests to check whether the relevant lease data was fully and accurately determined and recorded in the IT system. In so doing, we also reviewed in particular the completeness and accuracy of changes recorded due to contract amendments or the exercise of contractual options compared with the previous year. We also checked whether the software that was employed correctly calculated the right-of-use assets and lease liabilities using the saved interest rates and transferred the result to the correct items in the balance sheet and income statement. In this regard, we also checked the assumptions and parameters underlying the incremental borrowing rates.

The processes put in place by the legal representatives are fundamentally adequate to ensure the complete and accurate recording of the right-of-use assets and lease liabilities recognised in the balance sheet. We were also able to establish that the estimates and assumptions made by the legal representatives were appropriate and that the software that was employed enabled leases to be correctly accounted for in accordance with IFRS 16.

2) Valuation of inventories

a) Risk in relation to the consolidated financial statements

The consolidated financial statements of Bijou Brigitte modische Accessoires AG, Hamburg disclose inventories of EUR 80.4 million (19.7% of total assets), mainly comprising merchandise. The inventories contain a large number of small merchandise items, and stock control and inventory accounting are performed in a software system that has been heavily adapted to the particular needs of the Group and contains additional in-house components. The valuation of inventories at the balance sheet date requires judgement to be exercised by the legal representatives in relation to estimates and assumptions regarding future achievable sales prices, which are one of the criteria for the recognition of impairments. Application of the valuation rules indicated a total impairment loss of EUR 3.8 million as at 31 December 2023.

The company’s disclosures on the measurement of inventories are contained in sections B. (inventories) and C. 6 of the consolidated financial statements and in the section entitled "Group net assets, financial position and results of operations" in the combined management report.

Given the complexity that arises from the adjusted and expanded inventory management software, the absolute and relative magnitude of the inventories in the balance sheet, and the need to exercise judgement when estimating future achievable sales prices, we considered this matter to be of particular importance to the audit.

b) Audit approach and conclusions

In the course of our audit, we formed the view that cost was properly recorded, including with respect to the fixed rates of ancillary purchasing costs that were applied. We also audited the subsequent valuation of inventories, which was based exclusively on standardised reports from the stock control system, which take into account the sales-related marketability and inventory coverage as well as the sales prices to be achieved in the future. In particular, we:

- audited the completeness and accuracy of the manual transfer of the accumulated inventory balances from inventory management to financial accounting as at 31 December 2023
- evaluated the stock control system that underlay the recording and valuation of inventories, including the controls that were in place
- performed sample tests on supplier invoices and attributable costs
- reviewed the standardised reports used for subsequent valuation to ensure that they appropriately reflected the underlying accounting rules and the estimates made by management in this regard; in particular with regard to the “discontinued items” adjusted in 2023 (see section “B. Accounting policies, error corrections” of the notes to the consolidated financial statements for the 2023 financial year)
- The reconciliation of local inventories to the consolidated balance sheet value was reviewed, taking into account the valuation effects resulting from the IFRS accounting regulations

In our opinion, the stock control system implemented by the legal representatives, the controls it contains, the valuation schema used for subsequent valuation and the assumptions and judgements made in connection therewith enable the inventories to be valued correctly.

Additional information

The legal representatives and the Supervisory Board are responsible for the additional information. The additional information comprises:

- the separate non-financial report published on the company's website pursuant to Section 289b and Section 315b HGB, as referred to in the combined management report in the section entitled "Separate non-financial report".
- the corporate governance statement published on the company's website, as referred to in the "Other information" section of the combined management report in the subsection entitled "Declaration pursuant to Sections 289f and 315d HGB",
- the "Independent monitoring" subsection of the risks and opportunities report contained in the combined management report.
- the report of the Supervisory Board,
- the statement of assurance regarding the consolidated financial statements pursuant to Section 297 (2) (4) HGB and the statement of assurance regarding the combined management report pursuant to Section 289 (1) (5) in conjunction with Section 315 (1) (5) HGB.
- the remaining parts of the published annual report, with the exception of the consolidated financial statements, the combined management report disclosures whose content was audited, and our audit opinion thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the statement on the German Corporate Governance Code pursuant to Section 161 AktG [Aktiengesetz, German Stock Corporation Act], which forms part of the corporate governance statement published on the company's website and is referred to in the "Other information" section of the combined management report in the subsection entitled "Declaration pursuant to Sections 289f and 315d HGB". The legal representatives are also responsible for the additional information.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the additional information and we therefore do not provide an audit opinion or any other kind of audit conclusion for it.

In connection with the audit, it is our responsibility to read the above-mentioned additional information and to assess whether it

- presents material inconsistencies to the consolidated financial statements, the audited contents of the combined management report or our findings from the audit, or
- otherwise seems to present a material misrepresentation.

If, based on the work we have performed, we conclude that there is a material misrepresentation of this other information, we are obliged to report that fact. We have nothing to report in this regard.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and the combined management report

The legal representatives are responsible for preparing consolidated financial statements that comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, and which give a true and fair view of the Group's net assets, financial position and results of operations in accordance with these requirements. The legal representatives are also responsible for such internal control as they have deemed necessary to enable the preparation of consolidated financial statements that are free from material misrepresentations, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for determining the Group's ability to continue as a going concern. They are also responsible for disclosing relevant matters relating to the continuation of the business as a going concern. In addition, they are responsible for applying accounting principles appropriate for a going concern, unless they intend to liquidate the Group, discontinue operations or there is no other realistic alternative.

The legal representatives are also responsible for preparing the combined management report, which must as a whole convey a true picture of the Group's position and be consistent with the consolidated financial statements in all material respects, comply with German regulations and suitably present the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary in order to enable the preparation of a combined management report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements made in the combined management report.

The Supervisory Board is responsible for monitoring the Group's accounting processes for preparing the consolidated financial statements and the combined management report.

Responsibility of the auditor for the audit of the consolidated financial statements and the combined management report

It is our aim to achieve reasonable assurance about whether the consolidated financial statements as a whole are free from material misrepresentations, whether due to fraud or error, and whether the combined management report as a whole conveys a true picture of the Group's position and is consistent with the consolidated financial statements and the findings of the audit in all material respects, meets all German legal requirements and suitably presents the opportunities and risks of future development, and to prepare an audit report that contains our audit opinions regarding the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of certainty, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with the German standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]), will always detect a material misrepresentation. Misrepresentations may arise from fraud or error, and are considered material if it can be reasonably assumed that they could influence, individually or collectively, the economic decisions that users may make based on these consolidated financial statements or this combined management report.

We maintain a critical attitude and exercise due discretion during the audit. We also:

- identify and assess the risks of material misrepresentations, whether due to fraud or error, in the consolidated financial statements and the combined management report, plan and perform audit procedures based on these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk of not detecting a material misrepresentation resulting from fraud is higher than the risk of not detecting a material misrepresentation resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- gain an understanding of the internal control systems relevant for auditing the consolidated financial statements and the precautions and measures relevant for auditing the combined management report in order to plan auditing processes that are appropriate for the relevant circumstances, but not, however, with the aim of providing an audit opinion on the effectiveness of the systems.
- evaluate the suitability of the accounting methods applied by the legal representatives and the tenability of estimated values and associated information presented by the legal representatives.
- draw conclusions about the suitability of the accounting principles for the continuation of a going concern applied by the legal representatives and, based on audit evidence that we have obtained, whether material uncertainty exists in relation to events or circumstances that could lead to significant doubts regarding the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are obliged to point out the relevant disclosures contained in the consolidated financial statements or the combined management report in our audit report, or if these disclosures are inappropriate, to modify our audit opinion. We draw our conclusions based on evidence obtained by the date of our audit report. However, future events or circumstances may lead to the Group not being able to continue as a going concern.
- evaluate the presentation, the structure and the content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, taking into account IFRS as applicable in the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, give a true and fair view of the Group's net assets, financial position and results of operations.
- gather sufficient suitable audit evidence for the accounting information of the companies or the business transactions within the Group in order to provide audit opinions on the consolidated financial statements and the combined management report. We are responsible for providing instruction on, monitoring and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with legal regulations and the view it portrays of the Group's position.
- audit the forward-looking statements presented by the legal representatives in the combined management report. Using sufficient suitable audit evidence, we assess in particular the significant assumptions underlying forward-looking statements provided by the company's legal representatives and evaluate whether the forward-looking statements have been derived correctly from these assumptions. We do not provide a separate audit opinion for the forward-looking statements or the underlying assumptions. There is a considerable, unavoidable risk that future events may differ significantly from the forward-looking statements.

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 the internal control system that we identify during our audit.

We make a statement to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address threats to our independence.

From the matters communicated with those charged with governance, we determine those matters that were the most important in the audit of the consolidated financial statements for the current reporting period and which therefore represent particularly important audit issues. We describe these issues in the audit report, unless there are laws or legal regulations that prevent the issue from being made public.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purpose of disclosure pursuant to Section 317 (3a) HGB

Audit opinion

Pursuant to Section 317 (3a) HGB, we have performed a reasonable assurance audit to determine whether the reproductions of the consolidated financial statements and combined management report (hereinafter also referred to as “ESEF documents”) contained in the file “BijouBrigitteAG-KA-2023-12-31-de.zip” and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) HGB on the electronic reporting format (ESEF format). In accordance with German legal requirements, this audit extends only to the transfer of the information in the consolidated financial statements and the combined management report to ESEF format and therefore does not extend to either the information contained in these reproductions or to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and combined management report contained in the file referred to above and prepared for disclosure purposes comply, in all material respects, with the requirements of Section 328 (1) HGB regarding the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the file referred to above beyond this opinion and our opinions on the attached consolidated financial statements and the attached combined management report for financial year from 1 January to 31 December 2023 contained in the “Report on the audit of the consolidated financial statements and the combined management report” above.

Basis for the audit opinion

We conducted our audit of the reproduction of the consolidated financial statements and of the combined management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: Audit of the electronic reproduction of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Responsibility of the auditor for the audit of the ESEF documents" section. Our auditing practice has followed the quality management system requirements of the IDW quality management standard: Requirements for quality management in auditing practice (IDW QMS 1 (09.2022)).

Responsibilities of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Section 328 (1) (4) (1) HGB and for the mark up of the consolidated financial statements in accordance with Section 328 (1) (4) (2) HGB.

Furthermore, the company's legal representatives are responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material violations, whether due to fraud or error, of Section 328 (1) HGB relating to the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documentation is free from material violations, whether due to fraud or error, of the requirements of Section 328 (1) HGB. We maintain a critical attitude and exercise due discretion during the audit. We also:

- identify and assess the risks of material violations – whether due to fraud or error – of the requirements of Section 328 (1) HGB, plan and perform audit procedures based on these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinion.
- obtain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Commission Delegated Regulation (EU) 2019/815, in the version applicable on the reporting date, regarding the technical specification for that file.
- assess whether the ESEF documentation allows a consistent XHTML representation of the audited consolidated financial statements and the audited combined management report.
- assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) provides an adequate and complete machine-readable XBRL copy of the XHTML rendering in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version applicable on the reporting date.

Other information pursuant to Article 10 of the EU Audit Regulation

We were selected to audit the consolidated financial statements at the Annual General Meeting on 20 June 2023. We were engaged by the Audit Committee of the Supervisory Board on 5 December 2023. We have been the auditor of Bijou Brigitte modische Accessoires AG, Hamburg, since the 2022 financial year.

Pursuant to Section 11 of the EU Audit Regulation (audit report), we declare that the audit opinions contained in this audit report are consistent with the additional report provided to the audit committee.

Other matters – Use of the audit report

Our audit report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report as converted into the ESEF format – including the versions to be published in the German Register of Companies – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report, and do not replace them. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

Responsible auditor

Thomas Wülfing is the auditor responsible for this audit.

Hamburg, 24 April 2024

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Florian Riedl	Thomas Wülfing
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]