

A woman with long, dark, wavy hair is the central figure. She is wearing a black, strapless, form-fitting, floor-length dress and black high-heeled pumps. She is posing with her arms extended horizontally, touching a white wall on either side. The background is a simple, light-colored studio setting with geometric shapes and soft shadows.

# Looking *FORWARD*

Half-year Financial  
Report 2023  
(JANUARY 2023 - JUNE 2023)

# Wolford Group IN FIGURES

KEY EARNINGS FIGURES		JAN.–JUN. 2023	JAN.–JUN. 2022	CHANGE IN %
Sales	in EUR million	58.80	54.26	8.37
EBIT	in EUR million	-12.05	-16.92	-28.81
Profit before tax	in EUR million	-16.08	-19.60	-17.97
Profit after tax	in EUR million	-16.11	-19.32	-16.62
Investments	in EUR million	6.22	7.74	-16.40
Free cash flow	in EUR million	-11.12	-6.89	-61.39
Employees (average)	FTE	1,041	1,093	-4.76

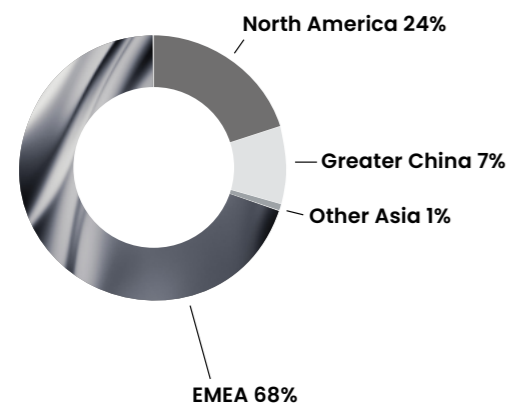
KEY BALANCE SHEET FIGURES		JUNE 30, 2023	DEC. 31, 2022	CHANGE IN %
Net assets	in EUR million	-17.13	-19.05	10.08
Net debt (without leasing)	in EUR million	34.08	31.06	9.73
Working capital (without leasing)	in EUR million	25.09	20.97	19.66
Balance sheet total	in EUR million	129.65	128.52	0.88
Equity ratio	in %	-13.21	-14.83	-10.93

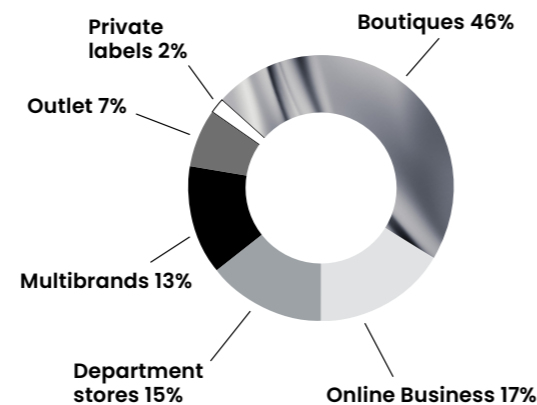
STOCK MARKET HIGHLIGHTS		JAN.–JUN. 2023	JAN.–JUN. 2022	CHANGE IN %
Earnings per share*	in EUR	-1.68	-2.91	42.20
Annual high	in EUR	7.10	7.60	-6.57
Annual low	in EUR	4.32	5.50	-21.45
Share price at end of period*	in EUR	4.78	5.60	-14.64
Weighted number of shares	in thousands	9,653	6,631	44.26
Market capitalization at year-end	in EUR million	45.72	37.13	23.13

\* Taking into account the change in the number of shares due to the capital increase

SALES BY MARKET, in percent



SALES BY DISTRIBUTION CHANNEL, in percent



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# 01

## Foreword by the *MANAGEMENT* *BOARD*

### Dear stakeholders,

Our latest success stories such as our collaboration initiatives with Grace Jones our trend designer capsules as well as Wolford's new focused and elevated product proposition of iconic styles and smart seasonal assortments proof the effectiveness of our brand vision. The brand continues to demonstrate its ability to respond to changing customer needs in our key markets, proving that consumers see Wolford as a leader in high quality products and exceptional materials. The latest half year results have also shown our ability to grow globally, thus sales of Wolford have grown by high single percentage in the first six months of 2023, another growth over three consecutive years.

On operational cost Wolford demonstrates to successfully fight against personnel cost increases, which are driven by collective bargain agreements. While solely in Austria the latest agreements have negatively affected personnel cost by 2.0 mEUR per year, the company was still able to reduce its operational cost and significantly improve its Ebit in the first half year of 2023.

In the second quarter of 2023 we have accelerated our cost reduction program, which will fully materialize in 2024 with additional annual cost savings of more than 5 million Euros. To secure liquidity and further investments in our brand, the company has access to loans from the majority shareholder. In addition, we are in close contact with banks for further financing.



**Silvia Azzali,**  
Chief Executive Officer (CEO)



**Ralf Polito,**  
Chief Operating Officer (COO)

### Management changes

In 2023 management board changes were made to support stable growth of the company. In April 2023, Ralf Polito has been appointed by the supervisory board as new Chief Operating Officer. In July 2023, the supervisory board has further announced the appointment of Silvia Azzali, who was successfully leading the commercial team as CCO since November 2019, as CEO. The new team remains focused on driving top line growth and strengthening operational controls across the business and has already driven very tangible improvement on bottom line within recent months.

To further improve top line, we keep on strengthening our global brand presence. During 2023 Milan Fashion Week, Wolford hosted a very successful event to present the new SS23 Collection and Wolford's new Creative director Nao Takekoshi. His new developments for the fall winter collections have already strongly influenced Wolford's brand positioning resulting in wholesale order intake increases of 35% vs. the mirror period of the recent year.



Also, The W Lab is progressing successfully. In May we had our N21 collaboration which was perceived extremely well, thanks to the creative vision of Alessandro Dell'Acqua's 'lingerie dresses'. The next collaboration was just launched with Johnathan Simkai, a young, well-known American designer - who is pretty hot also in Europe. He owns the contemporary floor of US department stores.

The growth of the first half is mainly organic, so very healthy, but let us mention two openings of which we are proud of: a pop up in the heart of East Hamptons, where visibility is great during the American summer and the re-opening of the IFC store in HKG, which used to be one of our best store in the world.

We also continue to promote our Athleteisure collection (The W Club). We launched The W Club events around the world and we were the sponsors of Yoga day on 21st June - the day of the equinox - with an online session in Asia, the US and Europe.

Last, with the introduction of our Tik Tok Channel we are further enlarging our strong social media presence.

**Outlook: We are continuing on our strategic path!**

Following our sales growth of 8,4 percent in the first half of 2023 to 58,8 mEUR, we are confident that we will be able to continue this trend in the second half. Despite the fact, that market conditions are challenging due to the war between Ukraine and Russia and rising interest rates and inflation Wolford is well on track to reach further turnover growth even in 2024.

Thanks to the implementation of our brand strategy Wolford is back on a sustainable path for the future. Having started a serious reorganization program by the end of 2022 we will operationally concretize within the current and next year. We are proving our success as an iconic brand focused on timeless luxury skincare.

We continue to focus on further improvement in our operational processes. By investing into short supply chains with a very reactive production setup in Europe we shorten time-to-market and therefore foster reactivity to unpredictable market conditions in markets which are getting faster and faster.

Dear shareholders, we proof, that our path to grow is pointing into right direction, even in a difficult environment. On the earnings side, the results presented for the first half of 2023 show, that our measures already shown positive effect. While top line has increased by 8.4% vs. last year, our bottom line has improved by even 29%. We are confident that Ebit improvement is even accelerating in the last two quarters of 2023 and the earnings side will positively develop in the future. As a management team, we see ourselves strengthened in our course. We are pleased that you are accompanying us on this journey.

Thanks a lot for your trust.

Bregenz, September 22, 2023

Your Board Members

Silvia Azzali

Ralf Polito

**Summary of Key KPIs**

Increase of sales across all channels; growth outpaces market trend with a turnover of €58.8 million for the reporting period January to June 2023, we record an improvement of €4,5 million (8,4%) compared to the first half of 2022.

The growth in turnover is distributed across almost all geographical regions and distribution channels. USA developed with a plus of 10,3%, while Asia even gained 46,7% vs. last year

In EMEA, sales grew only by 4,6% driven by the difficult market conditions. Wholesale saw double-digit growth at 38,9%, which indicates our strong brand positioning in this channel. The online business also continues to develop positively with a growth of 27,6%. Retail could gain 5,1% vs last year.

# 02

## Group Management *REPORT*

Business Development in the First Half of 2023

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# Business Development in the First Half of 2023

The period from January 1, 2023, to June 30, 2023, was used as the comparative period for the consolidated statement of comprehensive income.

## INCOME STATEMENT (JANUARY 2023 TO JUNE 2023)

in EUR k	JAN.–JUN. 2023	JAN.–JUN. 2022	CHANGE IN %
Revenue	58,802	54,261	8.37
Operating performance	65,554	64,406	1.78
Expenses	-77,600	-81,327	4.58
<b>EBIT</b>	<b>-12,046</b>	<b>-16,921</b>	<b>-28.81</b>
Financial result	-4,034	-2,681	50.44
<b>Earnings before tax</b>	<b>-16,080</b>	<b>-19,602</b>	<b>-17.97</b>
Income tax	-29	283	> 100
<b>Earnings after tax</b>	<b>-16,109</b>	<b>-19,319</b>	<b>-16.62</b>
Other result	603	-1,404	> 100
<b>Overall result</b>	<b>-15,506</b>	<b>-20,723</b>	<b>-25.18</b>
<b>Earnings per share in EUR (diluted = basic)</b>	<b>-1.68</b>	<b>-2.91</b>	<b>-42.20</b>

The Wolford Group generated sales of €58.8 million in the first half of the current fiscal year, +8.37% more than in the first half of 2022 (€54.3 million), which continued to be impacted by Covid-19, in particular the closures in China.

## Sales Growth in the First Half of 2023 in Line With Expectations Due to Seasonal Factors

The economic environment continued to be difficult in the first six months of the 2023 financial year, but sales increased due to strong sales in the U.S. in particular, especially in the online business. After sales in Asia were still affected by store closures due to the Covid-19 pandemic in the first half of 2022, Wolford was able to return to growth in the first half of 2023. Despite difficult market conditions due to the war between Ukraine and Russia and rising interest rates and inflation, Wolford is on a good path. Successful collaborations with Grace Jones and N21, and the recent launch of the Jonathan Simkhai capsule, have contributed greatly to the sales growth.

In the first six months of 2023, the company's retail business was able to increase the level of sales only slightly compared to the same period of the previous year (€+1.2 million, +5.1%). Online sales increased (€+2.2 million, +27.6%), retail outlets recorded a reduction of -44.5% (€-3.1 million). The main driver of the sales increase in the first half of 2023, however, was wholesale sales: Here, an increase in sales of almost 38,9% was recorded.

In the product groups Prêt-à-porter (45% share) and Lingerie (16% share), sales increased by approximately 6% each. The product group Legwear (38% share) recorded the largest increase in sales with €2.78 million or 14.1%.

While sales in Austria, Germany and the rest of Europe barely increased (by up to 4.6%) compared to the same period of the previous year, North America saw an increase of 10.3%. In Asia, an increase of a remarkable 40.6% was achieved, after the planned increase in sales through the opening of new shops in the first half of 2022 was not achieved due to the Covid-19-related closures.

## Significant Improvement in Results of 28.8%

In the first six months of the current financial year, EBIT amounted to €-12.05 million, an improvement of 28.81% compared to EBIT in the first six months of the 2022 financial year (€-16.92 million). In addition to the increase in revenue, this was due to the aforementioned decrease in costs for materials and purchased services. Personnel expenses increased by 2.81% compared to the same period of the previous year, while other operating expenses, including impairment losses on receivables, decreased by 4.79% compared to the first six months of FY2022.

The average number of employees on a full-time equivalent basis changed by 52 to 1,041 employees (average for the first half of the financial year 2022: 1,093 full-time employees). As a result of salary and wage increases in the first half of the 2023 financial year to compensate for the effects of inflation, personnel costs increased by €0.79 million to €28.99 million compared to the first half of the 2022 financial year (€28.20 million), despite the reduction in FTEs.

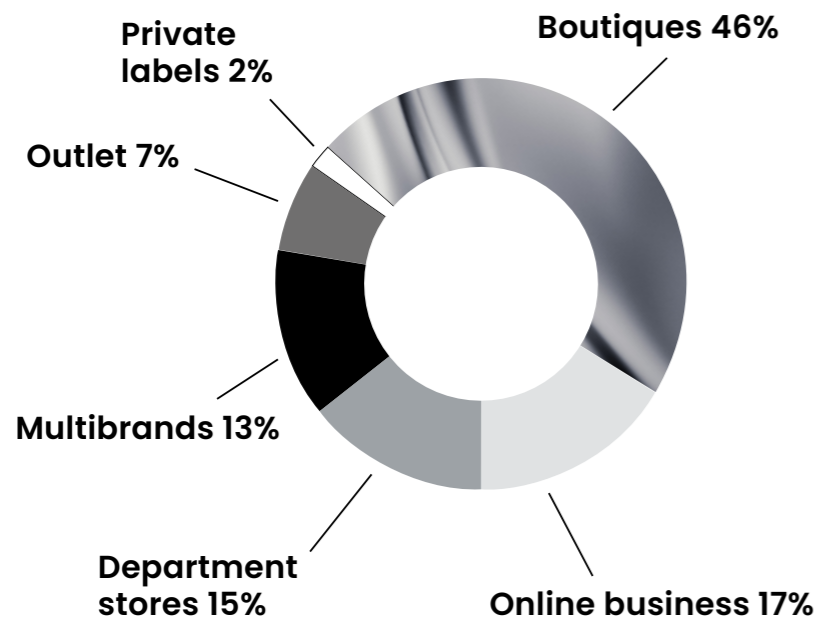
In the first six months of the current financial year, other operating expenses decreased by €1.47 million to €29.25 million (first half of 2022: €30.72 million). The main reasons for the decrease were lower value adjustments due to tighter

debt management, especially in Italy, lower consultancy costs. On the other hand, IT and consulting expenses for the first half of 2022 were characterized by high consultancy costs related to the consolidated financial statements.

Depreciation and amortization changed by 14.18% in H1 2023 compared to H1 2022, from €7.86 million to €6.75 million. Due to the still valid planning, no depreciation was necessary in the first half of the current financial year.

Overall, expenses decreased by 4.58% compared to the first half of fiscal 2022. In Q2 2023, Wolford accelerated its cost reduction program, which will take full effect in 2024.

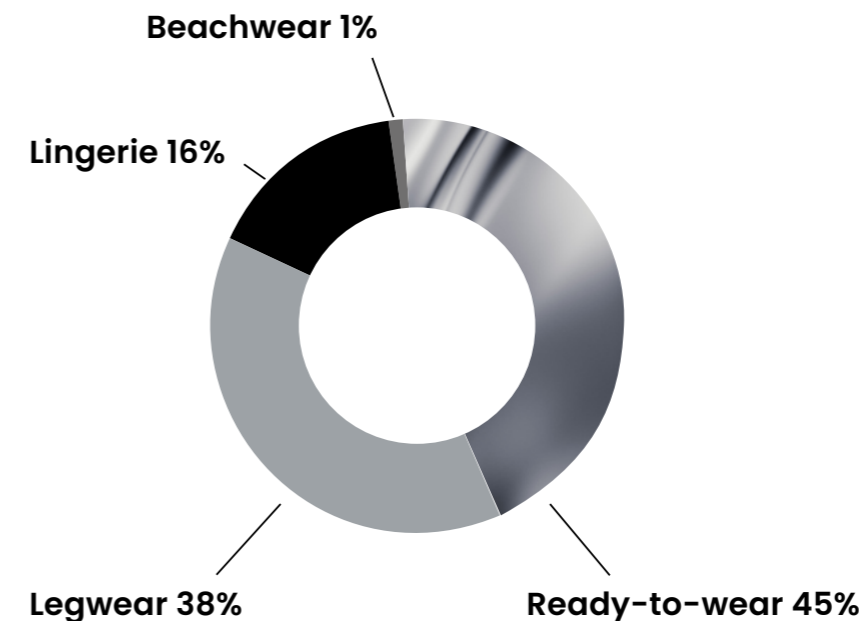
**SALES BY DISTRIBUTION CHANNEL, in percent**



The financial result deteriorated to €-4.03 million compared to the previous year's value for the first half of the 2022 financial year (€-2.68 million) due to new shareholder loans in the 2022 financial year totaling €32.50 million at an interest rate of 12%. In the reporting period, interest expenses of €1.93 million were recorded. Despite the higher interest expenses, the result before tax was €-16.08 million, compared to €-19.60 million in the first half of the 2022 financial year, an improvement of 17.97%.

Profit after tax also improved by €3.21 million from €19.32 million in the first half of the 2022 financial year to €-16.11 million. After the increase in the average number of shares during the capital increase in February 2023, earnings per share amounted to €-1.68 after €-2.91 in the first half of the 2022 financial year. The new shares are entitled to dividends retroactively as of January 1, 2022, and are thus included in the calculation of earnings per share for the entire reporting period.

**SALES BY PRODUCT CATEGORY, in percent**



## CASH FLOW (JANUARY 2023 – JUNE 2023)

in EUR k	JAN.–JUN. 2023	JAN.–JUN. 2022	CHANGE IN %
Profit before tax	-16,080	-19,602	+17.97
<b>Cash flow from operating activities</b>	<b>-10,080</b>	<b>-6,226</b>	<b>-61.90</b>
<b>Cash flow from investing activities</b>	<b>-1,034</b>	<b>-665</b>	<b>-55.49</b>
<b>Cash flow from financing activities</b>	<b>10,120</b>	<b>333</b>	<b>&gt;100.00</b>
<b>Change in cash and cash equivalents</b>	<b>-994</b>	<b>-6,558</b>	<b>+84.84</b>
Cash and cash equivalents at the beginning of the year	3,656	9,148	-60.04
Change in cash and cash equivalents due to exchange rate changes	-93	199	>100.00
<b>Cash and cash equivalents at the end of the period</b>	<b>2,569</b>	<b>2,789</b>	<b>-7.89</b>

### Deterioration in Operating Cash Flow

Cash flow from operating activities (operating cash flow) deteriorated by €3.85 million to €-10.08 million compared to H1 FY2022 (€-6.23 million). Despite the cash inflow from the decrease in trade receivables of €+0.87 million (first half of FY2022: €+1.90 million) and other receivables and assets of €0.70 million (first half of FY2022: €+6.64 million), this was mainly due to the inventory build-up of €-5.62 million (first half of FY2022: €-6.46 million) in addition to the negative result. In the first half of FY2022, €9.46 million in subsidies were received for fixed costs claimed in the previous year.

Cash flow from investing activities decreased compared to the same period in the previous year, characterized by the acquisition of an asset group in the form of a new French company without trading activities with part of the purchase price of €2.48 million paid in H1 2022. Investments in property, plant and equipment and intangible assets amounted to €-1.06 million, compared to €-1.57 million in H1 2022. Proceeds from the sale of property, plant and equipment and other intangible assets amounted to €0.03 million in H1 2023 (H1 2022: €3.38 million).

As a result, the free cash flow (operating cash flow plus investment cash flow) deteriorated by €4.23 million, from €-6.89 million in the first half of the 2022 financial year to €-11.12 million in the first half of the 2023 financial year.

Cash flow from financing activities improved by €9.79 million from €0.33 million in H1 2022 to €10.12 million in H1 2023. Inflows from the capital increase totaling €17.43 million were offset by repayments and interest payments on lease liabilities of €7.31 million (H1 2022: €9.17 million).

### EQUITY AND FINANCIAL POSITION (AS OF JUNE 30, 2023)

The balance sheet total increased by €1.13 million (0.88%) from €128.52 million as of December 31, 2022, to €129.65 million. The increase in inventories (€+5.62 million, or +15.44%) was slightly offset by the decrease in receivables (€-0.87 million, or -8.19%) to €9.81 million and other receivables and assets (€-0.79 million, or -6.57%).

### Reduction of Negative Equity Through Capital Increase and Reduction of Losses

As a result of the capital increase carried out in Q1 2023 with an inflow of €17.43 million, the Wolford Group's negative equity decreased by €1.92 million to €-17.13 million (December 31, 2022: €-19.05 million) as of the balance sheet date, with an equity ratio of -13.21% (December 31, 2021: -14.83%).

As of June 30, 2023, financial liabilities from shareholder loans increased to €37.67 million due to interest of €1.96 million accrued up to that point. Provisions for restructuring measures created at the end of 2022 were utilized in the amount of €0.68 million due to their prevalent implementation in the first half of 2023.

### EVENTS AFTER THE BALANCE SHEET DATE

In July 2023, the Supervisory Board appointed Silvia Azzali, who successfully led the sales team since november 2019, as CEO.

Also in July 2023, Fosun Fashion Group (Cayman) Limited granted an additional shareholder loan of €2,000k each at an interest rate of 12% per annum, maturing on December 20, 2023.

Private investor Ralph Bartel, who held just over 29% of the bearer shares on June 30, 2023, crossed the 30% threshold on August 8, 2023.

No other events with a significant impact on the Wolford Group's equity, financial position and operating results occurred after the balance sheet date.



# Opportunities and Risks

## SIGNIFICANT RISKS AND UNCERTAINTIES FOR THE REMAINING MONTHS OF THE CURRENT FISCAL YEAR

The Wolford Group is exposed to risks in the course of its business activities, which management deals with responsibly in order to identify risks and opportunities in a timely manner through a systematic approach and to be able to respond to changes in the general environment with appropriate measures. The current war in Ukraine, as well as their impact on the global economy and our main markets, represent significant risks to the further development of Wolford's business in the remaining months of the fiscal year and beyond.

The further effects of the war in Ukraine are difficult to assess in the current perspective; consequently, there could be further negative effects on the Group's sales and earnings development. In addition, there are massive increases in raw material and energy costs, driven by high inflation, as well as increases in indexed rents in many cases. Market conditions have worsened: The war between Ukraine and Russia is affecting sales across Europe. The climate is also cooling in the financial markets, with rising interest rates and fragile supply chains. Inflation is higher than it has been in decades. Energy costs are multiplying, as are those of raw materials.

# Outlook

## CONTINUING THE STRATEGIC PATH

After significant sales growth in the first half of 2023, we are confident that we can stabilize this trend in the second half. Wolford is therefore on track to exceed the previous year's sales in 2023, despite continuing difficult market conditions.

The operating result (EBIT), on the other hand, was significantly affected by the negative inflation trend and the associated increases in raw material and energy costs, and, last but not least, the war between Russia and Ukraine and the resulting reduction in sales opportunities

throughout Europe. EBIT for the half-year is higher than the previous year's level and, under these conditions, we can expect an improvement in EBIT for the full year.

Now that the essential strategic path has been defined, we are focusing more on further improving our operational processes. We want to reduce the time-to-market and set up our organization so that we can react more flexibly to the unpredictable market conditions of the future. One thing is certain: The markets are getting faster and faster, and will remain challenging for the time being.

Bregenz, September 22, 2023

Silvia Azzali  
Chief Executive Officer (CEO)

Responsible for Research & Development and Sustainability, Finance, Human Resources, Sales, Merchandising, Brand & Marketing and Design

Ralf Polito  
Chief Operating Officer (COO)

Responsible for Supply Chain & Production, Legal, Investor Relations, IT and Project Management Office

# 03

## Interim Consolidated Financial *STATEMENTS (IFRS)*

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# Consolidated Statement of Comprehensive Income

in EUR k	JAN.–JUN. 2023	JAN.–JUN. 2022
<b>Revenue</b>	<b>58,802</b>	<b>54,261</b>
Other operating income	1,242	3,288
Changes in inventories of finished goods and work in progress	5,510	6,857
Cost of materials and purchased services	-12,610	-14,547
Personnel expenses	-28,994	-28,202
Other operating expenses	-29,249	-30,717
Depreciation/amortization, incl. impairments and write-backs	-6,747	-7,862
<b>EBIT</b>	<b>-12,046</b>	<b>-16,921</b>
Interest and similar income	3	14
Interest and similar expenses	-3,803	-2,436
Expenses from securities	0	-162
Interest cost of employee benefit liabilities	-234	-98
<b>Financial result</b>	<b>-4,034</b>	<b>-2,681</b>
<b>Earnings before tax</b>	<b>-16,080</b>	<b>-19,602</b>
Income tax	-29	283
<b>Earnings after tax</b>	<b>-16,109</b>	<b>-19,319</b>
<b>Other comprehensive income*</b>		
Amounts that will potentially be recognized through profit and loss in future periods	603	-1,404
of which currency translation for foreign operations	603	-1,404
<b>Other comprehensive income*</b>	<b>603</b>	<b>-1,404</b>
<b>Total comprehensive income</b>	<b>-15,506</b>	<b>-20,723</b>
Attributable to owners of the parent company	15,506	-20,723
Earnings after tax attributable to owners of the parent company	-16,109	-19,319
<b>Earnings per share in EUR (diluted = basic)</b>	<b>-1.68</b>	<b>-2.91</b>

\* Other comprehensive income is reported after tax.

# Consolidated Cash Flow Statement

in EUR k	JAN.–JUN. 2023	JAN.–JUN. 2022
<b>Earnings before tax</b>	<b>-16,080</b>	<b>-19,602</b>
Depreciation/amortization/appreciation	6,747	7,862
Gains/losses from disposals of non-current assets	-24	-573
Interest expenses/interest income	3,799	2,422
Other non-cash income and expenses	-393	260
Changes in inventories	-5,617	-6,458
Changes in trade receivables	874	1,901
Changes in other receivables and assets	704	6,641
Changes in trade payables	-297	970
Changes in other provisions and employee benefits	-505	658
Changes in other liabilities	704	-140
Interest received	3	14
Interest paid	-25	-35
Balance of income taxes received and paid	30	-146
<b>Cash flow from operating activities</b>	<b>-10,080</b>	<b>-6,226</b>
Payments for investments in property, plant and equipment and other intangible assets	-1,058	-1,567
Payments for acquisitions	0	-2,475
Proceeds from disposals of property, plant and equipment and other intangible assets	24	3,377
<b>Cash flow from investing activities</b>	<b>-1,034</b>	<b>-665</b>
Proceeds from current and non-current financial liabilities	0	9,500
Repayment of current and non-current financial liabilities	0	0
Repayments and interest payments on lease liabilities	-7,307	-9,167
Proceeds from capital increase	17,427	0
<b>Cash flow from financing activities</b>	<b>10,120</b>	<b>333</b>
<b>Cash-effective change in cash and cash equivalents</b>	<b>-994</b>	<b>-6,558</b>
Cash and cash equivalents at beginning of period	3,656	9,148
Effects of exchange rate movements on cash and cash equivalents	-93	199
<b>Cash and cash equivalents at end of period</b>	<b>2,569</b>	<b>2,789</b>

# Consolidated Balance Sheet

in EUR k	06/30/2023	12/31/2022
Property, plant and equipment	54,996	57,046
Goodwill	81	86
Other intangible assets	541	450
Non-current financial assets	1,028	1,028
Non-current receivables and assets	3,388	3,286
Deferred tax assets	3,978	3,837
<b>Non-current assets</b>	<b>64,012</b>	<b>65,733</b>
Inventories	41,988	36,371
Contract assets	39	55
Trade receivables	9,805	10,679
Other receivables and assets	11,234	12,023
Cash and cash equivalents	2,569	3,656
<b>Current assets</b>	<b>65,635</b>	<b>62,784</b>
<b>Total assets</b>	<b>129,647</b>	<b>128,517</b>
Share capital	46,338	32,252
Capital reserves	3,740	398
Other reserves	-58,299	-42,190
Treasury shares	-4,195	-4,195
Currency differences	-4,715	-5,318
<b>Equity</b>	<b>-17,131</b>	<b>-19,053</b>
Financial liabilities	0	0
Lease liabilities	42,226	42,161
Other liabilities	879	926
Provisions for long-term employee benefits	11,718	11,550
Other non-current liabilities	213	213
Deferred tax liabilities	41	140
<b>Non-current liabilities</b>	<b>55,077</b>	<b>54,990</b>
Financial liabilities	37,673	35,739
Trade payables	22,207	22,503
Lease liabilities	13,208	15,056
Other liabilities	15,731	15,602
Income tax liabilities	460	401
Other provisions	838	1,511
Contract liabilities	1,586	1,768
<b>Current liabilities</b>	<b>91,703</b>	<b>92,580</b>
<b>Total equity and liabilities</b>	<b>129,647</b>	<b>128,517</b>

# Consolidated Statement of Changes in Equity

in EUR k	ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY					CURRENCY TRANS-LATION	EQUITY
	SHARE CAPITAL	CAPITAL RESERVES	ACTUARIAL GAINS/LOSSES	OTHER RESERVES	TREASURY SHARES		
<b>As of 01/01/2022</b>	<b>48,848</b>	<b>10,533</b>	<b>-5,193</b>	<b>-33,835</b>	<b>-4,413</b>	<b>-704</b>	<b>28,541</b>
Earnings after tax	0	0	0	-19,319	0	0	-19,319
Other comprehensive income	0	0	0	0	0	-1,404	-1,404
<b>As of 06/30/2022</b>	<b>48,848</b>	<b>10,533</b>	<b>-5,193</b>	<b>-53,154</b>	<b>-4,413</b>	<b>-2,108</b>	<b>-5,487</b>
<b>As of 01/01/2023</b>	<b>32,252</b>	<b>398</b>	<b>-3,873</b>	<b>-42,190</b>	<b>-4,195</b>	<b>-1,445</b>	<b>-19,053</b>
Earnings after tax	0	0	0	-16,109	0	0	-16,109
Capital increase	14,086	3,342	0	0	0	0	17,428
Other comprehensive income	0	0	0	0	0	603	603
<b>As of 06/30/2023</b>	<b>46,338</b>	<b>3,740</b>	<b>-3,873</b>	<b>-58,299</b>	<b>-4,195</b>	<b>-842</b>	<b>-17,131</b>

# Segment Reporting

JAN.–JUN. 2023 in EUR k	AUSTRIA	GERMANY	REST OF EUROPE	NORTH AMERICA	ASIA	RECON-CILIATION	GROUP
<b>Revenue</b>	<b>35,019</b>	<b>5,429</b>	<b>23,642</b>	<b>13,820</b>	<b>3,976</b>	<b>-23,084</b>	<b>58,802</b>
of which intersegmental sales	19,007	0	4,076	0	0	-23,084	0
<b>External sales</b>	<b>16,012</b>	<b>5,429</b>	<b>19,566</b>	<b>13,820</b>	<b>3,976</b>	<b>0</b>	<b>58,802</b>
<b>EBIT</b>	<b>-7,581</b>	<b>-29</b>	<b>-2,142</b>	<b>-932</b>	<b>-1,100</b>	<b>-262</b>	<b>-12,046</b>
Segment assets	110,307	11,479	56,854	25,607	4,895	-87,069	122,073
Segment liabilities	31,168	6,233	26,209	25,221	14,837	-60,755	42,913
Investments (including modifications and additions of right-of-use assets)	37	192	3,734	1,410	843	0	6,216
Depreciation and amortization, including impairments and write-backs	-1,063	-699	-2,813	-1,855	-317	0	-6,747
<b>Average number of employees (FTE)</b>	<b>332</b>	<b>63</b>	<b>497</b>	<b>124</b>	<b>25</b>	<b>0</b>	<b>1,041</b>

JAN.–JUN. 2022 in EUR k	AUSTRIA	GERMANY	REST OF EUROPE	NORTH AMERICA	ASIA	RECON-CILIATION	GROUP
<b>Revenue</b>	<b>33,654</b>	<b>5,273</b>	<b>23,485</b>	<b>11,731</b>	<b>2,492</b>	<b>-22,374</b>	<b>54,261</b>
of which intersegmental sales	17,990	0	4,384	0	0	-22,374	0
<b>External sales</b>	<b>15,664</b>	<b>5,273</b>	<b>19,101</b>	<b>11,731</b>	<b>2,492</b>	<b>0</b>	<b>54,261</b>
<b>EBIT</b>	<b>-10,668</b>	<b>-446</b>	<b>-424</b>	<b>-1,733</b>	<b>-960</b>	<b>-2,690</b>	<b>-16,921</b>
Segment assets*	101,525	9,090	51,740	25,769	3,195	-71,858	119,461
Segment liabilities*	31,656	2,899	21,696	21,818	13,152	-48,297	42,924
Investments (including modifications and additions of right-of-use assets)	647	0	5,273	1,562	57	207	7,744
Depreciation and amortization, including impairments and write-backs	-1,311	-907	-3,102	-1,944	-613	15	-7,862
<b>Average number of employees (FTE)</b>	<b>380</b>	<b>76</b>	<b>543</b>	<b>92</b>	<b>23</b>	<b>0</b>	<b>1,093</b>

\* Segment assets and liabilities by 31 December 2022

# Notes to the Half-Yearly Financial Statements

## GENERAL INFORMATION

These consolidated interim financial statements of Wolford AG for the first six months (January 1 to June 30) of the 2023 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable in the European Union (EU) at the reporting date. In particular, the provisions of IAS 34 on interim reporting have been applied.

This interim management report and the condensed financial statements have not been audited.

The preparation of consolidated interim financial statements in accordance with IFRS requires, to a certain extent, the use of estimates and judgments that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual amounts may differ from these estimates.

The interim condensed consolidated financial statements were authorized for publication by the Management Board on September 22, 2023.

## SIGNIFICANT ACCOUNTING AND VALUATION METHODS

The accounting principles applied in the preparation of the interim consolidated financial statements are consistent with those applied in the consolidated financial statements for 2022.

All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) mandatory for the 2023 financial year have been taken into account. For the first half of 2023, no new or amended standards and interpretations are expected to have a significant impact on the consolidated financial statements.

These interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, the interim financial statements must be considered together with the most recent consolidated financial statements as of December 31, 2022. The interim financial statements are presented in thousands of euros (€k). Rounding differences may occur due to business rounding.

Furthermore, no material changes were made to the estimates compared to the consolidated financial statements as of December 31, 2022.

## INFORMATION ON PARTICULAR FACTORS AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS

### Information on the Covid-19 Pandemic

The effects of the Covid-19 pandemic have had a significant impact on this budget, which is summarized below.

### DEVELOPMENT OF REVENUE

After 2020 and 2021, the global outbreak of Covid-19 in 2022 also led to partial containment measures, such as curfews and shop closures, especially in Asia (China). In the first half of 2023, most of the measures were lifted, resulting in an 8% increase in revenue from €54,261k in the first six months of 2022 to €58,802k in the first half of 2023. In addition to North America, the Asia segment also contributed to the increase with a 60% increase in revenue. Despite difficult market conditions due to the war between Ukraine and Russia and rising interest rates and inflation, Wolford is on a good path.

### STATE SUBSIDIES

Provided the relevant conditions were met, government subsidies were used to cushion the negative effects of Covid-19, mainly in Austria (mainly subsidies for fixed costs, loss compensation and short-time work), of which €1,176,000 is still outstanding as credit. Following the expiry of the main subsidy programs, no further amounts were received in the first half of 2023.

## IMPACT OF THE COVID-19 CRISIS ON ESTIMATION UNCERTAINTIES AND DISCRETIONARY DECISIONS

The Covid-19 crisis has an impact on the IFRS consolidated financial statements, in particular on assumptions, estimates and discretionary decisions.

After the lockdowns in Asia, which mainly affected the Wolford Group's business activities in the first half of 2022, the Covid-19 measures were largely lifted worldwide and therefore the restrictions were not taken into account in the updated planning calculations. However, should the restrictions reappear in individual markets in future years, this would have an impact on the valuation of royalties, deferred taxes and receivables in particular.

### INFORMATION ON CLIMATE ISSUES

Wolford's sustainability strategy is continuously updated based on the materiality matrix created in 2017. This includes the definition and implementation of concrete goals. These goals are aligned with the UN SDGs and the circular economy is seen as one of the most important elements of the European Green Deal, the European agenda for sustainable growth.

### ASPECTS OF REVENUE

Wolford takes a close interest in its customers' behavior regarding the demand for sustainable products, e.g., through collaboration with sustainability-

oriented bloggers and influencers, and takes this into account by developing appropriate products. In addition, Wolford wants to offer its customers forward-looking alternatives to non-sustainable products, e.g., from other manufacturers, and to encourage a change in consumer behavior, e.g., through longer product use.

## PRODUCTION ASPECTS AND MATERIALS

The specificity of the business model clearly benefits Wolford, which manufactures many of its products in-house. All cotton- and polyamide-based leg-wear products processed and dyed in-house in the Essential collection are "bluesign\*-approved." Ninety percent of the company's suppliers are based in Europe, with the majority coming from Germany, Italy, Austria and France, resulting in short transport distances. All of Wolford's suppliers must comply with local social and environmental standards, the German Textile and Fashion Industry Code of Conduct, OEKO-TEX\* STANDARD 100 and the REACH regulation.

By 2025, 50% of Wolford products must be recyclable, i.e., biodegradable or technologically recyclable, in line with the Cradle to Cradle\* approach.

Since April 2015, there has been a partnership with bluesign\* technologies AG, a globally active network that focuses on safe textiles, ecological production and the careful use of resources.

IAS 36 – Impairment in the Context of Impairment of Non-Financial Assets: There is no indication of impairment with regard to climate-related issues.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: It is not necessary to make a provision for climate-related issues in the 2023 half-year financial statements due to a legal or constructive obligation under IAS 37.10.

## INFORMATION ON THE WAR IN UKRAINE

Wolford operates in both Russia and Ukraine through a business partner, but only makes insignificant sales there, so the war in Ukraine cannot have a significant direct impact on sales and profits. There are also no indications so far of an increased need for impairment losses on receivables from sales in Russia or Ukraine. Wolford has no subsidiaries or boutiques in the countries concerned.

Wolford does not purchase production materials from Russia or Ukraine. The price increase and lower availability of energy, in particular gas, in 2022 and 2023 due to the shortage of supplies from Russia are compensated for by the energy supply contract concluded with the owner of the Bregenz property at a fixed price until the end of 2023, which also covers production at the site.

### INFORMATION ON MACRO-ECONOMIC CONDITIONS

Following the outbreak of war in Ukraine, macroeconomic conditions in the first half of 2023 continue to be characterized by inflation and related interest rate increases, the energy crisis and supply chain problems both domestically and internationally. This also affects the Wolford Group's business activities and consolidated financial statements. The following aspects have been taken into account:

The cost of materials and services purchased decreased by 13.32% to €12,610,000 in H1 2023 from €14,547,000 in H1 2022. The decrease is due to more efficiency brought into the organization by the new management.

With the launch of new collections, prices are set to achieve the expected contribution margin. So far, price increases have not had a negative impact on the overall sales trend. No government measures have been taken in this context.

#### IFRS 9 and 7 – Financial Instruments and Disclosures

Wolford AG's debt financing consists of shareholder loans in the amount of €37,673k (including accrued interest) as of June 30 2023, subscribed at fixed interest rates (12%). The tranches have different maturities in 2023, so no increase in interest expenses is expected due to the changed interest rate environment in the short term.

IFRS 9 – Valuation of ECL: there were no indications of an increased need for impairment of receivables arising from Wolford's sales in 2023. The ECL valuation model applied to Wolford adequately reflects the macroeconomic conditions and their impact on credit risk and ECL valuation.

#### IMPACT OF THE COVID-19 CRISIS, ESPECIALLY IN ASIA, CLIMATE CONCERNS, THE WAR IN UKRAINE AND MACROECONOMIC CONDITIONS ON ESTIMATION UNCERTAINTIES AND JUDGMENTS

- As of the balance sheet date of December 31, 2022, a general update of planning was carried out in connection with the changed economic and political environment, taking into account the additional restructuring measures decided at the end of 2022. Two-thirds of the provisions created for this purpose were utilized in the first half of 2023. For the half-year 2023, income is expected from the reversal of value adjustments due to tighter debtor management, especially in Italy.
- Receivables valuation: The development of outstanding receivables is subject to close monitoring due to the negative economic development and the increase in online sales. Due to the high level of protection provided by the existing credit insurance, there was no need to adjust the current system of adjusting the fundamental value.

- Recognition of deferred tax assets: Un accordance with IAS 12.56, deferred taxes were measured based on the estimated annual expected income tax rate derived from updated medium-term plans.

#### CONSOLIDATION

As of June 30, 2023, there were no changes in the scope of consolidation compared to December 31, 2022.

#### SEASONALITY OF COMPANY PERFORMANCE

In the first six months of the calendar year, Wolford usually records lower sales than at the end of the year, which includes the Christmas period, an important season for the retail trade. This seasonal fluctuation is reflected in the fact that sales in the first half of the year are generally lower than in the second half.

#### NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

In the first six months of the 2023 fiscal year, the Wolford Group generated sales of €58,802k. In the first six months of FY2022, sales of €54,261k were generated. For a breakdown of sales by product group and distribution channel, please refer to "The Wolford Group in Figures."

In the first six months of the current year, other operating income amounted to €1,242,000 and was mainly derived from income related to research funding (€844,000), income from catering activities (€165,000) and capital gains from the sale of property, plant and equipment and other intangible assets (€24,000).

As a result of additional shop closures, the average number of full-time employees decreased to 1,041 (2022 half-year average: 1,093 full-time employees). As a result of the salary and wage adjustments made in the course of 2023, personnel costs increased by €792,000 to €28,994,000 compared to the first half of 2022 (€28,202,000), despite the decrease in personnel.

In the first six months of the 2023 financial year, other operating costs amounted to €29,249k and decreased by €1,468k compared to the first half of the previous year (first half of 2022: €30,717k). The main reasons for the decrease were a €1,235k reduction in trade receivable write-downs and lower consultancy costs.

Depreciation and amortization do not include changes in value due to impairment tests, either in the financial year or in the first half of the previous year.

Due to lower material costs for stockpiling, lower depreciation and amortization, and a decrease in other operating expenses, the operating result (EBIT) in the first half of the current financial year improved significantly by €4,875,000 to €-12,046,000, compared to €-16,921,000 in the previous year.

The financial result deteriorated by €-1,352,000, from €-2,681,000 in the first half of the 2022 financial year to €-4,034,000 in the first half of the 2023 financial year, due to shareholder loans of €32,500,000 taken out at the end of the 2022 financial year, bearing interest of 12%. The interest of €1,934,000 is attributable to shareholder loans. The financial result also includes interest on share capital in the amount of €234,000.

After taking into account tax expenses of €-29,000 (2022 half-year: €+283,000), consisting of current tax expenses of €297,000 and deferred tax assets of €268,000, determined on the basis of the estimated tax rate for the 2023 financial year, the profit after tax for the first half of 2023 is €-16,109,000 (previous half-year: €-19,319,000). With the weighted number of shares modified by the capital increase, earnings per share amounted to €-1.68 for the first half of the 2023 financial year after €-2.91 for the first half of the 2022 financial year.

Currency translation differences of €603,000 (first half of the previous year: €-1,404,000) recognized in other comprehensive income improved the overall result to €-15,506,000 (first half of the previous year: €-20,723,000).

#### NOTES ON SEGMENT REPORTING

The Wolford Group's reporting segments are divided into five regions: Austria, Germany, Rest of Europe, North America and Asia. The segment information is based on the same accounting principles as the consolidated financial statements as of December 31, 2022.

External sales increased by a maximum of 3% in the segments Austria, Germany and Rest of Europe compared to the same period in the previous year. The North America segment managed to grow and achieved an increase of about 18%. The Asia segment, on the other hand, recorded an increase in sales of around 60%, after sales in the first half of 2022 had dropped significantly due to the Covid-19-related closures.

As expected, EBIT in the Austria segment was €-7,581k due to the seasonality of business development, but improved by 28.9% to €3,087k compared to the same period of the previous year.

While the Germany and North America segments managed to improve by 93.4% and 46.2% respectively compared to the same period of the previous year, with an EBIT of €-29k, the segments Rest of Europe and Asia recorded significant EBIT deteriorations (almost 300% and 15% respectively). The main reasons are related to cyberattack the company faced at the end of 2022, which had a negative impact on sales.

#### NOTES TO THE CASH FLOW STATEMENT

The cash flow from operating activities (operating cash flow) deteriorated by €-3,855k to €-10,080k in the period under review (first half of the previous year: €-6,226k).

In addition to the negative result, the main reason was the cash inflow from the decrease in trade receivables by €874k (first half of 2022: €1,901k) and other receivables and assets by €704k

(first half of 2022: cash inflow from the decrease by €6,641k), in particular due to the predominant payment of subsidies required for fixed costs. The accumulation of inventories in the first half of the 2023 financial year had an opposite effect of €5,617k (first half of the 2022 financial year: €-6,458k). No subsidies for fixed costs claimed in the previous year were received in the first half of the 2023 financial year (first half of 2022: €9,462k).

Cash flow from investing activities decreased by €-369,000 compared to the same period last year, mainly due to investments in property, plant and equipment and intangible assets, which decreased from €-665,000 to €-1,034,000. The first half of 2022 was characterized by the acquisition of a group of assets in the form of a new French company with no trading activities, with part of the purchase price of €2,475,000 paid in the first half of 2022. The proceeds from the sale of property, plant and equipment and other intangible assets amounted to €24k in the first half of 2023 (first half of 2022: €3,377k).

As a result, free cash flow (operating cash flow plus cash flow from investments) deteriorated by €-4,223,000 from €-6,891,000 in the first half of the 2022 financial year to €-11,114,000 in the first half of the 2023 financial year.

Cash flow from financing activities improved by €9,787,000 from €333,000 in H1 2023 to €10,120,000. Inflow from the capital increase totaling €17,427,000 was offset by repayments and interest payments on lease liabilities of €7,307,000 (H1 2021: €9,167,000). Cash and cash equivalents amounted to €2,569k at the end of the reporting period after €3,656k as of December 31, 2022.

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At the balance sheet date of June 30, 2023, total assets amounted to €129,647k, more or less the same level as of December 31, 2022 (€128,517k). The decrease in non-current assets (€-1,720k (-2.62%)), trade receivables (€-874k (-8.19%)) and other receivables and assets (€-790k (-6.57%)), as well as the decrease in cash and cash equivalents (€-1,087k (-29.73%)) were offset by the accumulation of inventories before the summer break (€+5,617k (+15.44%)).

Non-current assets amounted to 49.4% of total assets (December 31, 2022: 51.1%). The decrease in property, plant and equipment is due to the reduction in the number of shops as a result of openings and closures. Other non-current receivables and assets mainly comprise deposits from long-term lease agreements (€2,786,000). Deferred tax assets arising from the recognition of material changes in assets and liabilities in the income statement did not change compared to December 31, 2023.

The share of current assets in total assets reached 50.63% as of June 30, 2023 (December 31, 2022: 48.9%). The decrease in trade receivables is largely due to improved credit management, with a higher share of prepayments and factoring. Other receivables and assets mainly relate to creditors with debit balances from prepayments (€2,618,000), deposits from short-term rental agreements (€1,388,000), receivables from credit card payments (€1,313,000), clearing accounts from B2C activities (€1,080,000) and the remaining receivables from public subsidies (€1,177,000).



As of June 30, 2023, consolidated equity amounted to €-17,131k, which corresponds to an equity ratio of -13.2% (December 31, 2022: €-19,053k or -14.8%).

The Extraordinary General Meeting of Wolford AG on December 1, 2022, reduced the share capital of the company in the amount of €48,848,227.77 by means of a simplified capital reduction for the purpose of loss coverage, maintaining the number of no-par value shares of €16.596. 302.97 to €32,251,924.80 and resolved to increase the share capital up to €48,377,884.80 by issuing a maximum of 3,359,575 new no-par value shares, maintaining the subscription rights. The capital reduction was entered in the commercial register on December 30, 2022. The issue price of the new shares was set at €6.00 per share. The total issue amount thus reached €20,157,450.00. Shareholders are granted the statutory subscription right. The capital increase through the issuance of 2,934,515 new shares took place in the first quarter of 2023 with a share capital increase to €46,337,596.80 and a net inflow of €17,427,105.00.

On January 18, 2023, the Management Board of Wolford AG set the subscription period for the ordinary share capital increase from €32,251,924.80 by a maximum of €16,125,960.00 to €48,377,884.80 by issuing a maximum of 3,359,575 new shares from January 23 to February 6, 2023 (inclusive) and the value date to February 14, 2023, as resolved by the Extraordinary General Meeting of Wolford AG on December 1, 2022.

As already resolved by the Extraordinary General Meeting, the subscription price per new share is €6.00 and the sub-

scription ratio is 2:1 (2 subscription rights entitle holders to subscribe for 1 new ordinary share). The subscription rights will be booked to existing shareholders on January 23, 2023, based on the balance of the securities account as of January 20, 2023, at 23:59. The subscription rights have the ISIN code AT0000A32430. Trading of the subscription rights (auction trading) will be possible on the Vienna Stock Exchange on January 27, 30 and 31, 2023 (inclusive). The invitation to subscribe was published in the Official Gazette of the Wiener Zeitung on January 19, 2023. After the subscription offer, the new shares of the company for which subscription rights were not exercised during the subscription period were offered to shareholders who subscribed for at least 500,000 new shares in the subscription offer in a private placement at the subscription price. The prospectus for the offer of the new shares in Austria, prepared in accordance with the Austrian Capital Market Act (Kapitalmarktgesetz, KMG) and the Prospectus Ordinance, was approved by the Financial Market Authority on January 18, 2023.

On February 8, 2023, Wolford AG announced the result of the rights offering that took place from January 23, 2023, to February 6, 2023 and announced that 2,934,515 new shares were subscribed as part of the rights offering through the exercise of subscription rights. No offers to purchase new shares were made as part of a capital placement. On the same day, the Management Board, with the approval of the Supervisory Board, decided on the final volume of the capital increase with a total of 2,934,515 new shares. The capital increase yielded €17,607k.

Approximately 66.9% of the 2,934,515 new shares were subscribed by FFG Wisdom (Luxembourg) S.à r.l. as beneficiary. Approximately 32.7% of the 2,934,515 new shares were subscribed for by Ralph Bartel as assignee. The remaining number of new shares was subscribed by other beneficiaries. FFG Wisdom (Luxembourg) S.à r.l. holds 61.02% of the Wolford shares after the capital increase. In the absence of further changes, Mr. Bartel would hold 29.62% of the shares.

The application for registration of the execution of the capital increase in the commercial register was filed with the Regional Court of Feldkirch (commercial register) on February 15, 2023.

Consequently, the share capital consists of 9,653,666 no-par value shares, and each no-par value share participates in the share capital to the same extent.

By resolution of the 36th Annual General Meeting of June 15, 2023, the Management Board was authorized, with the consent of the Supervisory Board, to increase the share capital up to and including June 15, 2028, by a maximum of €23,168,798.40 by issuing up to 4,826.833 no-par-value bearer or registered shares with voting rights in exchange for cash contributions on one or more occasions, safeguarding subscription rights, and to determine the type of new shares to be issued (bearer or registered), the issue price and other terms and conditions of issue with the consent of the Supervisory Board (authorized capital). In addition, Grant Thornton Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Gertrude-Fröhlich-Sandner-Strasse 1/Top 13, 1100 Vienna, was appointed as auditor for the

annual financial statements of the company pursuant to the Austrian Commercial Code (UGB) for the 2023 financial year and as auditor for the consolidated financial statements pursuant to IFRS for the 2023 financial year.

Long-term leasing liabilities increased by €65,000 to €42,226,000 (December 31, 2022: €42,161,000), taking into account expected repayments due to the opening of new branches.

Non-current liabilities increased by €87,000 to €55,077,000, or 42.5% of the balance sheet total.

At €91,703,000, current liabilities are €878,000 below the level at the end of the previous year (December 31, 2022: €92,580,000). This is mainly due to the decrease in current lease liabilities of €1,848,000 to €13,208,000 (December 31, 2022: €15,056,000) and the decrease in other provisions of €673,000 to €838,000 (December 31, 2022: €1,511,000). This is in contrast to the increase in current financial liabilities of €1,934,000 to €37,673,000, which resulted exclusively from accrued interest on shareholder loans in the amount of €32,500,000.

Other provisions include €483k for onerous contracts and €355k for restructuring costs. Restructuring provisions mainly include payments for social plans and redundancy payments in connection with the realignment of the company. The provisions for social plans and severance payments of €1,033k set up as of December 31, 2022, in connection with the realignment of the company were largely utilized in the first half of the 2023 financial year.

Other liabilities mainly comprise tax payables of €4,530,000, payables to personnel for untaken vacation, over-time, special payments and other obligations totaling €4,513,000, payables for advertising expenses of €1,513,000, for social security of €2,052,000, and for the preparation and review of the half-yearly financial statements and tax advice of €885,000.

### FINANCIAL INSTRUMENTS

The following hierarchy is used to determine and report fair values:

Level 1: quoted prices for identical assets or liabilities in active markets.

Level 2: Valuation factors other than quoted market prices that are observable for assets or liabilities, either directly (i.e., as prices)

or indirectly (i.e., derived from prices).

Level 3: Valuation factors for assets or liabilities not based on observable market data.

Financial assets classified as level 1 include units of listed investment funds. There are no financial instruments measured according to level 3. Furthermore, no groupings have been made between the different levels of the fair value hierarchy.

The reconciliation between the carrying values of financial assets and liabilities and the valuation categories under IFRS 9 are presented below. For financial assets and liabilities for which the carrying amount is a reasonable approximation of fair value, fair values are not disclosed.

06/30/2023 in EUR k	BOOK VALUES		FAIR VALUES	
	AT FAIR VALUE	AT AMORTIZED COST	LEVEL 1	LEVEL 2
Non-current financial assets	1,028		1,028	
Receivables and non-current assets		3,203		
Credits for supplies and services		9,805		
Other receivables and assets		5,774		
Liquidity and cash equivalents		2,569		
<b>Total financial assets</b>	<b>1,028</b>	<b>21,351</b>	<b>1,028</b>	
Financial liabilities (current)		37,673		
Lease liabilities (current)		13,208		
Lease liabilities (non-current)		42,226		
Liabilities for supplies and services		22,207		
Other financial liabilities (current)		6,548		
Other financial liabilities (non-current)		280		
<b>Total financial liabilities</b>	<b>0</b>	<b>122,142</b>		

12/31/2022 in EUR k	BOOK VALUES		FAIR VALUES	
	AT FAIR VALUE	AT AMORTIZED COST	LEVEL 1	LEVEL 2
Non-current financial assets	1,028		1,028	
Receivables and non-current assets		3,286		
Credits for supplies and services		10,679		
Other receivables and assets		6,366		
Liquidity and cash equivalents		3,356		
<b>Total financial assets</b>	<b>1,028</b>	<b>23,687</b>	<b>1,028</b>	
Financial liabilities (current)		35,370		
Liabilities for supplies and services		22,503		
Lease liabilities (current)		15,053		
Lease liabilities (non-current)		42,161		
Other financial liabilities (current)		5,030		
Other financial liabilities (non-current)		280		
<b>Total financial liabilities</b>	<b>0</b>	<b>120,769</b>		

### OTHER INFORMATION

There have been no significant changes in contingent liabilities since the last balance sheet date.

### RELATED PARTY TRANSACTIONS (IAS 24)

None of the members of the Supervisory Board had any business or personal relationships with the company or its Management Board in the first half of 2023 that would constitute a material conflict of interest and thus influence the conduct of the member of the Supervisory Board. There were no business relationships with any member of the Supervisory Board in the first half of 2023.

Effective February 1, 2019, the Wolford Group entered into a business relationship with Fosun Fashion Brand Management (FFBM) to consolidate and expand its presence in the Chinese market. FFBM is a subsidiary of Fosun Fashion Group (thus a company under whose significant influence the company is located) and acts on behalf of Wolford as a full-service provider with a focus on marketing and sales. In addition to market expansion, FFBM is responsible for the operational management of all wholesale and retail channels as well as online trading. The contract between FFBM and Wolford was concluded on market terms, which include a fixed monthly fee and a performance-based commission for each distribution channel (retail, wholesale and online).

The ultimate beneficial owner of Fosun Fashion Brand Management (FFBM) is Guangchang Guo, who is also the ultimate beneficial owner of FFG Wisdom (Luxembourg) S.à r.l., which holds approximately 61% of Wolford's shares after the capital increase.

In 2021 and 2022, Fosun Fashion Group (Cayman) Limited granted various loans to shareholders, all of which were granted at a uniform interest rate of 12% and with a final maturity including interest. As of June 30, 2023, the following current financial liabilities existed.

Amount in EUR k	MATURITY	PRIZE
10,000	12/31/2023	Before 01/01/2022
2,500	12/31/2023	01/28/2022
5,000	12/31/2023	05/23/2022
2,000	02/18/2023	06/28/2022
4,000	03/12/2023	07/20/2022
1,500	03/21/2023	07/29/2022
3,500	01/28/2023	08/05/2022
2,000	12/21/2022	08/30/2022
2,000	01/27/2023	11/29/2022
<b>32,500</b>		

The terms of the loans were not extended in the first half of 2023. In July 2023, Fosun Fashion Group (Cayman) Limited granted a further shareholder loan of €2,000,000 at an interest rate of 12% per annum, maturing on December 20, 2023.

In early April 2023, Lanvin Group Holdings Limited issued a letter of support to provide financial backing to Wolford. This is to enable the company to meet its liabilities as they fall due and to ensure the continuity of the company for the foreseeable future. This guarantee is not revocable until the end of 2024.

Should financial support from Lanvin be required, both parties undertake to enforce the guarantee in its entirety. The outstanding shareholder loans granted by Fosun Fashion Group (Cayman) Limited to the Company were subordinated in the amount of €16.3 million. Repayment can only be requested once the restructuring of Wolford has been completed.

**EVENTS AFTER THE BALANCE SHEET DATE**

In July 2023, the Supervisory Board appointed Silvia Azzali, who successfully led the commercial team for 4 years, as CEO. Also in July 2023, Fosun Fashion Group (Cayman) Limited granted an additional shareholder loan of €2,000k at an interest rate of 12% per annum, maturing on December 20, 2023. Private investor Ralph Bartel, who held just over 29% of the bearer shares on June 30, 2023, crossed the 30% threshold on August 8, 2023.

No other events with a significant impact on the Wolford Group's equity, financial position and operating results occurred after the balance sheet date.

Regarding uncertainties that may arise from the Covid-19 pandemic, climate concerns, the war in Ukraine and macro-economic conditions, please refer to the section "Information on Special Factors Affecting the Consolidated Financial Statements."

Bregenz, September 22, 2023

Silvia Azzali  
Chief Executive Officer (CEO)

Responsible for Research & Development and Sustainability, Finance, Human Resources, Sales, Merchandising, Brand & Marketing and Design

**DECLARATION BY THE MANAGEMENT BOARD PURSUANT TO SECTION 125 PARAGRAPH 1 LINE 3 OF THE STOCK EXCHANGE ACT**

The Management Board of Wolford AG confirms, to the best of its knowledge, that the condensed consolidated interim financial statements give a true and fair view of the Group's assets, liabilities, financial position and profit or loss, as required by applicable accounting standards. The interim group management report gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss in respect of material events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, the principal risks and uncertainties for the remaining months of the financial year and the principal related party transactions to be disclosed.

Ralf Polito  
Chief Operating Officer (COO)

Responsible for Supply Chain & Production, Legal, Investor Relations, IT and Project Management Office

# 04

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# The WOLFORD Group at a Glance

## Wolford is a Market Leader in High-Quality Leather Goods.

The brand is represented in **45 countries** worldwide with **227 mono-brand points of sale** and more than **1,722 wholesale partners**. The Austrian company manufactures products exclusively in Europe in accordance with the strictest ecological and socially sustainable standards. Wolford creates its designs in the Italian fashion metropolis of Milan and produces its creations at its headquarters in Bregenz, located near Lake Constance, as well as in the Slovenian town of Murska Sobota – both regions with a long and illustrious tradition of textile production. As of June 30, 2023, the Wolford Group had a total of **998 employees (FTE), 271 of whom worked at the Bregenz headquarters**. Wolford was founded in Bregenz in 1950 and is listed on the stock exchanges in Vienna, Frankfurt, and New York. The brand is part of the global luxury fashion conglomerate Lanvin Group, which was founded by Wolford's Chinese majority shareholder Fosun.

Wolford generates more than **40% of its sales** with Ready-to-wear, and the company's skinwear creations, complemented by a small selection of accessories, are closely matched with the Group's core product.

Characteristics of the brand architecture include the fashionable Trend products and the Essential collections. The **Essentials**, which include all of Wolford's legendary, timeless classics, such as its **Satin Touch tights, which have been on sale since 1988, account for around 70% of sales**. The Trend products are represented by The W and The W Lab. The first of the two new brands, launched in 2019 to present the modern face of Wolford to a younger, more leisure-oriented audience with innovative athleisure clothing, now accounts for 8%. **The W Lab**, with a lustrous history of partnerships with top designers – from Valentino to Karl Lagerfeld, Vivienne Westwood to Giorgio Armani – has evolved into an integral part of a new business segment, **increasing to 3%** thanks to high-profile collaborations with stellar outside designers.



Wolford's headquarters in Bregenz, Austria

# Financial Calendar

Wolford AG's financial calendar is available at <https://company.wolford.com/investor-relations/financial-calendar/>. Wolford AG publishes its half-year and annual results in accordance with the regulations of the Standard Market.

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# Contact & Imprint

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The half-year report is available in German and English on the internet at [company.wolford.com](https://company.wolford.com).

## DISCLAIMER

This semi-annual report has been compiled with the greatest possible care and all data has been checked. However, rounding, typing or printing errors cannot be excluded. This half-year report is also written in English, but only the German text is binding. Certain statements in this half-year report are forward-looking statements. These statements reflect the opinions and expectations of the Management Board and are subject to risks and uncertainties that may materially affect the actual results. The reader should therefore not place undue reliance on these forward-looking statements. Wolford AG has no obligation to release any results from revisions to the forward-looking statements contained herein, except as required by law.

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