

ANNUAL FINANCIAL REPORT

According to § 82 Para 4 Exchange Act

of

WOLFORD AG
BREGENZ



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For the Financial Year 2020

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WOLFORD GROUP

Management Report

Group Information

Wolford in Kürze

Founded in the Austrian city of Bregenz in 1950, Wolford designs, manufactures, and sells luxury legwear and bodywear. It designs and manufactures its products exclusively in Europe at two proprietary locations in Austria and Slovenia and in accordance with the highest environmental standards (partner to the bluesign® system). With its 240 monobrand points of sale (POS) and more than 3,000 retail partners, the brand is represented in 45 countries worldwide. Overall, the Wolford Group has a total workforce of 1,169 employees (FTE), of which 478 employees (FTE) at its headquarters in Austria.

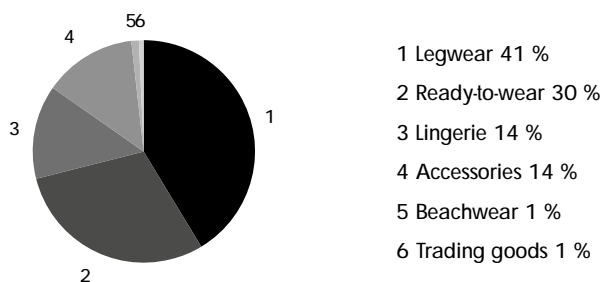
Products meet the highest quality standards

Wolford generates around 41% of its revenues with its core Legwear product group, to which all other product groups are aligned. The second-largest product group is Ready-to-wear, which includes figure-embracing products such as bodies and shirts (bodywear), as well as dresses and pullovers. The Legwear and Bodywear product groups are based on a special round-knitting technology that was developed by Wolford and is being continually enhanced. This forms the basis for the unique comfort and quality of Wolford's products. These two product groups are complemented by a select offering of decorative and in some cases figure-shaping lingerie. The collections are supplemented with a small selection of accessories such as scarves and bracelets, which contribute revenues in a low single-digit million euro range.

Wolford makes a distinction between fashionable Trend products and the Essential collection, which includes all of its timeless classics, such as the Satin Touch tights offered since 1988 already.

Overall, Wolford launches two collections with Trend products onto the market each calendar year. One collection covers the spring/summer period and the other is destined for the fall and winter. Depending on the collection, four to five delivery intervals take place with new products. Backed up by suitable communications, these are intended to create fresh momentum at the sales areas.

REVENUES BY PRODUCT GROUP



Wolford's business model

The Wolford Group's business model covers the entire value chain – from design and development via production through to global omni-channel distribution including proprietary boutiques. That makes the company highly autonomous and enables it to react quickly, for example to the latest fashion trends. The company is supported by external partners and selected suppliers in sections of its

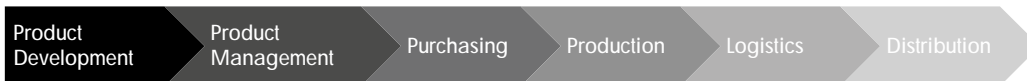
Lingerie and Ready-to wear ranges. Tasks relating to product development are centralized at the company's headquarters in Bregenz.

When developing a new collection, product management, the design team, and product development all work hand in hand. Product management analyzes trends and identifies the products that will be in demand in the market – these findings then form the basis for the work performed by the design team. The close cooperation between design and product development in turn results in a stream of new products, often based on new production methods, such as 3D printing or the adhesive technology developed by Wolford and now patented. "Pure Tights", the world's first glued tights, are one result of this cooperation.

Product and merchandise management also comprises demand planning for the retail sales areas at proprietary boutiques and for wholesale customers. This department determines which articles have to be produced in which sizes and colors and for which retail areas. It also controls the flow of goods from the warehouse to retail areas.

In procurement, it is nearly all about materials. The raw materials, in particular yarns, semi-finished products and trading goods in the areas of lingerie, ready-to-wear and care masks, are procured from longstanding partners with identical quality- and innovation-standards as Wolford. Yarns are particularly also purchased in Japan, a country known for its innovative materials. All raw materials are stored at the company's headquarters in Bregenz and prepared here for subsequent production and assembly.

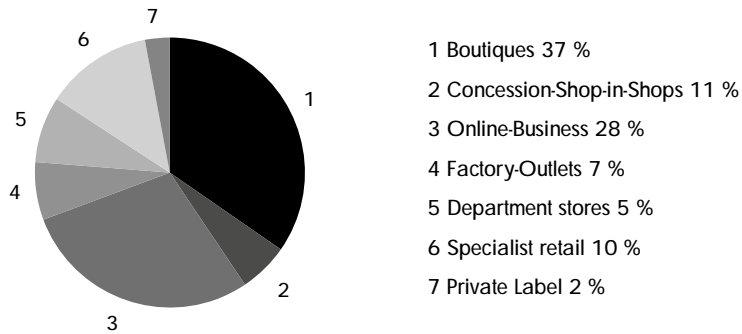
Finished products are stored in three warehouses – at the central warehouse in Bregenz, which also supplies the online business in Europe, and in two other warehouses in the US and China. The warehouse in the US supplies the online business in the American market, while that in China supplies the Asian region.



Global sales

Wolfords products are currently on sale in around 45 countries worldwide. They are sold via a network of proprietary locations, i.e. directly to end customers (Retail) and via trading partners (Wholesale). In the 2020 abridged financial year, the company generated the largest share of its revenues (37%) with its international network of boutiques. At the end of December 2020, 103 of Wolford's 162 boutiques were under proprietary management, while 59 were managed by partners. Overall, the Wolford Group controls around 70% of its distribution. Alongside stationary retail, the online business is also playing an ever more significant role – in the 2020 abridged financial year it accounted for 28% of revenues

REVENUES BY DISTRIBUTION CHANNEL



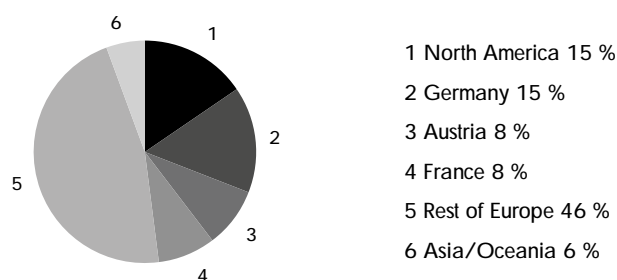
Distribution channels

Boutiques: Boutiques under Wolford's own management	Department stores: Exclusive shop-in-shops with Wolford look and feel at numerous international department stores
Concession shop-in-shops: Sales areas under Wolford management within department stores	Specialist retail: Exclusive fashion and specialist retailers offering Wolford models
Online business: Proprietary online boutiques	Private label: Products manufactured for other brands or offered under other brand names at retailers
Factory outlets: Sales locations at which Wolford collections from previous seasons and cut-price goods are sold	

Europe as most important market

Accounting for around 77% of revenues, the European market is the most important sales market for the Wolford Group. Specifically, Germany (15%) contributes a major share of the Group's revenues, as do Austria (8%) and France (8%). The US, with a 15% share of revenues, is the most important individual market. Fosun's entry as the new principal shareholder will assist Wolford in gaining access to the Asian market, where it will now significantly expand its market presence. Since February 2019, Wolford has worked together with Fosun Fashion Brand Management (FFBM) as its new partner for the Asian market. In the medium term, the share of revenues generated in this region should match that in Wolford's existing core markets of the US and Germany and reach between 10% and 20%.

REVENUES BY MARKET



Note on basis of data: actual geographical allocation as against segment reporting (consolidated financial statements), which is based on local units.

Central Management

The Wolford Group is managed by Wolford AG, which is based in Bregenz (Austria). Wolford has a dualistic corporate management system with a Management Board and Supervisory Board. The Management Board manages the company from its corporate headquarters in Bregenz. It is responsible for strategy and group management, while the Supervisory Board accompanies the Management Board in an advisory capacity and monitors its management of the company.

The company's core objective is to generate profitable growth and increase its free cash flow. The in-house management system supports the management in aligning company processes to this objective.

Key aspects of this approach involve increasing revenues and operating earnings (defined as EBIT). Accordingly, the company's key management figures are revenues (absolute and like-for-like, i.e. excluding revenues at sales areas newly opened or closed) and free cash flow (net cash flow from operations plus cash flow from investments). Further key management figures are working capital and the Group's net debt.

Supply chain managers are responsible for managing inventories and trade receivables. They are also responsible for consistently implementing measures to reduce raw material holdings and stocks in transit. Receivables management is based on close liaison between the finance department, which manages the process, and the relevant sales employees. Clear targets for DSO (days sales outstanding) support the company in prioritizing and systematically reducing its receivables. In monthly business performance reviews, the management monitors target achievement for all key management figures and implementation of the relevant target achievement action plans.

Business Climate

The global economy contracted by 5 % which is the highest decrease since the financial crisis in 2008 in the calendar year 2020, a period which includes also the 8 months of the past short financial year. The spread of SARS-Cov-2 as well as the ongoing trade policy tensions impeded the willingness to invest of companies and investors alike.

The GDP in the eurozone, where Wolford generates around 75 % of its revenues reduced by 6.8 % in 2020 after a growth of 1.3 % in 2019. In some core markets the decrease was even higher. While in Germany, the second largest market of the group, GDP decreased by 5 %, Austria showed a decrease of 7.4 % and France of 8.3 %. Spains GDP even decreased by 11 %, Italians GDP by 8.8 %.

In the US, the GDP contracted by 4.6 % after an increase of 2.3 in 2019. Shops were closed due to Covid-19 only at the beginning of the calendar year 2020 which is why the decrease of economic growth in the US was lower compared to the most European countries.

Economic growth in China fell to 2.3 % after 6.6 % in the previous year. Lockdowns were kept shorter in China as well and measures against Covid-19 had a bigger impact within a short period of time compared to other countries.

At the beginning of 2020, the global outbreak of the coronavirus (SARS-CoV-2) and the measures taken to contain the pandemic sent the global economy into a state of shock. Far-reaching lockdown measures led to the closure of nearly all retail outlets worldwide, a development reflected in a strong decrease of revenues in May 2020 for example. Revenues increased to the prior-crisis-level in mid of 2020 when retail opened again but declined as a result of the renewed lockdown measures. Wolford is directly affected by the crisis. Increasing vaccination coverages and consequently a normalization of daily lives give hope for improvement of revenues in retail.

Sources: OECD, WKO, Frankfurter Allgemeine Zeitung, Handelsblatt, Textil, Textilwirtschaft-Testclub

Financial Review

At the 33rd Annual General Meeting on 30 September 2020, a resolution was passed to change the balance sheet date to 31 December from the current financial year on. The current financial year is therefore a short financial year ending on 31 December 2020. Accordingly, the term "short financial year" is used in the following texts. Consequently, income statement positions are only comparable to a limited extent as the short financial year comprises 8 months only compared to the comparative figures that comprise 12 months.

Earnings

The Wolford Group generated revenues of € 68.04 million in the short financial year 2020. Revenues thus fell 42.75 % short of the previous year's figure (€ 118.54 million). Compared to revenues to the same period of the previous financial year (May to December 2019) a decrease of € 22.75 million (25.1%) occurred.

Together with stationary fashion retailers worldwide, Wolford is suffering from the ongoing decline in customer frequency volumes resulting not least from the boom in online retail. The global outbreak of the coronavirus and resultant closures of retail outlets that already affected the past financial year 2019/20 led to further falls in worldwide revenues in the short financial year 2020.

Consequently, even when considering different periods for the comparative figures, nearly all distribution channels showed decreases. With an increase of sales in the eight months of the short financial year 2020 to € 20.25 million (compared to € 15.41 million over the 12-month financial year 2019/20) the online business is an exception to this and could partly compensate lower revenues in retail due to temporary closures.

Regional revenues also showed decreases over all main markets, where the highest cuts occurred in the segments North America, Rest of Europe and Germany.

With a 42% share of revenues, the Legwear product group once again was the main contributor to the consolidated revenues in the 2020 short financial year. At 30%, the share of revenues generated by the Ready-to-wear product group remained at the previous year's level. As Wolford's second-largest product group, Ready-to-wear also witnessed a substantial reduction in revenues, in this case by 30.3%. The Lingerie product group which, contributed 14% of consolidated revenues, showed a 32.1% reduction in revenues. Trading good revenues (1% share of revenues) fell 33.1% short of the previous year's figure. Due to the introduction of care masks into the assortment, Accessories showed a sharp increase by 1,107.1% and contributed 14% to the consolidated revenues.

Key earnings figures	2020 in %	2019/20 in %
Material cost (including changes in inventories) as a percentage of revenues	21.4	18.4
Personnel expenses as a percentage of revenues	49.0	53.0
Other operating expenses as a percentage of revenues	42.8	31.9
EBITDA margin	52.6	-3.4
EBIT margin	29.3	-24.2

The ratio of material costs to revenues increased in the short financial year, which is mainly driven by changes in inventory valuation. The ratio of personnel expenses to revenues in contrast decreased despite reduced revenues. This is mainly due to a reduction of the average number of full-time employees by 74 to 1,169 and government subsidies for short-time work that are presented within the personnel expenses.

Due to lower revenues and additional restructuring expenses, other operating expenses in relation to revenues increased significantly. A decrease to € 15.86 million (financial year 2019/20: € 24.70 million) in depreciations (including impairments and reversals of impairments) on the other hand, positively impacted the short financial year's result.

Intangible assets with indefinite useful lives are tested for impairment at least annually. In determining possible impairment, the recoverable amount of the cash-generating unit (CGU) is compared with its carrying amount as of the balance sheet date. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount recognized for the respective asset, the carrying amount is reduced to the recoverable amount. Estimates made by management in determining the recoverable amount consist primarily of determining expected cash flows, discount rates, and growth rates, as well as to expected changes in disposal prices and related direct costs.

As of each balance sheet date, Wolford AG is required to assess whether any triggering event has occurred that could indicate that an asset is impaired. If this is the case, the company has to estimate the recoverable amount of the asset. Alongside other triggers, the following triggering events in particular have been defined for Wolford AG: deterioration in the net cash flow from the use of cash-generating units or failure to achieve budgeted net cash flows. The impairment tests performed on property, plant and equipment and intangible assets are based on the company budgets for the planning period from 2021 to 2022 in accordance with the forecasts derived from the latest budget presented to the Supervisory Board and the additional adjustments of the going concern forecast. In the first planning year 2021, COVID-19-related declines in sales were considered in planning. It is assumed that the situation will normalize in the second half of 2021 and that the COVID-19-related sales declines can be recovered in the following year. This leads to an increase in sales from the planning year 2021 to the planning year 2022 of 18%-28%. In the further planning, a sales growth of 1% was assumed for all regions. The cost of sales will increase proportionally to sales. Personnel costs and operating expenses are considered at an annual growth rate of 1% and are not directly related to the development of sales, as the scope of the respective business operations remains unchanged. In addition, the cost-saving measures adopted as part of the restructuring program have been taken into account accordingly. Replacement and maintenance investments were included in the calculation according to the size of the boutiques (clustering by m²) based on historical experience. Expansion investments or complete store refurbishments were not taken into account in line with current budget planning. Forecasts based on past experience, current operating results, consultant analyses and management's best estimate of future developments, as well as market assumptions, were used to determine the budget planning calculations. The discount factors (WACC after tax) of 5.2% - 8.4% (April 30, 2020: 5.3% - 8.3%) used for impairment tests are derived from regional interest rates, taking into account the risk-free base interest rate with maturities matching the average remaining opening period of the boutiques in the respective country, country risk premiums, the credit spread based on a 30-year consumer discretionary bond with a BBB rating, and different tax rates. The remaining opening time of the boutique locations are evaluated on a boutique-by-boutique basis, taking into account the remaining lease term, possible termination options, expected performance and economic and strategic considerations. Based on a sensitivity analysis in the main regions a decrease of 5 % in sales compared to budgeted figures would increase impairment expenses by € 0.7 million.

A main driver for the positive EBITDA and EBIT of the short financial year was the sale of the company's property in Bregenz which generated a gain of € 40.99 million. In addition, subsidies for fixed costs in the amount of € 3.70 million are presented in the other operating income and positively effect EBITDA and EBIT.

The proceeds from the sale of the property were used for a repayment of the company's financial liability which in turn led to an improvement of the financial result by € 3.72 million to € -2.61 million.

Due to the use of tax loss carryforwards as a consequence of the gain from the disposal of the property, income tax expense increased by € 12.16 million to € -4.56 million in the short financial year.

As a result, earnings after tax increased from € -27.42 million to € +12.77 million. The earnings per share amount to € 1.93 after € -4.14 in the previous year.

Income statement (summary)			
€ million	2020	2019/20	Change in %
Revenues	68.04	118.54	-43
Other operating income	45.21	1.29	3,405
Change in inventories	-1.38	-1.67	-17
Cost of materials	-13.16	-20.14	-35
Personnel expenses	-33.37	-62.83	-47
Other operating expenses	-29.10	-37.81	-23
Impairment losses for trade receivables	-0.45	-1.36	-67
Depreciation and amortization	-15.85	-24.70	-36
EBIT	19.94	-28.68	-170
Financial result	-2.61	-6.34	-59
Earnings before tax	17.33	-35.02	-149
Income tax	-4.56	7.60	-160
Earnings after tax	12.77	-27.42	-147

Asset and financial position

At € 138.90 million, total assets at the Wolford Group as of the balance sheet date on December 31, 2020 were lower than the previous year's figure (€ 161.69 million). This was due to the sale of the company's property and the subsequent repayment of financial liabilities.

Non-current assets amounted to € 70.25 million at the balance sheet date, corresponding to 52% of total assets (2019/20: 55%). As the disposed property was already classified as asset held for sale in prior year, the transaction did not result in a decrease of non-current assets. Due to the difficult economic environment investments were kept at a minimum in the short financial year and therefore decreased to € 0.8 million after € 1.7 million in 2019/20 (excluding right-of-use assets).

Current assets accounted for 48% of total assets as of December 31, 2020 (2019/20: 45%). The disposal of the assets held for sale was compensated by an increase in cash and cash equivalents of € 9.61 million to € 14.13 million and an increase in receivables. The rise in trade receivable is mainly caused by the different balance sheet dates and the seasonality of revenues while the rise in other receivables results from receivables from subsidies for fixed costs in the amount of € 3.7 million.

Shareholders' equity at the Wolford Group amounted to € 28.54 at the balance sheet date on December 31, 2020 and thus was significantly higher than the comparative figure in the financial statements for the previous year (€ 15.02 million), a development which was due to the profit incurred in the short financial year under report. Due to additional effects in form of a reduction of the total assets as a consequence of the sale of property and repayment of financial liabilities, the equity ratio improved to 21 % (2019/20: 9%).

Key balance sheet figures		31.12.2020	30.04.2020
Equity	€ million	28.54	15.02
Net debt	€ million	Positive	33.16
Working capital*	€ million	31.37	22.99
Total assets	€ million	138.90	161.69
Equity ratio	in %	20.5	9.3
Gearing	in %	-	220.8
Working capital as percentage of revenues	in %	46.1	19.4

* Inventories + trade receivables + other receivables and assets – trade payables – other liabilities (including current lease liabilities)

Calculation of net debt	31.12.2020	30.04.2020	Change
	€ million	€ million	in %
Non-current financial liabilities	0	0	-
Current financial liabilities	0	38,98	-100
- Financial assets	-1,32	-1,30	2
- Cash and cash equivalents	-14,13	-4,52	213
Net debt	-15,45	33,16	-147

As a consequence of the repayment of financial liabilities with the proceeds from the sale of the property, equity ratio and net debt increased significantly so that net debt (excluding lease liabilities) is positive at balance sheet date December 31, 2020.

Cashflow

At € -17.98 million, the cash flow from operating activities (operating cash flow) was significantly below the previous year's figure (€ +5.53 million). This development was mainly due to decrease in revenues because of Covid-19.

Caused by the sale of the property the cash flow from investing activities increased to € 71.23 million in the short financial year (increase of € 72.94 million compared to previous year)

As a result of the repayment of the financial liabilities the cash flow from financing activities in contrast decreased by € 31.76 million to € -43.55 million.

Cash flow statement (summary)	2020 € million	2019/20 € million	Change in %
Cash flow from operating activities	-17.98	5.53	>100
Cash flow from investing activities	71.23	-1.26	>100
Free cash flow	53.38	4.27	>100
Cash flow from financing activities	-43.68	-11.79	>100
Change in cash and cash equivalents	9.70	7.55	28
Cash and cash equivalents at end of period	14.13	4.52	>100

Business Segment Performance

Consistent with the requirements of IFRS 8 (management approach), Wolford AG reports on the following business segments:

- Austria
- Germany
- Rest of Europe
- North America
- Asia

Austria

External revenues (revenues less intragroup revenues) in the Austria segment decreased from € 29.41 million to € 21.29 million in the period under report. This segment includes the production and sales activities in Austria and the sales activities in all countries in which Wolford does not have any proprietary subsidiaries. The Austria segment contributed 31% of consolidated revenues (2019/20: 25%). EBIT improved from € -24.12 million in the previous year to € 27.98 million (increase of € 52.10 million). This was mainly due to gains from the disposal of the property (gain of € 40.86 million).

Germany

External revenues in the Germany segment fell from € 14.31 million to € 6.93 million in the short financial year. This segment contributed 10% of consolidated revenues (2019/20: 12%). EBIT came to € 0.03 million, as against € 0.34 million in the previous year. The decline in EBIT was also due to the negative development in revenues which could only partly be compensated by lower depreciations and impairments.

Rest of Europe

External revenues at the companies in the Rest of Europe segment showed a significant reduction from € 46.39 million to € 26.24 million. This segment includes the European sales companies outside Austria and Germany and the production company in Slovenia. Rest of Europe contributed 39%, and thus the largest share of consolidated revenues (2019/20: 39%). Despite the decline in revenues, due to a decrease in depreciations, EBIT improved to € +1.00 million (2019/20: € -0.68 million).

North America

External sales at the group companies in the North America segment decreased from € 24.22 million to € 10.30 million. This segment, which comprises the sales companies in the US and Canada, contributed 15 % of consolidated revenues (2019/20: 21 %). Due to the loss of revenues, EBIT dropped to € -4.73 million, down from € -0.89 million in the previous year.

Asia

At € 3.23 million, external revenues at the companies in the Asia segment were also below the previous year's figure (€ 4.21 million). This segment, which includes the sales companies in Hong Kong and China, accounted for 5% of consolidated revenues (previous year: 4%). EBIT increase to € -1.51 million after € -2.68 million in the previous year.

Outlook and targets

The outbreak of novel coronavirus presents the global economy with even greater challenges than the 2008 global financial crisis. The negative impact of weeks of lockdown on industry and the services sector are reflected in the corrections made to the outlooks for numerous economies. However, some economies already show recoveries and the Organization for Economic Cooperation and Development (OECD) expect a growth of world-wide GDP in 2021.

For the luxury goods market, the strategic consultants at Bain & Company released a forecast in early December 2020 in which they expect a recovery the earliest by 2022. McKinsey & Company together with the network "The Business of Fashion" also expect only a slow recovery for the global fashion sector. An optimistic scenario expects a decrease by 0 and 5 % in 2021 compared to 2019. Another scenario expects a decrease of revenues by 10 to 15 % in 2021.

The coronavirus crisis has also significantly accelerated the process of structural change already long apparent in the fashion industry. Stationary and fashion retailers will have to find new strategic answers to this situation. Wolford faces this change with remote selling as first steps into the digital future.

Just like other fashion manufacturers with proprietary retail businesses, Wolford is affected by the impact of the coronavirus crisis and resultant intensification in the structural problems facing the retail sector. As a result of the lockdown measures taken to contain the coronavirus, the company's revenues fell drastically in the months March and April of the financial year 2019/20, with year-on-year reductions in revenues of 52% in March and 73% in April.

These effects could also be observed in the past short financial year with a decrease of 50 % as re-openings differed between countries. While the stores in Austria, Germany and Scandinavia re-opened in mid of April, all stores in France, Italy, Spain and North America were closed till end of May or End of June.

Currently the positive effects of cost reductions in the course of the restructuring programs on costs (PITBOLI) and revenue stabilization (Nordstern) are overcompensated by the ongoing economic crisis as a consequence of Covid-19. As a reaction, Wolford reduced its sales forecast in the midterm planning and intensified restructuring measures already in 2019/20. To compensate for Covid-19 caused revenue reductions Wolford takes advantage of subsidies in the form of short-time work, deferred leasing and tax payments and other government subsidies. To strengthen Wolford for the future a reorganization of the group over the entire value chain is currently in progress. Detailed short- and mid-term measures were designed to increase revenues in the long term. A second label was introduced in the past financial year; the increase of wholesale and online-revenues is our constant focus. Increased positive reactions were observed on the new trend collections which is expected to have a positive impact on future revenues.

In 2021 the management will clearly stick with this direction with a focus on implementing the restructuring measures already defined, while also taking targeted measures to stabilize revenues, such as further expanding the online business.

Despite the corona-crisis which will also affect Wolford in the second half of 2021, management expects positive operating results for the financial year 2021. A positive EBIT in 2021 shall serve as a basis for a sustainable improvement in earnings. Our restructuring program PITBOLI together with the program Nordstern to increase revenues shall serve as a basis for profitable growth and an increase in shareholder value.

Events After the Balance Sheet Date

In February 2021, a contract was concluded for the sale of a further operating property with sales proceeds amounting to € 805k. The sales negotiations were already started in the short financial year 2020; the property in question was already available for sale as of December 31, 2020.

In March 2021, an external fraud incident ("fake president incident") resulted in an unlawful outflow of cash and cash equivalents of € 1,151k from the Company. On the other hand, there are expected claims from concluded insurance agreements in the amount of approximately € 1,000k.

There were no other matters with a material impact on the assets, financial position and earnings situation of the Wolford Group.

Opportunity and Risk Management

To remain competitive on a sustainable basis, companies have no alternative but to deliberately enter into certain risks. This also holds true for Wolford AG. In its global business activities, the company is exposed to various risks and views effective risk management as a key success factor when it comes to sustainably safeguarding the company's existence and creating shareholder value. Alongside risks, however, the company also faces opportunities that have the potential to be turned into competitive advantages. This being so, Wolford makes every effort to identify opportunities and risks at an early stage of developments, and to adequately react to these. That is the objective of the company's internal guidelines and systems.

Basis for opportunity and risk management

Recognizing opportunities and risks in good time is a factor that significantly influences Wolford's ability to meet its targets. The company defines risks as internal or external events that could adversely affect its ability to meet its business targets. By analogy, Wolford regards opportunities as internal or external events that could positively influence its ability to meet its business targets. In line with this approach, the company identified its own opportunities and risks by holding numerous evaluation meetings with select managers from a wide variety of departments. On this basis, the management team performed a qualitative assessment both of the potential top opportunities and of the top risks, prioritized these accordingly, and subsequently categorized them. The assessment was performed using a matrix which presented the respective probabilities of occurrence and potential damages.

Opportunity and risk management system

Opportunity and risk management is directly within the Management Board's remit. This ensures comprehensive and effective management of all material opportunities and risks. The objective of risk management is to identify at an early stage any risks and opportunities which could threaten or, conversely, facilitate the company's achievement of its targets, as well as to implement suitable measures enabling these targets to be met. Defining the respective targets is therefore a key component of the opportunity and risk management system.

To ensure its effectiveness, the opportunity and risk management system has been implemented in accordance with the internationally recognized regulations for companywide risk management and internal control systems (COSO – Internal Control and Enterprise Risk Management Framework of the Committee of Sponsoring Organizations of the Treadway Commission). Accordingly, within our internal opportunity and risk management process opportunities and risks are identified, assessed, managed, monitored, and systematically documented at regular intervals (annually at a minimum).

Comments on material risks and opportunities

The Corona crisis and its impact on the global economy and our main markets pose significant risks to the further development of Woford's business. Due to the limited visibility caused by the Corona crisis, it is currently difficult to assess the business risks, as these depend heavily on the duration and intensity of the crisis and the further consequences for the global economy. The decrease was clearly noticeable in the short financial year and the recovery after the lockdowns in spring has been delayed by the massive occurrence of a second wave, which has led to new lockdowns in various countries. The further development of the pandemic and the resulting political measures can hardly be estimated from today's perspective. Accordingly, further negative developments in Group's sales and earnings may occur.

Strategic development

Woford operates in a market that is dynamic and rapidly changing. It is crucial for the company to have a suitable strategy if its long-term competitiveness and future existence are not to be put at risk. Developing a consistent strategy is therefore a factor of core significance, as is the communication of such within the company to enable it to be supported by all employees. One material risk when developing such a strategy involves any failure to take note, or misinterpretation, of current trends. Woford therefore analyses the development in the market climate, the behavior of its target groups, and the latest trends on an ongoing basis and adapts its own strategy accordingly. Given the ongoing trend towards online purchases, for example, Woford has long worked to systematically expand its own online business and to enter into cooperations with relevant providers in this area. As most of the growth with luxury brands is expected to be generated in Asia, and above all in China, Woford invests to systematically expand its presence in China. As a reaction to the Covid-19 pandemic, care masks were added to the assortment and could partially compensate drops in revenues.

Market communications

For a company like Woford that is dependent on the charisma of its brand, the question of branding is highly significant. What Woford needs is targeted market communications with a compelling marketing strategy. The company needs an attractive market presence to enable it to attract younger potential consumers as well. Further investments in global branding will continue to be crucial for the company.

Personnel development

Woford views its employees as its most important resource. It is therefore self-evident that the company should wish to protect and promote its staff. Working conditions and training measures influence the performance of employees in development and production, as well as their success at the point of sale. Well-trained sales staff have a decisive impact on the company's revenue performance. Above all, Woford is dependent on the recognized quality of its internally manufactured products. This in turn is closely related to working conditions in the production departments at the two plants in Austria and Slovenia. The loss of key personnel represents a significant risk. Not only that, there is the risk that the company may be unable to identify, recruit, and retain sufficient numbers of well-trained, highly motivated employees. Woford operates in a dynamic competitive climate and the requirements placed in the company as a whole and in its employees in particular in terms of flexibility, mobility, and adaptability are changing at a similar pace. This means that Woford has to make systematic investments in training and developing its employees while also permanently enhancing its recruitment activities to attract well-trained, flexible employees.

IT implementation

Requirements in IT are permanently growing and companies therefore need efficient and process-oriented IT systems. The parallel existence of different IT systems represents a potential risk for the company. From procurement to production planning through to sales – Woford has numerous independent IT systems and databases that are only compatible to a limited extent. Data synchroni-

zation and general IT support are correspondingly time-consuming and personnel-intensive, while the overall system at Wolford AG may be prone to error. System breakdowns may lead to the loss of important data and, as a result, to financial losses. Against this backdrop, Wolford plans to standardize its IT landscape in the medium term by introducing a standard ERP software throughout the company.

Market changes

Wolford is exposed to numerous external factors and risks, such as those resulting from any changes in the macroeconomic framework or within society. As a company with global operations, Wolford is subject to macroeconomic developments in international markets and dependent on customer behavior. Any decline in demand due to macroeconomic developments or other external factors (e.g. the Covid-19 pandemic) may result in excess capacity in the company's production plans. To avoid this, Wolford permanently monitors its capacity utilization rates and adjusts these where necessary in line with market requirements. Furthermore, the underlying framework in the fashion retail sector is unrelentingly difficult, as increasing globalization and the advance of digitalization are extending the range of goods available to consumers and leading to increasingly intense competition. To minimize the risks resulting from these developments, Wolford is working to retain its quality leadership and ensure strong market communications. The company's extensive network of proprietary retail locations is regularly reviewed in terms of its economic viability, with insufficiently profitable boutiques being closed upon the expiry of the relevant rental agreements. Alongside this, Wolford has long worked to systematically expand its proprietary online business and to cooperate with relevant e-tailers.

The coronavirus crisis has further accelerated the process of structural transformation already long apparent in the fashion industry. The future of stationary retail is now more than ever at stake. To safeguard its continued existence, Wolford will also have to find new strategic approaches by restructuring its business and implementing the revenue-boosting measures referred to above. In 2021 the management will clearly stick with this direction with a focus on implementing the restructuring measures already defined, while also taking targeted measures to stabilize revenues, such as further expanding the online business.

Political and social risks

As a company with global operations, Wolford AG is exposed to political and social risks. Consumer behavior may be adversely affected by changes in the political or regulatory framework, geopolitical tension, or terrorist attacks. Uncertainties resulting from political and social upheaval are to be expected in 2021 as well. These developments also involve risks for providers of luxury goods in particular and lie outside the control of individual companies.

Financial risks

Wolford is exposed to financial risks as a result of changes in interest rates and exchange rate fluctuations. Due to the repayment of financial liabilities in the short financial year, the risk of floating interest rates could be reduced significantly. Given the international focus of its business model, Wolford is also subject to exchange rate risks. The development of material foreign currency exposures is monitored constantly, hedges to cover this risk were not signed.

Liquidity risks

On May 28, 2020, the Blum Group transferred the agreed purchase price of around € 72 million to Wolford AG (transaction closing). In the same move, Wolford AG repaid all outstanding credit lines owed to its financing Austrian banks, amounting to around € 33 million. Furthermore, Wolford AG also redeemed the shareholder loan of € 10 million granted by Fosun Fashion Investment Holdings (HK) Limited with interest of € 1.1 million.

Wolford Group holds liquidity reserves in the form of bank balances, the majority of which are available on a daily basis, in order to ensure that payment obligations from operating expenses and financial liabilities can be fulfilled. However, the impact of further lockdowns and restrictions on business activity as a consequence of Covid-19 on the group's liquidity is currently difficult to assess. To face these insecurities, a closer monitoring of liquid funds was implemented.

Based on the information currently available, the Management Board did not identify significant individual risks that could threaten the company's ability to continue as a going concern.

Credit risks

Credit risk designates that risk that arises due to business partners failing to meet their contractual obligations and that may lead to losses. Wolford is exposed to potential credit risks in the form of payment default risks when it grants payment targets to wholesale customers. Most of this risk is covered by a credit insurer. Furthermore, the company is exposed to default risks in connection with purchases made by end consumers in its online business. To address these risks, the company works with an external provider, enabling the creditworthiness of customers to be checked when they place their orders. Furthermore, the relevant online shop managers monitor and review incoming orders on an ongoing basis.

INTERNAL CONTROL SYSTEM

The Management Board is responsible for designing and implementing an internal control and risk management system in respect of the financial reporting process and ensuring compliance with all legal requirements. From an organizational perspective, Wolford AG is responsible for the financial reporting of the Wolford Group. The group accounting department (responsible for external reporting) and group controlling department (responsible for internal reporting) report directly to the management board of Wolford AG.

The processes underlying group accounting and reporting are based on an accounting manual that is issued by Wolford AG and updated on a regular basis. This manual contains key accounting and reporting requirements based on IFRS on a uniform basis for the overall Group. Specifically, these include the accounting and reporting principles for non-current assets, trade receivables and accruals, financial instruments, provisions, and the reconciliation of deferred tax assets and liabilities.

The regular impairment testing of goodwill and groups of assets attributed to the individual cash generating units (CGUs) is performed in accordance with applicable IFRS requirements. The recording, posting and recognition of all transactions at the Group is handled by standard software solutions. Only in China and Hong Kong are accounting processes outsourced to local tax advisors. The subsidiaries submit monthly reporting packages that contain all relevant accounting data for the income statement, balance sheet and cash flow statement. This data is entered into the central consolidation system, where it is verified at group level by the corporate accounting and corporate controlling departments and forms the basis for the IFRS reports issued by the Wolford Group.

Internal management reporting is based on a standard planning and reporting software solution, with automatic interfaces used to transfer actual data from the primary systems. A standardized process is used to enter the figures for forecasts. Reporting is structured by region and company. In addition to the reports on the company's operating earnings performance for the preceding month a rolling full-year forecast is implemented.

Together with the quarterly performance data, the financial information referred to above forms the basis for Management Board reporting to the Supervisory Board. The Supervisory Board is provided with information on the company's business performance at regular meetings. This information is based on consolidated figures, which cover segment reporting, earnings performance figures

with budget/actual comparisons, forecasts, consolidated financial statements, data on personnel totals and order intake, and select key financial figures.

Research and Development (R&D)

Innovation is at the heart of our product worlds and is part of our DNA. The product portfolio is clearly aligned to the company's core competence – the creation of figure-embracing round-knit products, such as legwear and bodies, known as skinwear, offering great comfort and first-class quality. Wolford had 60 employees (FTE) working in product development in the short financial year.

One core R&D topic at Wolford is the project working to develop recyclable products (Cradle to Cradle®) within the "Smart Textiles" sector network. Cradle to Cradle® pursues the vision of building closed material cycles for products, thus helping to make waste absolutely avoidable in future.

The "Smart Textiles" project is working on developing legwear, bodywear, and lingerie products that do not burden the biological cycle. The products are made from a biodegradable elastane developed specially for Wolford (Roica, Asahi Kasei®), from a correspondingly modified polyester fiber provided by Lauffenmühle, and from a modal fiber branded TENCEL™, which is obtained from sustainable forestry and provided by the Austrian textile manufacturer Lenzing. Under Wolford's leadership, a total of 13 companies and research institutes from the Vorarlberg region are participating in this COIN (Cooperation Innovation) project supported by the Austrian Research Promotion Agency (FFT). Here, they are manufacturing suitable product components or contributing their technical and scientific expertise.

The company reported its first success here in the 2018/19 financial year already. In September 2018, Wolford launched the first biologically recyclable pullovers, T-shirts, and leggings onto the market. These products, which were developed within the Austrian "Smart Textiles" initiative, are fully compostable. In April 2019, the company also received the "Cradle to Cradle Certified™ (Gold)" award for developing technically recyclable (i.e. fully reusable) products. Wolford is the first – and still the only – company in the apparel and textile industry to receive "Gold" certification from "Cradle to Cradle" for developing environmentally compatible products in both categories (biodegradable and technically recyclable).

In 2020, Wolford launched "Aurora 70 Tights", the first technically recyclable tights, onto the market and continued to work on developing further recyclable tights. Furthermore, in the past financial year the "Pure" ready-to-wear series was converted to biologically degradable materials. Wolford also supplemented its bestselling "Fatal Dress" with a recyclable alternative – "Aurora Tube Dress". The company therefore reached key milestones enabling it to produce 50% of its existing products in line with the C2C concept by 2025.

Wolford's use of 3D, an area in which the company is playing a pioneering role, is also proving highly successful. Using this technology taken from the metal industry, a fine silicon line is sprayed onto the fabric. In bras such as the 3W Skin Bra, for example, this line then assumes the function performed by the elastic rubber at the edges and strap of a conventional bra. That makes it possible to spread supportive functions evenly across the product, thus avoiding nicks or pressure spots on the body. This technology was used once again in the past financial year to bring new products to market.

Human Resources

Highly committed employees are the basis for any company's success. Wolford therefore accords high priority to promoting the health of its employees and boosting their identification with the

company. New employees are introduced to Wolford's philosophy, products, and structure in a special orientation program offered at corporate headquarters in Bregenz. In the short financial year 2020, Wolford had a worldwide average total of 1,169 employees (full-time equivalents). At 83%, women made up the same share of the workforce as in the previous year. Women also made up around 42% of the Wolford Group's management team (Management Board and managers of relevant divisions across the company). An average total of around 536 employees (FTEs) worked at corporate headquarters in Bregenz. The company currently offers vocational training to 13 apprentices in seven different training vocations at its Bregenz site. Since 1989, Wolford has consistently held "state-approved training company" status pursuant to § 30 of the Austrian Vocational Training Act (BAG).

Wolford organizes regular in-house and external workshops for its trainees, such as the workshop held on "Money is something you can learn about". The company also organizes in-house workshops to "train the trainers". Wolford also provides its trainees with the opportunity to spend time abroad, such as for language courses in the UK or Ireland or in the retail exchange scheme for apprentices in Salzburg, Munich, and Bern. Furthermore, since 2012 the company has also cooperated with Baden-Württemberg Cooperative State University (DHBW). Students in the Retail Business Administration / Textiles Management course at this university are given the opportunity to spend the practical stages of their studies at various departments across the company. This way, they can directly apply the material recently learned.

To safeguard workplace safety, Wolford has two trained occupational health and safety specialists, 11 safety officers for production employees to turn to, 36 first-aiders and an in-house fire brigade. Internal officers see to the implementation of environmental protection and energy efficiency measures. Two company doctors perform all of the necessary occupational health and safety checks and oversee health promotion measures.

Wolford's health promotion measures also include an extensive range of services aimed at helping employees maintain their work-life balances. The numerous opportunities on offer, particularly at the Bregenz location, range from medical support to healing massages and yoga courses.

In today's world, flexibility and lifelong learning are two basic requirements for successful personal and professional development. Wolford offers its employees a range of working and development opportunities across various departments and also in different countries. The vacancy advertising process is transparent for all positions advertised. When suitably qualified for the roles on offer, internal applicants are preferred. The company also offers financial support to enable employees to acquire any qualifications they are still lacking. On the level of the holding company, Wolford invested a total of € 9.5 thousand in training and professional development for its employees in the short financial year.

Wolford also aims to react flexibly to any changes in its employees' personal circumstances, and goes beyond legal requirements in this respect. The company offers employees returning from parental leave the opportunity to work part time, an option drawn on by 23 employees in Austria alone in the past financial year. Individual requests, e.g. for more flexible working hours or a change in assignment, are evaluated together with the supervisor and staff council representative and implemented where operationally possible. Since 2013, Wolford has also offered older employees the possibility of gradually reducing their working hours within a part-time early retirement model, with 16 employees drawing on this option in the 2020 short financial year.

Disclosures pursuant to § 243a (1) of the Austrian Commercial Code (UGB)

Wolford AG is listed in the Standard Market of the Vienna Stock Exchange. At the balance sheet date on December 21, 2020, the company had share capital of € 48,848,227.77, which was divided into 6,719,151 zero par value bearer shares. The Management Board is not aware of any restrictions on voting rights or the transferability of shares. There are no shares with special control rights.

According to the information available to the company, the following direct or indirect interests in the capital of Wolford AG equaled or exceeded 10% as of December 31, 2020: Fosun Industrial Holding held around 58%. Since May 22, 2019, the shares in Wolford AG have no longer been held directly by Fosun Industrial Holding, but have rather been transferred to the subsidiary FFG Wisdom (Luxembourg) S.à r.l. Ralph Bartel also held more than 30% of the shares. Wolford AG still held 88,140 shares, corresponding to around 2% of the company's share capital, as treasury stock (without voting rights). The remaining shares were in free float. Management Board members do not enjoy any authorizations over and above those stipulated by law, particularly in respect of the possibility of issuing or buying back shares. Wolford AG has no authorized capital.

Non-Financial Declaration pursuant to § 243b and § 267a of the Austrian Commercial Code (UGB)

Wolford AG has compiled a separate non-financial report which meets the legal requirements of § 243b in conjunction with § 267a of the Austrian Commercial Code (UGB). This report is available in the "Investor Relations" section of the company's website.

Bregenz, May 12, 2021



Andrew Thorndike



Silvia Azzali

Consolidated Financial Statement as of December 31, 2020

Consolidated statement of comprehensive income

in TEUR	Note	2020	2019/20
Revenues	(1)	68,037	118,540
Other operating income	(2)	45,209	1,292
Changes in inventories of finished goods and work in progress		-1,381	-1,667
Cost of materials and purchased services	(3)	-13,156	-20,139
Personnel expenses	(4)	-33,370	-62,834
Other operating expenses	(5)	-29,098	-37,812
Impairments of trade receivables	(6)	-448	-1,359
Depreciation and amortization, including impairments and write-backs	(7)	-15,855	-24,700
EBIT		19,939	-28,679
Interest and similar income	(8)	17	24
Interest and similar expenses	(8)	-2,540	-6,157
Income from securities		44	34
Interest cost of employee benefit liabilities	(8)	-134	-242
Financial result		-2,612	-6,341
Earnings before tax		17,327	-35,020
Income tax	(9)	-4,561	7,598
Earnings after tax		12,766	-27,422
Other comprehensive income¹⁾			
Amounts that will not be recognized through profit and loss in future periods		-171	-113
of which actuarial gains and losses	(10)	-233	-146
of which deferred tax	(10)	62	33
Amounts that will potentially be recognized through profit and loss in future periods		927	-181
of which currency translation differences for foreign operations	(10)	927	-181
Other comprehensive income¹⁾	(10)	757	-294
Total comprehensive income		13,522	-27,717
Attributable to owners of the parent company		13,522	-27,717
Earnings after tax attributable to owners of the parent company		12,766	-27,422
Earnings per share in EUR (diluted = basic)	(11)	1.93	-4.14

¹ The items presented under other comprehensive income are shown after tax.

Consolidated statement of cash flows

in TEUR	Note	2020	2019/20
Earnings before tax		17,327	-35,020
Depreciation of property, plant and equipment and amortization of intangible assets		16,384	25,300
Write-backs to property, plant and equipment		-529	-600
Gains / losses from disposals of non-current assets		-40,864	68
Interest expenses / interest income		2,523	6,133
Other non-cash income and expenses		-44	0
Changes in inventories		156	1,092
Changes in trade receivables		-3,442	3,306
Changes in other receivables and assets		-6,275	1,443
Changes in trade payables		3,311	896
Changes in other provisions and employee-related provisions		-1,903	-1,512
Changes in other liabilities		-1,859	4,964
Interest received		2	25
Interest paid		-2,481	-1,049
Income tax paid		-290	484
Cash flow from operating activities		-17,985	5,530
Payments for investments in property, plant and equipment and other intangible assets		-770	-1,703
Proceeds from disposals of property, plant and equipment and other intangible assets		72,001	440
Cash flow from investing activities		71,231	-1,263
Proceeds from current and non-current financial liabilities		0	10,000
Repayment of current and non-current financial liabilities		-38,983	-3,992
Repayment of lease liabilities		-4,562	-17,799
Cash flow from financing activities		-43,545	-11,791
Cash-effective change in cash and cash equivalents		9,701	-7,524
Cash and cash equivalents at beginning of period	IV.	4,519	12,068
Effects of exchange rate movements on cash and cash equivalents		-94	-25
Cash and cash equivalents at end of period		14,126	4,519

Consolidated balance sheet

in TEUR	Note	December 31, 2020	April 30, 2020
Property, plant and equipment	(12)	61,125	72,689
Goodwill	(13)	86	305
Other intangible assets	(14)	1,165	1,482
Non-current financial assets	(15)	1,323	1,297
Non-current receivables and assets	(16)	1,923	1,747
Deferred tax assets	(17)	6,091	10,618
Non-current assets		71,713	88,138
Inventories	(18)	33,848	34,694
Contract assets	(28)	69	101
Trade receivables	(19)	8,814	5,436
Other receivables and assets	(20)	10,303	4,114
Cash and cash equivalents		14,126	4,519
Current assets		67,159	48,864
Non-current assets held for sale	(21)	25	24,687
Total assets		138,898	161,689
Share capital		48,848	48,848
Capital reserves		10,533	10,533
Other reserves		-26,618	-39,212
Treasury stock		-4,413	-4,413
Currency translation differences		190	-737
Equity	(22)	28,541	15,019
Lease liabilities		51,687	46,080
Other liabilities	(25)	870	893
Provisions for long-term employee benefits	(24)	16,300	17,431
Deferred tax liabilities	(17)	0	715
Non-current liabilities		68,857	65,119
Financial liabilities	(23)	0	38,983
Trade payables		11,026	7,518
Lease liabilities		13,166	15,062
Other liabilities	(27)	10,565	13,733
Income tax liabilities		1,332	445
Other provisions	(26)	3,929	4,357
Contract liabilities	(28)	1,483	1,453
Current liabilities		41,500	81,551
Total equity and liabilities		138,898	161,689

Consolidated statement of changes in equity

in TEUR	Note	Attributable to owners of the parent company						Total equity
		Share capital	Capital reserves	Actuarial gain / loss	Other reserves	Treasury stock	Currency translation	
May 1, 2019	22	48,848	10,533	-4,831	-6,864	-4,413	-556	42,717
Earnings after tax	22	0	0	0	-27,422	0	0	-27,422
Other comprehensive income	22	0	0	-113	0	0	-181	-294
Sundry items	22	0	0	0	18	0	0	18
April 30, 2020 = May 1, 2020	22	48,848	10,533	-4,944	-34,268	-4,413	-737	15,019
Earnings after tax	22	0	0	0	12,766	0	0	12,766
Other comprehensive income	22	0	0	-171	0	0	927	757
December 31, 2020	22	48,848	10,533	-5,115	-21,503	-4,413	190	28,541

Segment reporting

2020 in TEUR	Austria	Germany	Rest of Europe	North America	Asia	Consolidation	Group
Revenues	37,303	6,927	32,247	10,304	3,285	-22,028	68,037
of which intersegmental revenues	16,017	0	6,011	0	0	-22,028	0
External revenues	21,285	6,927	26,236	10,304	3,285	0	68,037
EBIT	27,983	31	998	-4,730	-1,509	-2,834	19,939
Segment assets	115,249	11,035	46,303	18,651	4,688	-72,476	123,499
Segment liabilities	16,222	2,587	9,489	10,702	10,191	-19,986	29,205
Investments (including modifications and additions of right-of-use assets)	4,006	807	4,749	1,871	612	-25	12,020
Depreciation and amortization, including impairments and write-backs	2,357	1,604	5,729	5,748	439	-23	15,855
Average number of employees (FTE)	478	81	522	70	17	0	1,169

2019/20 in TEUR	Austria	Germany	Rest of Europe	North America	Asia	Consolidation	Group
Revenues	59,998	14,313	53,617	24,219	4,211	-37,818	118,540
of which intersegmental revenues	30,591	0	7,227	0	0	-37,818	0
External revenues	29,407	14,313	46,390	24,219	4,211	0	118,540
EBIT	-24,115	343	-675	-892	-2,857	-483	-28,679
Segment assets*	126,769	12,787	44,371	27,897	4,582	-60,534	155,873
Segment liabilities*	18,526	3,436	3,792	8,838	8,165	-13,641	29,116
Investments (including right-of-use assets)	878	353	2,132	2,609	2,874	0	8,845
Depreciation and amortization, including impairments and write-backs	4,944	2,333	9,728	5,727	1,968	0	24,700
Average number of employees (FTE)	505	87	536	95	20	0	1,243

*The values have been adjusted so that from the abridged financial year 2020 on only the items influencing the EBIT are reported in segment assets and segment liabilities.

Non-current asset schedule

in TEUR	May 1, 2020	Currency translation differences	Additions	Disposals	Costs	
					Reclassific ations*	December 31, 2020
Property, plant and equipment						
Land, leasehold rights and buildings, including buildings on third-party land	20,485	-891	431	0	-550	19,475
Technical equipment and machinery	29,183	0	134	-293	-121	28,903
Other equipment, furniture and fixtures	31,333	-553	184	-1,565	281	29,681
Right-of-use assets	79,327	-3,321	11,251	-5,819	0	81,437
Prepayments made and assets under construction	1,835	0	0	0	-104	1,731
	162,163	-4,765	12,000	-7,677	-494	161,227
Goodwill	2,210	-87	0	-642	0	1,481
Other intangible assets						
Concessions, industrial property rights, and similar rights and values, as well as licenses to such	15,427	81	21	-4	471	15,995
Internally generated intangible assets	471	0	0	0	-471	0
	15,898	81	21	-4	0	15,995
Total	180,271	-4,770	12,021	-7,999	-818	178,704

*In connection with the disposal of the production property, a cleansing of data in the register of assets was made in the abridged financial year. Consequently, some adjustments between costs and accumulated depreciation occurred and are presented in the reclassification column. The net amount of reclassifications after elimination of these effects results from IFRS 5 reclassifications (current value of € 25k for the property that is newly classified as held for sale as of 31 December 2020 as well as € 265k adjustments to the disposed property).

May 1, 2020	Currency translation differences	Accumulated depreciation and amortization					December 31, 2020	Carrying amounts	
		Impair- ments	Write-backs	Additions	Disposals	Reclassifications*		May 1, 2020	December 31, 2020
15,655	-815	327	-42	934	0	-841	15,219	4,830	4,256
26,980	0	0	0	337	-125	-120	27,072	2,203	1,831
27,465	-570	150	-78	1,176	-1,016	177	27,303	3,868	2,378
17,642	-1,184	4,281	-409	8,461	-14	0	28,776	61,685	52,661
1,731	0	0	0	0	0	0	1,731	104	0
89,473	-2,569	4,759	-529	10,907	-1,156	-784	100,101	72,689	61,125
1,905	-88	221	0	0	-642	0	1,395	305	86
14,192	-83	0	0	497	0	224	14,830	1,235	1,165
224	0	0	0	0	0	-224	0	247	0
14,416	-83	0	0	497	0	0	14,830	1,482	1,165
105,794	-2,741	4,980	-529	11,404	-1,474	-1,109	116,326	74,477	62,376

*In connection with the disposal of the production property, a cleansing of data in the register of assets was made in the abridged financial year. Consequently, some adjustments between costs and accumulated depreciation occurred and are presented in the reclassification column. The net amount of reclassifications after elimination of these effects results from IFRS 5 reclassifications (current value of € 25k for the property that is newly classified as held for sale as of 31 December 2020 as well as € 265k adjustments to the disposed property).

in TEUR	Note							Costs		April 30, 2020
		April 30, 2019	First-time applica- tion of IFRS 16	May 1, 2019	Currency translation differences	Addi- tions	Dispo- sals	Reclassific- ations	Held for sale	
Property, plant and equipment	12									
Land, leasehold rights and buildings, including buildings on third-party land		88,906	0	88,906	226	893	445		-69,095	20,485
of which land		3,095	0	3,095	0	0	6		-1,087	2,002
Technical equipment and machinery		31,114	0	31,114	122	57	884	103	-1,329	29,183
Other equipment, furniture and fixtures		34,612	0	34,612	0	451	1,445		-2,285	31,333
Right-of-use assets		0	76,152	76,152	0	7,143	3,968		0	79,327
Prepayments made and assets under construction		1,835	0	1,835	0	0			0	1,835
		156,467	76,152	232,619	348	8,544	6,742	103	-72,709	162,163
Goodwill	13	2,193	0	2,193	17	0	0		0	2,210
Other intangible assets	14									
Concessions, industrial property rights, and similar rights and values, as well as licenses to such		15,498	0	15,498	3	302	273	-103	0	15,427
Internally generated intangible assets		471	0	471	0	0	0		0	471
Security deposits paid for leased real estate		15,164	-15,164	0	0	0	0		0	0
Customer relationships		0	0	0	0	0			0	0
		31,133	-15,164	15,969	3	302	273	-103	0	15,898
Total		189,793	60,988	250,781	368	8,846	7,015	0	-72,709	180,271

Accumulated depreciation and amortization										Carrying amounts			
April 30, 2019	First-time applicatio n of IFRS 16	May 1, 2019	Currency translation differences	Impair- ments	Write- backs	Addi- tions	Dispo- sals	Held for sale	April 30, 2020	April 30, 2019	First- time applica tion of IFRS 16	May 1, 2019	April 30, 2020
57,802	0	57,802	-19	811	-231	2,656	371	-44,993	15,655	31,104	0	31,104	4,830
0	0	0	0	10	0	0	0	0	10	3,095	0	3,095	1,992
28,061	0	28,061	0	0	0	596	872	-805	26,980	3,053	0	3,053	2,203
28,737	0	28,737	87	375	-369	1,881	1,023	-2,223	27,465	5,875	0	5,875	3,868
0	0	0	15	3,650	0	13,977	0	0	17,642	0	76,152	76,152	61,685
1,731	0	1,731	0	0	0	0	0	0	1,731	104	0	104	104
116,331	0	116,331	83	4,836	-600	19,110	2,266	-48,021	89,473	40,136	76,152	116,288	72,690
1,303	0	1,303	24	578	0	0	0	0	1,905	890	0	890	305
13,626	0	13,626	63	0	0	776	273	0	14,192	1,872	0	1,872	1,235
224	0	224	0	0	0	0	0	0	224	247	0	247	247
7,100	-7,100	0	0	0	0	0	0	0	0	8,064	-8,064	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
20,950	-7,100	13,850	63	0	0	776	273	0	14,416	10,183	-8,064	2,119	1,482
138,584	-7,100	131,484	170	5,414	-600	19,886	2,539	-48,021	105,794	51,209	68,088	119,297	74,477

Notes to the Consolidated Financial Statements

The Wolford Group is an international group specialized in the production and marketing of legwear, ready-to-wear and lingerie, beachwear, accessories and trading goods and is positioned in the segment of affordable luxury products. The parent company, Wolford AG, is a stock corporation that is headquartered in Austria, 6900 Bregenz, Wolfordstrasse 1 and registered with the provincial court of Feldkirch, Austria, under FN 68605s. Wolford AG prepares consolidated financial statements for the smallest group of group companies and is included in the superordinate consolidated financial statements of Fosun Fashion Group (Cayman) Limited, Grand Cayman.

Apart from the subsidiary in Slovenia, the business activities of the subsidiaries primarily focus on marketing products purchased from the parent company. The subsidiary in Slovenia acts as a production company for Wolford AG.

I. Accounting principles

1. BASIS OF PREPARATION

The consolidated financial statements of Wolford AG as of April 30, 2020 were prepared pursuant to § 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Application has been made of the current versions of all valid and binding standards issued by the IASB and interpretations of the IFRS Interpretations Committee that are applicable in the EU for the 2020 abridged financial year.

At the 33rd Annual General Meeting on September 30, 2020, a resolution was passed to change the balance sheet date from May 1, 2020 to December 31, starting with the financial year. The current financial year is therefore an abridged financial year covering the period from May 1, 2020 to December 31, 2020 (comparative period: May 1, 2019 to April 30, 2020). Comparability of the periods presented in the consolidated financial statements is therefore limited.

The consolidated financial statements of Wolford AG comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the statement of changes in group equity, and the notes to the consolidated financial statements. The consolidated financial statements are presented in euros. Unless otherwise indicated, all amounts are stated in thousand euros (€ k). The Management Board is responsible for the preparation of the consolidated financial statements. Due to commercial rounding, rounding differences may occur.

The following standards and interpretations require application in the EU for the first time in the financial year under report:

Standard / Interpretation	Designation	Effective date at the Woflord Group
IFRS 16	COVID-19-related rental concessions	June 1, 2020
IFRS 3	Modifications to IFRS 3 with regard to the definition of a business	May 1, 2020
IFRS 9, IAS 39 und IFRS 7	Amendments as a result of the interest rate benchmark reform	May 1, 2020
IAS 1, IAS 8	Amendments to IAS 1 and IAS 8 concerning the definition of material	May 1, 2020
IFRS Conceptual Framework	Revised IFRS Conceptual Framework	May 1, 2020

Overview of standards and interpretations requiring application in subsequent financial years:

Standard / Interpretation	Designation	Effective date
Standards already adopted by the EU		
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Amendments as a result of the interest rate benchmark reform Phase 2	January 1, 2021
IFRS 4	Postponement of the effective date of IFRS 9 for insurance contracts	January 1, 2021
Standards not yet adopted by the EU		
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Amendments to IAS 1: Classification of liabilities as current or non-current	January 1, 2020
IAS 16	Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
IFRS 3	Amendments to IFRS 3: Reference to the IFRS Conceptual Framework	January 1, 2022
IAS 37	Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022
Annual improvements to IFRS	Cycle 2018-2020	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Definition of Material in connection with accounting and valuation principles	January 1, 2023
Amendments to IAS 8	Definition of accounting estimates and their distinction from changes in accounting policies	January 1, 2023
Amendments to IFRS 16	Extension of application period of the changes to IFRS 16 in connection with COVID-19-related rental concessions	March 3, 2021

IFRS 16 – COVID-19-related rental concessions

As a result of the COVID-19 pandemic, lease concessions were granted in various forms (e.g. payment exemptions and deferral of lease payments). In May 2020, the IASB published the amendments to IFRS 16 in connection with COVID-19. The amendments provide optional, temporary COVID-19-related relief for lessees. This allows lessees, under certain conditions, to waive the assessment of whether a lease concession is a modification of the lease under IFRS 16 and instead

to account for the lease concession as if it were not a modification but variable lease payments. This relief only applies to lease concessions that arise as a direct result of the COVID-19 pandemic and only if certain conditions are met.

The Group has implemented the amendments early and has also applied the practical expedient for qualifying rental concessions consistently.

The other new or revised standards/interpretations had no material impact on the consolidated financial statements of the Wolford Group and no material impact is expected from the standards/interpretations to be applied in the future.

Going Concern

In the abridged financial year 2020, the Wolford Group was unable to avoid the turbulence in the retail sector triggered by the COVID-19 crisis. Measures taken by the government to restrict contact, such as lockdowns, had a significant impact with sales falling short of budget. As a result, the assumptions made in the previous year's going concern forecast with regard to the development of sales and liquidity were only partially achieved.

The Wolford Group has taken these circumstances into account with an updated going concern forecast in the following areas:

- The sales planning for 2021 and subsequent years was prepared on the basis of developments in the first months of 2021 and the best possible estimate for the remaining period. The NORDSTERN sales growth program has set the course for future growth.
- In addition, the restructuring measures initiated in the previous year under the PITBOLI program were further intensified to achieve additional cost savings. In particular, locations that cannot be operated profitably are being closed, the headcount at headquarters is being significantly reduced and logistics processes optimized.
- Further measures, such as the sale of a property (refer also to the explanations on events after the balance sheet date), will be taken to ensure liquidity.
- Wolford is also making extensive use of government subsidies to mitigate the consequences of the COVID-19 pandemic; the fixed cost subsidy has already been applied for in 2020 and the instrument of short-time working has been used. Furthermore, the use of such subsidies, such as loss compensation, is also planned for 2021.
- In order to cover the temporary financing requirements included in the updated liquidity planning, an (indirect) majority shareholder has granted a financing commitment of up to EUR 10 million until October 2022. In addition to the planned short-term financing requirements, this financing commitment also covers an additional security reserve for unforeseeable budget deviations.

Based on the information currently available, which has been taken into account in the updated going concern forecast, the Management Board currently does not believe that there are any significant individual risks that could endanger the continued existence of the company. The Group's ability to continue as a going concern is therefore highly probable. However, the Management Board is aware of the fact that unforeseeable major budget deviations, such as those caused by prolonged and extensive restrictions as a result of the COVID-19 pandemic, could endanger the Group's continued existence.

2. DISCLOSURES RELATING TO THE COVID-19 PANDEMIC

The consequences of the COVID-19 pandemic have significant effects on these financial statements, which are presented in summary below.

Sales performance

The global outbreak of COVID-19 led to containment measures such as curfews and store closures in 2020. This health crisis is impacting the entire global economy. Due to these conditions and the temporary closures as a result of the world-wide lockdown, as well as due to the shorter financial year, a significant decline in sales of 42.6% (EUR 50,503k) to EUR 68,037k was recorded in the abridged financial year. Compared to the corresponding period of the previous year (May to December 2019), there was a decline of 25.1% (EUR 22,751k). While a decline was evident across all main product groups, the addition of MNS masks to the product range compensated for part of the decrease that occurred.

Government subsidies

To the extent that the relevant requirements could be met, government subsidies were claimed to mitigate the negative effects of COVID-19 (mainly fixed cost subsidy and short-time work). In the abridged financial year 2020, short-time work subsidies in the amount of € 2,400k were received reducing the personnel expenses. Additional, fixed costs subsidies amounting to € 3,700k are presented within the other income. Further opportunities to apply for subsidies through government support and subsidy programs for all countries in which the Woford Group operates are being examined on an ongoing basis.

Impact of the COVID-19 crisis on estimation uncertainties and discretionary decisions

The COVID-19 crisis has had an impact on the consolidated financial statements according to IFRS, in particular on assumptions, estimates and judgments in the following areas

- Impairment of Assets: Planned figures were updated as of 31 December 2020 taking into account the extension of government measures as well as restructuring measures that were approved in December 2020. The updated planning figures lead to impairments in the amount of € 4,980k and write-backs in the amount of € 529k for the abridged financial year 2020. The net amount is presented in the position depreciation and amortization, including impairments and write-backs in the comprehensive income statement.

- Valuation of receivables: The development of receivables is subject to close monitoring as a result of the negative economic development and the increase in online sales. Due to the high level of coverage provided by the existing credit insurance, no need was identified to adjust the existing allowance system.

- IFRS 16 Assumptions: In some cases, lease concessions with no material effect on the financial statements were granted to the Woford Group in connection with the economic challenges arising from the COVID-19 crisis. To the extent that these lease concessions are modifications of lease contracts and the requirements of the "Amendment to IFRS 16" were met, these lease concessions were not treated as contract modifications and recognized as profit or loss. As a result of the changed conditions, the extent to which changes in the assumptions regarding the exercise of termination or extension options were required was also evaluated and appropriate actions taken.

- Recognition of deferred tax assets: Deferred tax assets were valued on the basis of an estimate of the expected annual income tax rate in the updated medium-term planning. The medium-term planning takes into account the implementation of a sustainable improvement in the cost structure as a result of the restructuring program and the related measures to secure the expected development of sales.

3. SCOPE OF CONSOLIDATION AND CONSOLIDATION PRINCIPLES

The scope of consolidation is determined in accordance with IFRS 10 (Consolidated Financial Statements). In addition to the parent company, the following subsidiaries have been directly included in the consolidated financial statements by way of full consolidation:

Company	Registered office	Direct interest in %
Wolford Beteiligungs GmbH	Bregenz	100
Wolford proizvodnja in trgovina d.o.o.	Murska Sobota	100

Wolford Beteiligungs GmbH holds all of the shares in the following companies:

Company	Registered office	Direct interest in %
Wolford Deutschland GmbH	Bielefeld	100
Wolford (Schweiz) AG	Opfikon	100
Wolford Paris S.A.R.L.	Paris	100
Wolford London Ltd.	London	100
Wolford Italia S.r.l.	Mailand	100
Wolford España S.L.	Madrid	100
Wolford Scandinavia ApS	Kopenhagen	100
Wolford America, Inc.	New York	100
Wolford Nederland B.V.	Amsterdam	100
Wolford Canada Inc.	Vancouver	100
Wolford Asia Limited	Hongkong	100
Wolford Belgium N.V.	Antwerpen	100
Wolford (Shanghai) Trading Co., Ltd.	Shanghai	100

Branch offices are operated in Finland, Norway and Sweden by Wolford Scandinavia ApS, in Ireland by Wolford London Ltd., in Luxembourg by Wolford Belgium N.V., in Macao by Wolford Asia Limited, and in Portugal by Wolford España S.L.

The scope of consolidation has not changed compared to the previous year.

The balance sheet date of the consolidated financial statements, as well as the balance sheet date of the parent company and all consolidated companies, has been changed uniformly to December 31 since the financial year under review.

The consolidated financial statements include all assets, liabilities, income, and expenses at Wolford AG and its consolidated subsidiaries after the elimination of all intragroup transactions.

The capital consolidation for fully consolidated companies is based on the requirements of IFRS 3. This requires the assets, liabilities and contingent liabilities at subsidiaries identifiable upon acquisition to be measured at fair value as of the acquisition date. Where the acquisition cost for the respective company exceeds the fair value of the identifiable assets, liabilities, and contingent liabilities, the difference is recognized as goodwill. Negative differences are recognized immediate-

ly as profit. Companies acquired or sold during the financial year are included in the consolidated financial statements as of the acquisition date or up to the disposal date.

The functional currency method is used to translate foreign currency financial statements of companies included in consolidation. This is the respective national currency for all companies. The assets and liabilities of companies with functional currencies other than the euro are translated using the reporting date rate. Income and expenses are translated at annual average rates. Any resultant differences are recognized in the statement of comprehensive income.

The major exchange rates used for financial currency translation developed as follows:

Currency	Average rate on the balance sheet date		Average rate for the year	
	December 31,		2020	2019/20
	2020	April 30, 2020		
1 EUR / USD	1.23010	1.08630	1.15568	1.10913
1 EUR / GBP	0.90160	0.86810	0.89877	0.87522
1 EUR / CHF	1.08310	1.05780	1.07170	1.09585
1 EUR / DKK	7.44010	7.46040	7.44921	7.46834
1 EUR / SEK	10.00830	10.65590	10.40828	10.65623
1 EUR / NOK	10.48170	11.16300	10.82570	10.05063
1 EUR / CAD	1.56680	1.50530	1.54700	1.47861
1 EUR / HKD	9.51640	8.42240	8.95749	8.66697
1 EUR / CNY	8.01205	7.68430	7.92614	7.72251
1 EUR / MOP	9.79565	8.66813	9.23088	8.83055

4. ACCOUNTING POLICIES

Property, plant and equipment are measured at cost pursuant to IAS 16. Depreciation is generally recognized on a straight-line basis over the expected useful life of the asset.

Straight-line depreciation of property, plant and equipment and amortization of intangible assets is based on the following useful lives:

Land, leasehold rights and buildings, including buildings on third-party land	10 – 50 years
Technical equipment and machinery	4 – 20 years
Other equipment, furniture and fixtures	2 – 10 years
Concessions, industrial property rights and similar rights and values, as well as licenses to such	4 – 10 years
	depending on
	expected term of the lease
Right-of-use assets	contract

Where necessary, material reductions in value exceeding depreciation or amortization are accounted for by recognizing impairment losses pursuant to IAS 36 (Impairment of Assets).

Repair and maintenance costs relating to property, plant and equipment are generally recognized as expenses. These costs are capitalized if the expenditures are likely to increase the future economic benefits from use of the respective asset.

Leases: At the inception of the contractual agreement, the Group assesses whether the contract constitutes or contains a lease. This is the case if the contract gives the right to control the use of an identified asset for a certain period of time against payment of a fee. When the object is made available, the Group recognizes an asset for the right-of-use granted and a lease liability. The right-of-use asset is initially valued at cost, which is the initial value of the lease liability, adjusted for payments made on or before the date of availability, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives granted.

The right-of-use asset is depreciated over the expected term of the lease in accordance with the accounting policy for property, plant and equipment. The lease liability is recognized in accordance with the provisions of IFRS 16 and reduced by the lease payments made and increased by the interest expense. The lease liability comprises, among other things, the total of fixed and variable lease payments not yet made. In the case of index-based payments, indexation is taken into account as of the effective date of the lease payment adjustment. In addition, lease extension options and any lease termination payments are included if there is sufficient certainty. If the lease liability is subsequently revalued, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognized in profit or loss if the carrying amount of the right-of-use asset has decreased to zero. In accordance with IFRS 16, the lease liability is discounted over the term using the effective interest method.

Wolfford AG uses the exemption from recognition for short-term leases with a maximum term of 12 months and for leases of low-value assets. The option not to separate lease and non-lease components (e.g. operating costs in the case of rental agreements) is not practiced and, accordingly, the non-lease component is not taken into account in determining the lease liability and the right-of-use asset. In some countries, the store leases are fully variable and are not based on any index or interest rate. In accordance with IFRS 16, no right-of-use assets or lease liabilities are recognized in the statement of financial position for these leases; instead, the lease payments continue to be recognized as an expense in the consolidated statement of comprehensive income.

Wolford AG has applied COVID-19-related lease concessions - amendments to IFRS 16. Thus, it was not assessed whether permitted lease concessions as a direct result of the COVID-19 pandemic constitute a lease modification. Wolford AG applies the practical expedient uniformly to contracts with similar characteristics and in similar circumstances. For lease concessions under leases to which the practical expedient does not apply, the Group assesses whether a lease modification exists.

Goodwill resulting from acquisitions is recognized as an asset. In accordance with IAS 36, goodwill is tested for impairment at least once a year and more frequently if there are indications of impairment.

Intangible assets with indefinite useful lives are tested for impairment at least annually. In determining possible impairment, the recoverable amount of the cash-generating unit (CGU) is compared with its carrying amount as of the balance sheet date. The recoverable amount corresponds to the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount recognized for the respective asset, the carrying amount is reduced to the recoverable amount. Estimates made by management in determining the recoverable amount consist primarily of determining expected cash flows, discount rates, and growth rates, as well as to expected changes in disposal prices and related direct costs.

As of each balance sheet date, Wolford AG is required to assess whether any triggering event has occurred that could indicate that an asset is impaired. If this is the case, the company has to estimate the recoverable amount of the asset. Alongside other triggers, the following triggering events in particular have been defined for Wolford AG: deterioration in the net cash flow from the use of cash-generating units or failure to achieve budgeted net cash flows. The impairment tests performed on property, plant and equipment and intangible assets are based on the company budgets for the planning period from 2021 to 2022 in accordance with the forecasts derived from the latest budget presented to the Supervisory Board and the additional adjustments of the going concern forecast. In the first planning year 2021, COVID-19-related declines in sales were considered in planning. It is assumed that the situation will normalize in the second half of 2021 and that the COVID-19-related sales declines can be recovered in the following year. This leads to an increase in sales from the planning year 2021 to the planning year 2022 of 18%-28%. In the further planning, a sales growth of 1% was assumed for all regions. The cost of sales will increase proportionally to sales. Personnel costs and operating expenses are considered at an annual growth rate of 1% and are not directly related to the development of sales, as the scope of the respective business operations remains unchanged. In addition, the cost-saving measures adopted as part of the restructuring program have been taken into account accordingly. Replacement and maintenance investments were included in the calculation according to the size of the boutiques (clustering by m²) based on historical experience. Expansion investments or complete store refurbishments were not taken into account in line with current budget planning. Forecasts based on past experience, current operating results, consultant analyses and management's best estimate of future developments, as well as market assumptions, were used to determine the budget planning calculations. The discount factors (WACC after tax) of 5.2% - 8.4% (April 30, 2020: 5.3% - 8.3%) used for impairment tests are derived from regional interest rates, taking into account the risk-free base interest rate with maturities matching the average remaining opening period of the boutiques in the respective country, country risk premiums, the credit spread based on a 30-year consumer discretionary bond with a BBB rating, and different tax rates. The remaining opening time of the boutique locations are evaluated on a boutique-by-boutique basis, taking into account the remaining lease term, possible termination options, expected performance and economic and strategic considerations. Based on a sensitivity analysis in the main regions a decrease of 5 % in sales compared to budgeted figures would increase impairment expenses by € 724k.

For the purpose of determining recoverability, the individual stores are considered as cash-generating units.

In accordance with IAS 38 (Intangible Assets), research expenses are not eligible for capitalization and are therefore expensed in the year in which they are incurred. Development expenses may only be capitalized when there is sufficient likelihood that the related activities will generate inflows of financial resources that will cover not only the normal costs, but also the associated development expenses. Moreover, development projects must cumulatively meet various criteria listed in IAS 38. No development expenses were eligible for capitalization in the 2020 abridged financial year or in the 2019/20 financial year.

Financial instruments: Transactions involving financial instruments are recognized as of the settlement date in accordance with IFRS 9. The financial assets line item comprises other securities and investment funds. These are measured pursuant to IFRS 9 at fair value through profit or loss (FVTPL). Fair value corresponds to the market prices of the instruments as of the balance sheet date. The gain or loss arising from valuation is recognized in the financial result.

Trade receivables and other receivables and assets: In accordance with IFRS 9, receivables are recognized at cost and subsequently measured at amortized cost. Other assets are capitalized at cost. Should there be any indications of credit impairment and the receivables are not expected to be fully collectible, then individual allowances (Level 3 impairment) are recognized for such receivables. Receivables are derecognized upon becoming uncollectible. A receivable is deemed definitively "uncollectible" when an attorney/debt collector/court confirms it as such. For all other receivables, any expected losses are accounted for by recognizing suitable allowances in the amount of the lifetime expected credit losses (Level 2 impairment).

Liabilities are initially recognized at cost. Financial liabilities are measured at amortized cost as of the balance sheet date.

Inventories: Raw materials and supplies are measured at the lower of cost or net realizable value. Work in progress and finished goods are also measured at the lower of cost or net realizable value. Production costs include all expenses that can be directly allocated to the product. These also include material and production overheads. Appropriate allowances are recognized to reflect any inventory risks resulting from long storage duration and reduced marketability.

Consistent with IAS 32, treasury stock is recognized in the balance sheet as a deduction to equity.

Income tax: The provisions for current taxes include all tax obligations known of as of the balance sheet date. Deferred tax assets and liabilities are recognized using the balance sheet liability method prescribed by IAS 12. This involves the recognition of deferred taxes for all temporary measurement and recognition differences arising between the tax balance sheets and the IFRS balance sheets of the individual companies and for consolidation processes. Reference is made to the tax rate expected to be valid in the period in which the asset will be realized or the liability settled. Furthermore, deferred tax assets are recognized for all tax loss carryovers that are realistically expected to be utilized and that are expected to be recoverable. For domestic entities, the measurement of deferred taxes is based on a tax rate of 25%. For foreign entities, the respective local tax rate of 12,00% bis 31,83% is used.

Defined benefit obligations: In accordance with IAS 19 revised and the projected unit credit method, the following parameters were used to calculate the obligations for severance payments at the Austrian parent company (equivalent to approximately 86% of the obligations recognized in the balance sheet):

Biometric parameters	AVÖ 2018-P (2019/20: AVÖ 2018-P)
Discount rate	0.78 % p. a. (2019/20: 1.25 %)
Wage/salary trend	1.80 % p. a. (2019/20: 2.29 %)

The calculation of severance pay provisions at subsidiaries is based on local biometric parameters, interest rates, wage and salary trends, and suitably adjusted retirement ages.

Provisions for anniversary bonuses at the Austrian parent company (corresponds to approximately 96% of the obligations recognized in the balance sheet) are measured in accordance with the requirements of IAS 19 and the projected unit credit method. Application was made of the following parameters:

Biometric parameters	AVÖ 2018-P (2019/20: AVÖ 2018-P)
Discount rate	0.62 % p. a. (2019/20: 1.11 %)
Wage/salary trend	1.80 % p. a. (2019/20: 2.29 %)
Retirement age	64 – 65 / 59 – 65 Jahre
Employee turnover :	
0 – 2 years	24 % (2019/20: 24 %)
3 – 4 years	22 % (2019/20: 22 %)
5 – 9 years	16 % (2019/20: 16 %)
10 – 14 years	14 % (2019/20: 14 %)
15 – 19 years	9 % (2019/20: 9 %)
20 – 29 years	3 % (2019/20: 3 %)
over 30 years	0 % (2019/20: 0 %)

The provision for pensions is calculated in accordance with recognized actuarial principles taking due account of the requirements of IAS 19. The calculation of the provision recognized using the projected unit credit method (corresponds to around 98% of the obligations recognized in the balance sheet) was based on the following parameters:

Biometric parameters	AVÖ 2018-P (2019/20: AVÖ 2018-P)
Discount rate	0.90% p. a. (2019/20: 1.37%)
Valorization of salaries	1.70 % to 2.29 % p. a. (2019/20: 1.70 % to 2.29 % p. a.)

Provisions: Other provisions are recognized in accordance with IAS 37 when the company has a current obligation arising from a past event and it is probable that an outflow of resources will be required to meet this obligation. Non-current provisions are discounted if the interest component of the obligation is material.

Earnings per share: Earnings per share are calculated by dividing earnings after tax by the weighted average number of ordinary shares issued and in circulation in the period under report.

Revenue recognition: IFRS 15 provides for a uniform five-step revenue recognition model that is generally applicable to all contracts with customers. Accordingly, revenues are only recognized upon the transfer of control to the customer.

Wolford AG essentially generates revenues by selling apparel, with a distinction made between the three business models of wholesale, online, and retail. Different goods are not bundled in single contracts and consideration is not dependent on prices in other contracts. Revenues are recognized in accordance with the uniform five-step revenue recognition model in IFRS 15 that is generally applicable to all contracts with customers and determines the amount and time at which revenues are recognized.

Wolford AG generally recognizes revenues upon the transfer of control. In all of the company's distribution channels, this is generally the time at which the contract is satisfied by supplying or selling products. The transfer of risks is determined in individual cases by reference to the respective supply clauses.

In some cases, contracts with customers include variable consideration which may, for example, take the form of revenue bonuses. In this respect, the expected rebate is estimated on the basis of past experience. Contributions, i.e. grants provided to retailers for the acquisition of shop fittings customary to Wolford AG, are deferred and released to profit or loss on a pro rata basis over the term of the respective contract. These contributions are recognized as a reduction to revenues. For vouchers sold by the company, the portion that, based on management assessment, is not expected to be redeemed is credited to earnings.

Contracts with customers do not exceed a period of one year. It is therefore not necessary to account for any major financing components.

Foreign currency translation: Foreign exchange differences arising from the translation of monetary items resulting from exchange rate movements between the transaction date and the balance sheet date are recognized through profit or loss in the respective period. Currency translation differences of € -1.724k were recognized in the 2020 abridged financial year (April 30, 2020: € -99k).

Derivative financial instruments: Like in the previous year, in the year under report Wolford AG did not conclude any hedging transactions in the form of forward exchange contracts to hedge currency risks.

Assets and liabilities with terms to maturity of up to one year are classified as current, whereas items with terms to maturity of more than one year are classified as non-current.

Wolford received government grants as defined in IAS 20, mainly in the form of COVID-19 measures, in the abridged financial year under report. These grants are recognized as revenue on the basis of binding commitments, official notifications, and legal entitlement. Around EUR 2,400k (previous year: EUR 766k) of subsidies granted relate to short-time work, which were netted directly with personnel expenses. For a further EUR 3,700k in fixed cost subsidies, the eligibility criteria were met as of the reporting date, which is why they were recognized as profit under other operating income and deferred under other receivables.

Uncertainties involved in estimates and sensitivities: The preparation of the consolidated financial statements requires certain estimates and assumptions to be made that influence the recognition and measurement of assets, provisions and liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. These assumptions and estimates mainly relate to the determination of the economic useful lives for property, plant and equipment, intangible assets, and right-of-use assets, the forecasts and assumptions used for

impairment tests, the recognition of impairment losses for receivables and inventories (Notes 18 and 19), the recognition and measurement of deferred taxes (Note 17) and of provisions. The amount of provisions required is estimated on the basis of past experience and reflects all information available upon the preparation of the consolidated financial statements. Reference is made to actuarial calculations when determining long-term employee-related provisions. These calculations are based on assumptions for factors including discount rates, future increases in wages and salaries, employee turnover and mortality rates, retirement ages and life expectancy, as well as future pension trends. Changes in these parameters may significantly impact earnings. The calculation of allowances for receivables is also significantly based on assumptions and estimates relating, among other factors, to customer creditworthiness, and expected future economic developments. Deferred taxes have been capitalized on the basis of expected future tax rates and on an assessment of the company's ability to generate taxable earnings in future. Potential changes in tax rates or deviations between actual and expected taxable earnings may result in deferred tax assets being written down.

Lease terms are determined by reference to the non-terminable basic lease term and take into account periods resulting from lease extension options that are deemed reasonably certain. Discretionary decisions are made when assessing whether it is reasonably certain that the option to extend or terminate the lease will be exercised or not. These decisions consider all relevant factors that could present an economic incentive. These are reviewed and reassessed whenever new information arises. This may lead to adjustments being made to the term of the leases, as well as to the amounts stated for lease liabilities and right-of-use assets.

To account for existing forecasting uncertainty, the impact on the value in use of potential changes in the discount rate, the earnings performance and the long-term growth rate are analyzed (sensitivity analysis) by calculating alternative scenarios and comparing these with the company's figures. Further information about the carrying amounts of items subject to material uncertainties can be found in "III. Notes to the balance sheet".

5. SEGMENT REPORTING

The Wolford Group is organized in regions in order to achieve the maximum possible level of market penetration. Each sales company has a market director who is best able to evaluate the country-specific circumstances on-site and manage business operations accordingly. The country companies are responsible for the distribution of all products developed by Wolford as well as trading goods. The products involve high-quality legwear, ready-to-wear, lingerie, beachwear, and accessories.

The Wolford Group has five reporting segments: Austria, Germany, Rest of Europe, North America, and Asia. The Austria segment includes production and sales activities for Austria and for those countries which do not have their own Wolford subsidiaries. In determining the structure of its segments, the company ensured that both economic characteristics and aspects such as the respective product and service, customer group, and distribution channel were aligned within the aggregated segments. The Rest of Europe segment includes all European sales companies outside Austria and Germany, as well as the production company in Slovenia. The sales companies are centrally managed by Wolford AG. The North America segment pools the company's activities in the US and Canada, while the Asia segment represents the companies in Hong Kong and Shanghai.

The regional sales companies are managed by reference to their operating earnings (EBIT). Monthly reports also containing an evaluation of proprietary retail points of sale at boutique level are prepared for the sales companies. Reporting for the wholesale segment focuses on the most important key accounts. Intersegment pricing is based on standard wholesale prices less country-specific discounts.

Revenues in the Rest of Europe segment were distributed as follows: € 4.642k, or 14%, in France (April 30, 2020: 19%), € 2.794k, or 9%, in the UK, including Ireland (April 30, 2020: 14%), € 5.732k, or 18%, in Scandinavia (April 30, 2020: 14%), € 2.925k, or 9%, in Switzerland (April 30, 2020: 7%), and 50% in other European countries (April 30, 2020: 46%). Of the revenues in the North America segment, € 9.448k, or 92%, were attributable to the US (April 30, 2020: 92%) and € 856k, or 8%, to Canada (April 30, 2020: 8%). Segment information is prepared by reference to the same accounting, recognition, and measurement methods as applied in the consolidated financial statements. No customers or customer groups account for more than 10% of total revenues. The amounts shown in the consolidation column are the result of group consolidation procedures. With a contribution of 41% in the abridged financial year 2020 (April 30, 2020: 50%), the legwear product section accounts for the largest share of sales. With a sales contribution of 30% (April 30, 2020: 32%), ready-to-wear will continue to be the second-largest product group in the abridged financial year 2020. Lingerie, beachwear, accessories and merchandise generated a total sales share of 29% in the financial year under report (previous year: 18%). The shift is mainly due to the inclusion of MNS masks in the product range (presented in the accessories segment).

II. Notes to the statement of comprehensive income

(1) REVENUES

Wolford generates its revenues almost exclusively from the sale of legwear, ready-to-wear, lingerie, beachwear, accessories, and trading goods. In the abridged financial year, face masks were also added to the product range, which strengthened sales in the accessories segment.

Revenues from contracts with customers are broken down into the most important product groups and distribution channels in the tables below. The breakdown into the company's main geographical markets can be found in the information about operating segments contained in "I. Accounting principles" under "4. Segment reporting".

Revenues by product group and distribution channel

EUR 000s	2020	2019/20
Legwear	28,169	60,484
Ready-to-wear	20,166	37,951
Lingerie	9,320	17,790
Accessories, Beachwear, and Trading goods	10,382	2,372
Contributions	0	-57
Total	68,037	118,540

EUR 000s	2020	2019/20
Boutiques	24,016	53,343
Concession shop-in-shops	3,917	8,298
Online business	20,199	15,410
Factory outlets	4,638	9,483
Department stores	5,220	14,225
Specialist retailers	8,310	16,596
Private labels	1,737	1,185
Total	68,037	118,540

(2) OTHER OPERATING INCOME

EUR 000s	2020	2019/20
Grants and subsidies	3,700	210
Restaurant revenue	90	147
Insurance benefits	0	27
Gains on disposals of non-current assets	40,987	43
Other	432	865
Total	45,209	1,292

For further information on gains on disposals of non-current assets refer to note 21.

(3) COST OF MATERIALS

EUR 000s	2020	2019/20
Raw materials	10,560	15,917
Energy	698	1,185
Services	1,899	3,037
Total	13,156	20,139

(4) PERSONNEL EXPENSES

EUR 000s	2020	2019/20
Wages	5,048	7,290
Salaries	20,102	41,088
Expenses for statutory social security contributions, payroll-based duties, and other mandatory contributions	6,269	10,917
Expenses for severance compensation and pensions	1,341	2,376
of which for management	0	240
Other employee benefits	609	1,163
Total	33,370	62,834

Personnel expenses include income from short-time work in the amount of € 2,400k (April 30, 2020: € 760k).

Personnel total

The Wolford Group had the following average number of employees (full-time equivalents):

Number of employees (full-time equivalents)	2020	2019/20
Average number of employees	1,169	1,243
of which waged employees	347	348
of which salaried employees	810	879
of which apprentices	13	16

(5) OTHER OPERATING EXPENSES

EUR 000s	2020	2019/20
Rental and lease expenses	1,019	5,416
Marketing expenses	5,050	6,575
Legal and consulting fees	7,408	7,167
Freight costs	1,098	1,843
Online distribution	3,889	4,476
Travel costs	219	1,235
Customs duties	850	1,422
Credit card fees and bank charges	1,003	1,454
IT expenses	1,850	2,916
Foreign exchange losses	1,618	0
Insurance premiums	425	943
Taxes (excluding income tax)	435	876
Maintenance expenses	411	685
Vehicle fleet	285	605
Commissions	435	30
Telephone expense	362	462
Fees and charges	263	256
Other	2,478	92
Total	29,098	37,812

Among other items, rental and lease expenses include expenses for those leases not recognized pursuant to IFRS 16, which have terms of less than 12 months, are low-value leases, or leases which comprise only variable lease payments.

The expenses for services performed by the group auditor are structured as follows:

EUR 000s	2020	2019/20
Audit of annual and consolidated financial statements	205	234
Other assurance services	13	0
Total	218	234

(6) ALLOWANCES FOR TRADE RECEIVABLES

Allowances of € 448k were recognized on trade receivables in the 2020 abridged financial year (April 30, 2020: € 1,359k). Details about the allowances recognized for trade receivables and on IFRS 9 disclosures can be found in III. Notes to the balance sheet, (19) Trade receivables.

(7) DEPRECIATION AND AMORTIZATION

Depreciation and amortization amounted to € 11,403k in the 2020 abridged financial year (April 30, 2020 € 19,886k).

The impairment tests performed in the 2020 abridged financial year led to the recognition of impairments of € 4,980k (April 30, 2020: € 5,414k) and write-backs of € 529k (April 30, 2020: € 600k). Impairments related to property, plant and equipment including right-of-use assets

(€ 4,759k; April 30, 2020: € 4,836k), goodwill (€ 221k; April 30, 2020: € 578k) and are distributed among the segments of Asia (€ 15k; April 30, 2020: € 1,666k), North America (€ 2,673k; April 30, 2020: € 941k), Rest of Europe (€ 2,003k; April 30, 2020: € 2,662k), Germany (€ 289k; April 30, 2020: € 134k). In Austria, there has been no impairment in the abridged financial year (30. April 2020: € 11k). The reason for the impairment losses across all segments was the COVID-19-related negative current and expected business development. This led to a reduction of the fair values based on values in use.

The write-backs related entirely to property, plant and equipment and are distributed among the segments of Rest of Europe (€ 373k; April 30, 2020: € 350k), North America (€ 47k; April 30, 2020: € 248k), Austria (€ 1k; April 30, 2020: € 2k), Germany (€ 11k; April 30, 2020: € 0k), and Asia (€ 108k; April 30, 2020: € 0k). The write-backs were attributable to the sustained improvement in the cost structure resulting from the restructuring program and the associated improvement in business performance. This led to an increase of the fair values based on values in use.

(8) NET INTEREST EXPENSES

in TEUR	2020	2019/20
Interest and similar income	17	24
Interest and similar expenses	-63	-2,198
Income from securities	44	34
Interest on lease liabilities	-2,477	-3,959
Interest cost of employee benefit liabilities	-134	-242
Total	-2,612	-6,341

(9) INCOME TAX

The major components of income tax expenses are structured as follows:

EUR 000s	2020	2019/20
Statement of comprehensive income		
Current tax expense / income	-936	-561
Deferred tax expense / income	-3,626	8,159
Total	-4,561	7,598

Current tax expenses include taxes in the amount of € 95k for previous periods (April 30, 2020: € -33k).

EUR 000s	2020	2019/20
Development of net deferred taxes		
Net deferred tax assets and deferred tax liabilities at May 1	9,903	1,631
Currency translation differences	-248	80
Deferred taxes recognized in earnings after tax	-3,626	8,159
Deferred taxes recognized in other comprehensive income	62	33
Net deferred tax assets and deferred tax liabilities at December 31 (PY: April 30)	6,090	9,903

The reconciliation of the income tax charge based on the Austrian corporate tax rate of 25% (April 30, 2020: 25%) with the effective tax rate for the period is as follows:

EUR 000s	2020	2019/20
Earnings before tax	17,327	-35,020
Tax expenses / income at 25% tax rate	-4,332	8,755
Effect of changes in tax rate	0	24
Divergent foreign tax rates	-10	-40
Tax effects due to divergences in tax assessment base	217	-300
Taxes from prior periods	95	33
Losses in current year for which no deferred tax assets were recognized	-2,603	-7,319
Non-recognition of deferred taxes / differences due to utilization of deferred taxes not recognized in previous periods	2,100	5,935
Other	-28	510
Effective tax expenses / income	-4,561	7,598
Effective tax rate	26%	22%

The "Other" line item also includes corrections for currency differences. The effective tax rate of 26% (April 30, 2020: 22%) is mainly attributable to the non-recognition of deferred tax assets on current losses.

By tax assessment notice dated August 16, 2006, the company's application for the specification of a group according to § 9 (8) of the Austrian Corporate Income Tax Act (KSTG 1988) was approved. Since the 2006 assessment, the company has been the group parent; at the balance sheet date, the Group included Wolford Beteiligungs GmbH as one of its members. This company was included as a member of the Group by group and tax-sharing agreement dated April 15, 2008. The agreement was amended in the abridged financial year as a result of the changed balance sheet date, while retaining the existing settlement logic.

Should Wolford Beteiligungs GmbH generate a taxable profit in a given business year, it is required to pay a tax charge to Wolford AG. Should it generate a taxable loss or a loss not eligible for tax sharing, then the loss is held evident. Should Wolford Beteiligungs GmbH generate a taxable profit once again in subsequent years, then this previous loss is offset against such profit.

Upon the termination of the group and tax-sharing agreement, Wolford AG is required to make an adequate payment as settlement for any tax losses or losses not eligible for tax sharing generated by Wolford Beteiligungs GmbH during the period in which the Group was in effect.

(10) NOTES TO OTHER COMPREHENSIVE INCOME

Wolford AG recognized an actuarial loss before tax of € 233k in the 2020 abridged financial year (April 30, 2020: € 166k). Deferred taxes of € 62k are attributable to this loss (April 30, 2020: € 33k). Together with the result of € 927k from currency translation of foreign operations (April 30, 2020: € -181k), this resulted in other comprehensive income of € 757k (April 30, 2020: € -294k).

(11) EARNINGS PER SHARE / PROPOSED APPROPRIATION OF PROFIT

Earnings per share are calculated by dividing the earnings after tax of € 12,766k (April 30, 2020: € -27,422) by the weighted average number of common shares excluding time-apportioned treasury stock holdings (6,631,011; April 30, 2020: 6,631,011). Earnings per share for the 2020 abridged financial year amounted to € 1.93 (April 30, 2020: € -4.14). Given the currently challenging earnings situation, the Management Board will propose to the Annual General Meeting due to be held on June 18, 2021 that no dividend should be paid for the 2020 abridged financial year.

The basis for calculating earnings per share is as follows:

	2020	2019/20
Weighted average number of shares in circulation	6,719,151	6,719,151
Less average number of treasury stocks	-88,140	-88,140
	6,631,011	6,631,011

III Notes to the balance sheet

(12) PROPERTY, PLANT AND EQUIPMENT

The development in this line item is presented in detail in the non-current asset schedule. Land with a carrying amount of € 521k (April 30, 2020: € 1,992k) is presented within the position “Land, leasehold rights and buildings, including buildings on third-party land”.

Total obligations for the purchase of property, plant and equipment amounted to € 1k at the balance sheet date (April 30, 2020: € 37k).

For explanations of recognized impairments, refer to Note (7) Depreciation and amortization.

The pledges of property, plant and equipment of Wolford AG, which were required in the course of the refinancing agreement, were reversed upon repayment of the outstanding loan amount in the abridged financial year (April 30, 2020: pledged real estate and machinery with residual carrying amounts of € 23,080k and € 2,359k, respectively).

(13) GOODWILL

Impairments of € 221k were recognized on goodwill in the 2020 abridged financial year (April 30, 2020: € 578k). These were due to the negative current and expected business performance, which led to a reduction in fair values based on the respective values in use.

(14) OTHER INTANGIBLE ASSETS

The development in this line item is presented in detail in the non-current asset schedule. There were no commitments to purchase intangible assets in the current or previous financial year. The other intangible assets primarily consist of software applications and the access system for the headquarter in Bregenz.

No impairment requirements were identified for intangible assets in the 2020 abridged financial year.

No intangible assets are pledged as security.

(15) NON-CURRENT FINANCIAL ASSETS

Non-current financial assets mainly include shares in investment funds recognized at fair value through profit or loss in accordance with IFRS 9, with changes in value recognized in profit or loss.

The change in fair value recognized through profit or loss in the 2020 abridged financial year amounted to € 26k (April 30, 2020: € 14k).

(16) NON-CURRENT RECEIVABLES AND ASSETS

The amounts recognized in this line item mostly involve security deposits.

(17) DEFERRED TAXES

Deferred tax assets and deferred tax liabilities result from temporary valuation and recognition differences between the carrying amounts recognized in the IFRS financial statements and the corresponding tax base of the respective items.

EUR 000s	December 31, 2020		April 30, 2020	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	2,494	10,040	1,149	16,276
Intangible assets	1,990	348	1,982	96
Interests in associates	0	0	0	1,316
Inventories	707	20	1,192	22
Trade receivables	873	2,311	845	1,028
Provisions for long-term employee benefits	1,799	88	1,944	13
Other provisions	449	455	55	29
Liabilities	12,571	1,683	18,289	2,798
Deferred taxes on loss carryovers and write-downs to fair value	152	0	6,025	0
Deferred tax assets / deferred tax liabilities	21,035	14,945	31,481	21,578
Offset for items due to same tax authority	-14,945	-14,945	-20,863	-20,863
Net deferred tax assets and liabilities	6,091	0	10,618	715

At the balance sheet date, the company had unutilized tax loss carryovers of € 68,609k (April 30, 2020: € 98,899k). Loss carryovers for which no deferred taxes were recognized amounted to € 68,001k (April 30, 2020: € 74,614k), temporary differences for which no deferred taxes were recognized amounted to € 954k (April 30, 2020: € 226k)..

EUR 000s	December 31,	
	2020	April 30, 2020
Loss carryovers	68,090	98,899
Due to expire within		
1 year	633	909
2 years	610	1,133
3 years	0	1,140
4 years	228	0
5 years	916	237
After 5 years	0	40
Unlimited eligibility to be carried forward	66,222	95,439

(18) INVENTORIES

Inventories are structured as follows:

EUR 000s	December 31,	
	2020	April 30, 2020
Finished goods and trading goods	22,426	25,847
Work in progress	5,515	4,933
Raw materials and supplies	5,907	5,005
Total	33,848	35,785

Inventories are measured separately by product. This valuation procedure accounts for the different resale potential of the essentials and trend products, as well as for the age of the respective products. For December 31, 2020, an adjustment was made to the valuation allowance rates used, as analyses based on current data have shown that the sales performance for items from past seasons has changed. As of the balance sheet date, the allowance for inventories amounted to € 1,907k (April 30, 2020: € 2,780k). The change in the valuation allowance rates resulted in an effect on earnings of € -965k (expense).

No inventories were pledged as security.

(19) TRADE RECEIVABLES

EUR 000s	December 31,	
	2020	April 30, 2020
Trade receivables	11,483	7,813
Impairment losses	-2,670	-2,377
Trade receivables after impairment losses	8,814	5,436

For trade receivables, Level 2 allowances of € 576k (April 30, 2020: € 291k) were recognized due to expected credit losses (ECL Level 2) and Level 3 allowances of € 2,094k were also recognized (April 30, 2020: € 2,086k).

Trade receivables mainly relate to the wholesale and online businesses of Wolford AG. To monitor default risk, customers are structured into these categories according to their creditworthiness. When determining the recoverability of trade receivables, account is taken of all changes in the creditworthiness of customers from the initial establishment of payment terms through to the balance sheet date. There are no material clusters of credit risks because individual items account for a low share of total receivables and are not correlated. The increase in trade receivables is due to the change in the reporting date and seasonal changes of sales.

The payment terms granted vary from customer to customer but nevertheless remain within a customary range. Customer creditworthiness and contractual capacity are checked in advance before entering into any business relationship. Trade receivables are monitored continuously and external service providers are used to collect overdue payments.

In the wholesale business, the risk of receivables default is reduced by concluding credit insurance policies which are subject to a deductible of 10%. The ECLs recognized are based on external ratings. The allowances recognized for receivables in the online business were based on historic default statistics.

A Level 3 allowance is recognized for credit-impaired receivables. Receivables are assigned to this category at the latest upon being handed over to an attorney/debt collector/court.

The allowances recognized on trade receivables developed as follows:

EUR 000s	2020	2019/20
May 1	2,377	2,612
Added (+) / reversed (-)	422	1,359
Utilized	-121	-1,593
Currency translation differences	-8	-1
December 31 (PY; April 30)	2,670	2,377

The following tables present information about the default risk and the expected credit losses for trade receivables and contract assets at December 31, 2020 and April 30, 2020.

December 31, 2020 in EUR 000s	Loss rate	Gross carrying amount	Allowance
Wholesale	23,61%	11,311	2,670
ECL receivables	6,25%	9,217	576
Receivables (credit impaired)	100.0%	2,094	2,094
Online	0.0%	172	0
ECL receivables	0.0%	0	0
Receivables (credit impaired)	0.0%	0	0

April 30, 2020 in EUR 000s	Loss rate	Gross carrying amount	Allowance
Wholesale	31.3%	7,594	2,377
ECL receivables	5.3%	5,508	291
Receivables (credit impaired)	100.0%	2,086	2,086
Online	0.0%	219	0
ECL receivables	0.0%	0	0
Receivables (credit impaired)	0.0%	0	0

Uncollectible receivables are derecognized. A receivable is classified as definitively uncollectible when an attorney, debt collector, or court confirms this to be the case. The amount recognized already accounts for the deduction of compensation received from credit insurance. With respect to trade receivables that are neither impaired nor overdue, there were no indications at the balance sheet date that customers would be unable to meet their contractual obligations.

Since April 14, 2017, a global assignment agreement governing the pledging of receivables at Wolford AG as security to Raiffeisen Bank International AG has been in place. This agreement has been acceded to by UniCredit Bank Austria AG, BAWAG P.S.K. Bank für Arbeit und Wirtschaft,

and Österreichische Postsparkasse Aktiengesellschaft. In the abridged financial year 2020, this agreement was ended through the repayment of the remaining loan amounts.

EUR 000s	December 31,	
	2020	April 30, 2020
Trade receivables after impairment losses	8,814	5,436
not due	5,678	1,726
less than 30 days	1,554	463
31 - 60 days	900	994
61 - 90 days	301	711
91 - 120 days	312	458
over 121 days	70	1,084

20) OTHER RECEIVABLES

Other receivables mainly comprise the following items:

in TEUR	31.12.2020	30.04.2020
Receivables from grants	3,700	766
Income tax receivables	207	54
Receivables from other taxes	559	6
Prepaid expenses and deferred charges	1,438	1,194
Other receivables	4,400	2,094
Summe	10,303	4,114

Other receivables include significant items in the form of security deposits and creditors with debit balances.

21) NON-CURRENT ASSETS HELD FOR SALE

In the first quarter of the abridged financial year, Wolford AG signed an agreement concerning the sale of its company property at Wolfordstrasse 1 and 2 in Bregenz. The net proceeds of the sale amount to € 72,001k. Wolford AG continues to use the sold building as a tenant; accordingly, the book profit was reduced proportionately by the amount attributable to the retained right of use. The book profit thus amounts to € 40,987k as of December 31, 2020 and is recognized in other operating income.

In February 2021, a contract was concluded for the sale of a further property at a net selling price of € 805k. The sale will result in a book profit of € 780k in the first quarter of the financial year 2021.

(22) EQUITY

The composition of equity and its development are presented separately in the statement of changes in equity.

Share capital

The share capital consists of 6,719,151 zero par value shares, with each zero par share participating in the share capital to the same extent, and remained unchanged in the abridged financial year as well as in the previous year. There are no shares with special preferential or control rights.

Capital reserves

Appropriated capital reserves result from the premiums (less issue costs) on the stock issues in 1995 and 2018. The expenses of € 791k incurred to issue new shares have been deducted.

Other reserves

No dividend was distributed for the 2019/20 financial year.

Reserve for actuarial gains/losses

EUR 000s	2020	2019/20
May 1	-4,944	-4,831
Actuarial gains and losses in the financial year	-233	-146
of which deferred taxes	62	33
December 31 (PY: April 30)	-5,115	-4,944

Treasury stock

Wolford AG holds 88,140 treasury stock shares (April 30, 2020: 88,140). There were no movements in treasury stock shares in the 2020 abridged financial year. As a result, 1.3% of share capital is held by the company (April 30, 2020: 1.3%).

(23) FINANCIAL LIABILITIES

Financial liabilities are structured as follows:

EUR 000s	December 31,	
	2020	April 30, 2020
Loans from banks, variable interest rates from 1.00% to 3.75% (April 30, 2020: 1.00% to 3.75%)	0	28,346
Loans from Fosun Fashion Investment Holdings (HK) Limited (12.00%)	0	10,000
Loans from banks, fixed interest rates of 4.50% (April 30, 2020: 4.50%)	0	613
Interest-free loan from the Federal Province of Vorarlberg	0	24
Total	0	38,983
of which current	0	38,983

Scheduled repayments for financial liabilities have the following maturity structures:

EUR 000s	< 1 year	1 – 5 years	> 5 years
At December 31, 2020	0	0	0
At April 30, 2020	38,983	0	0

As a result of the repayment of liabilities to banks in the abridged financial year, as of December 31, 2020 there is no longer any collateral from bill of exchange guarantees of the Republic of Austria with a refinancing commitment of Oesterreichische Kontrollbank Aktiengesellschaft or collateral pledges (blanket assignment of all receivables, pledging of machinery and all real estate as well as intellectual property).

(24) PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS

The provisions for pensions, severance compensation, and anniversary payments are calculated in accordance with the requirements of IAS 19.

EUR 000s	December 31, 2020	April 30, 2020
Provisions for pensions	5,275	5,163
Provisions for severance compensation	9,280	10,316
Provisions for anniversary payments	1,745	1,952
Total	16,300	17,431

Provisions for pensions and severance compensation

Wolford AG has direct pension obligations based on individual commitments to three former Management Board members. Collective agreements in France require the company to make payments to employees upon retirement. The relevant calculation is based on generally accepted actuarial rules.

Legal requirements entitle employees who joined the Austrian parent company before 2003 to a one-off severance compensation payment if their employment relationship is terminated or when they retire. The amount of these payments depends on the length of service and the employee's wage or salary at the end of employment. In Switzerland, the company is required to make certain payments to employees on retirement, death, or inability to work. The payments are dependent on the employee's age, number of years worked, salary, and individual contributions up to that point. This plan is financed jointly by the employees and the employer, with the obligation being counter-financed by the insurance company Swiss Life by way of qualified insurance policies that serve as plan assets. Further defined benefit plans for severance payments exist to a minor extent in Italy and Slovenia.

Provisions for pensions developed as follows:

EUR 000s	2020	2019/20
Present value of obligation at May 1	5,163	5,244
Interest expenses	46	81
Pension payments	-187	-263
Actuarial losses	252	101
Present value of obligation at December 31 (PY: April 30)	5,275	5,163

Provisions for severance compensation developed as follows:

EUR 000s	2020	2019/20
Present value of obligation at May 1	11,277	11,197
Currency translation differences	-71	34
Service cost	439	546
Interest expenses	79	140
Severance compensation	-1,560	-825
Actuarial losses	58	185
Present value of obligation at December 31 (PY: April 30) (gross obligation)	10,221	11,277

The plan assets relating to the provision for severance compensation developed as follows:

EUR 000s	2020	2019/20
Fair value of plan assets at May 1	961	906
Currency translation differences	11	38
Contributions received	52	82
Interest income	3	6
Payments made	-163	-26
Actuarial gains / losses	77	-45
Fair value of plan assets at December 31 (PY: April 30)	942	961

The net obligation for severance compensation is structured as follows:

EUR 000s	2020	2019/20
Net obligation at May 1	10,316	10,291
Currency translation differences	-82	-4
Service cost / contributions received	386	464
Interest	76	134
Payments	-1,397	-799
Actuarial gains / losses	-20	230
Net obligation at December 31 (PY: April 30)	9,280	10,316

Plan assets comprise:

EUR 000s	2020	2019/20
Equity investments	482	455
Bonds	114	118
Real estate	233	256
Alternative investments	37	37
Qualified insurance policies	0	0
Liquid funds	77	95
Total plan assets	942	961

The actuarial gains reported for the 2020 abridged financial year comprise adjustments due to past experience of € 112k (April 30, 2020: € 0k) and financial adjustments of € -344k (April 30, 2020: € 331k).

Defined benefit payments of € 742k are planned for provisions for pensions and severance compensation in the coming 2020/21 financial year (April 30, 2020: € 669k).

Provision for anniversary payments

The provision for anniversary payments developed as follows:

EUR 000s	2020	2019/20
Present value of obligation at May 1	1,952	2,005
Service cost	56	92
Interest expenses	13	25
Anniversary payments	-174	-118
Actuarial gains	-102	-52
Present value of obligation at December 31 (PY 30 April)	1,746	1,952

Defined benefit payments from anniversary provisions have been budgeted at € 75k for the 2020/21 financial year (April 30, 2020: € 72k).

Provisions for retirement, severance compensation, and anniversary payments

The actuarial gains and losses result from changes due to adjustments from past experience and changes in financial assumptions and are reported under other comprehensive income for retirement and severance compensation provisions and under personnel expenses for anniversary payment provisions.

The following sensitivities were determined for the Austrian defined benefit obligations (corresponding to € 14,797k, a significant portion of the total obligations of € 16,300k), each of which relates to the level of the provision:

EUR 000s	2020		2019/20	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-1,578	1,807	-1,658	1,988
Future wage and salary increases (1% change)	1,013	-889	1,146	-999
Future pension increases (1% change)	764	-631	727	-601

The sensitivities with regard to earnings before taxes for the Austrian defined benefit obligations are as follows:

EUR 000s	2020		2019/20	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	-81	101	-77	102
Future wage and salary increases (1% change)	-50	44	-63	55
Future pension increases (1% change)	-7	6	-10	8

Service cost is reported under "Expenses for severance compensation and pensions" (provision for severance compensation and pensions) or under "Wages" and "Salaries" (provision for anniversary payments), while interest expenses are included under "Interest on employee benefits".

The average remaining term of the anniversary obligations amounts to 9.4 years (April 30, 2020: 9.3 years). The average remaining term of the pension obligations amounts to 13.3 years (April 30, 2020: 13.3 years). The average remaining term of the severance compensation obligations amounts to 11.0 years (April 30, 2020: 11.0 years).

(25) OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are structured as follows:

EUR 000s	December 31, 2020	April 30, 2020
Government grant for Slovenia project	710	732
Other	160	162
Total	870	894

The construction of the production facility in Slovenia was subsidized with a grant that is being written back by way of depreciation and amortization and expenses (personnel expenses).

(26) CURRENT PROVISIONS

Other material provisions recognized in accordance with IAS 37 developed as follows:

EUR 000s	Balance at May 1, 2020	Currency translation differences	Utilized	Reversed	Added	Balance at December 31, 2020
Staff	2,231	-200	0	-979	68	1,121
Restructuring	0	0	0	0	1,258	1,258
Other	2,126	-498	-1,260	-329	1,511	1,550
Total	4,357	-698	-1,260	-1,308	2,837	3,929

Employee benefit provisions mainly include provisions for variable salary components. The restructuring provision mainly includes social plan payments and severance payments in connection with the repositioning of the company.

Among other items, other provisions include outstanding compensation for the Supervisory Board and publication-related expenses.

(27) OTHER CURRENT LIABILITIES

Other current liabilities are structured as follows:

EUR 000s	December 31, 2020	April 30, 2020
Outstanding vacation entitlement	1,875	1,809
Liabilities to tax authorities	3,244	2,196
Special payments	0	2,149
Other accrued payments	3,166	3,610
Interest accruals	0	1,019
Liabilities for social security	1,211	2,382
Overtime	286	245
Other	783	323
Total	10,565	13,733

(28) CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract assets include deferrals of € 69k relating to grants provided to retailers for the acquisition of shop fittings typical for Wolford AG (April 30, 2020: € 101k).

The contract liabilities recognized pursuant to IFRS 15 include voucher-related liabilities of € 1,118k (April 30, 2020: € 946k) and deferrals of € 365k for revenue bonuses not yet disbursed and customer returns (April 30, 2020: € 508k).

(29) CONTINGENT LIABILITIES

The company has issued rental guarantees totaling € 2,421k (April 30, 2020: € 2,436k) and other guarantees of € 49k (April 30, 2020: € 124k).

IV. Notes to the cash flow statement

The cash flow statement of the Woldford Group shows the changes in cash and cash equivalents resulting from cash-effective transactions during the period under report. Consistent with IAS 7, the cash flows are broken down by origin and use and separately for operating activities as well as for investing and financing activities. The inflows and outflows of funds from operating activities are derived indirectly based on the Group's annual net income. By contrast, the cash flows from investing and financing activities are calculated directly based on the respective inflows and outflows.

Financial funds correspond to the relevant balance sheet line item cash and cash equivalents and include credit balances and demand deposits at banks, and other financial funds.

The implications of exchange rate movements for cash and cash equivalents related to the subsidiaries in the US, the UK, Asia, Scandinavia, and Switzerland.

Non-cash income and expenses relate in particular to unrecognized foreign exchange gains and losses.

Flow of funds from financing activities in respect of financial liabilities and related assets

EUR 000s	May 1, 2020	Interest (non-cash)	Addition to right-of-use assets (non-cash)	Cash flow	Other (non-cash)	December 31, 2020
Current financial liabilities	38,983	63	0	-39,046	0	0
Lease liabilities	61,142	2,477	5,431	-6,980	2,782	64,852
Total financial liabilities	100,125	2,540	5,431	-46,026	2,782	64,852

The position cash flow includes interest paid in the amount of EUR 2,481k, which is reported in cash flow from operating activities.

EUR 000s	May 1, 2019	Interest (non-cash)	Addition to right-of-use assets (non-cash)	Cash flow	Other (non-cash)	April 30, 2020
Long-term financial liabilities	192	0	0	-192	0	0
Current financial liabilities	32,782	0	0	6,201	0	38,983
Lease liabilities	70,286	-3,959	7,143	-17,799	2,447	61,142
Total financial liabilities	103,260	-3,959	7,143	-11,790	2,447	100,125

The movements in non-current and current financial liabilities are presented in the cash flow statement. Other non-cash movements mainly relate to disposals or revaluations of lease liabilities in connection with the retirement of right-of-use assets in the current financial year, as well as to exchange rate effects.

Due to exchange rate translation, the changes in those balance sheet line items that are presented in the cash flow statement cannot be derived directly from the balance sheet.

V. Financial instruments

FINANCIAL RISK MANAGEMENT

Objectives and methods of financial and capital management

The objective of financial risk management is to record and assess uncertain factors that could negatively impact the company's business performance. The most important objective of Woford's financial and capital management is to ensure sufficient liquidity at all times to enable the Group to offset seasonal fluctuations customary to its sector and finance its further strategic growth.

Due to its use of financial instruments, the Woford Group is exposed in particular to the following risks:

- Capital risk
- Credit and default risk
- Interest rate risk
- Currency risk
- Liquidity risk

The Group does not have any material clusters of risks.

Major primary financial liabilities as of the balance sheet date comprise trade payables; bank loans and loan liabilities towards the principal shareholder were repaid with the proceeds from the sale of the real estate. Woford has various financial assets such as trade accounts receivable and bank balances, cash in hand and short-term deposits resulting directly from its business activities.

Woford was not party to any hedge transactions either in the previous year or in the year under report.

Capital risk management

The primary objective of capital risk management is to minimize the company's financing costs by maintaining a high equity ratio and a sound credit rating, thereby limiting any negative effects on earnings.

The key indicator used in the Group's capital risk management is the gearing ratio, which presents the ratio of net debt to equity. Net debt is defined as non-current and current financial liabilities less non-current financial assets and cash and cash equivalents. The development in this key figure in recent years is presented in the following table:

%	December 31, 2020	April 30, 2020	April 30, 2019	April 30, 2018
Gearing	-%	>100 %	45.9 %	88.8 %

As a result of the repayment of financial liabilities in the abridged financial year with the proceeds from the sale of the property, net debt is positive and there has been a significant improvement in the equity base.

Credit and default risk management

The Wolford Group only concludes business transactions with creditworthy partners and checks the creditworthiness of new customers, particularly in its wholesale business. Furthermore, trade receivables are continuously monitored and default risk is limited through credit insurance. (deductible charged for insured receivables 10 % analogous to previous year).

Wolford does not have any credit insurance for receivables relating to its proprietary online business. In view of this, the company works together with an external credit check provider. This way, the creditworthiness of customers can be checked when they place their orders. Furthermore, incoming orders are continually monitored and checked by the relevant online shop managers.

Interest rate risk management

Due to the repayment of the loan liabilities, there is no significant interest rate risk in the view of the Board of Management. With regard to the interest rate sensitivity of personnel provisions, reference is made to Note 22.

Exchange rate risk management

Exchange rate risk refers to the risk of fluctuations arising in the value of financial instruments due to changes in exchange rates. This risk occurs when transactions are handled in currencies other than the company's functional (local) currency.

Risks relating to exchange rates from existing foreign currency receivables and planned sales are reviewed monthly by Group Treasury using liquidity planning. No hedging transactions were concluded either in the 2020 abridged financial year or in the previous financial year.

The Group companies generally conduct transactions in their functional currency. Therefore, from the Executive Board's current perspective, there is no significant exchange rate risk.

Liquidity risk management

At the Wolford Group, liquidity risks are managed and financial risks monitored by a central treasury department. This department compiles monthly liquidity forecasts for the overall Group and reports to the Management Board on the current financial status. On May 28, 2020, the Blum Group transferred the agreed purchase price of around € 72 million to Wolford AG (transaction closing). In the same move, Wolford AG repaid all outstanding credit lines owed to its financing Austrian banks, amounting to around € 33 million. Furthermore, Wolford AG also redeemed the shareholder loan of € 10 million granted by Fosun Fashion Investment Holdings (HK) Limited with interest of € 1.1 million.

To ensure solvency, the Wolford Group holds liquidity in the form of bank balances, the majority of which are available on a daily basis, in order to be able to service expected operating expenses and financial liabilities. However, the impact of further lockdowns and restrictions on business activities due to the COVID-19 crisis on the Wolford Group's liquidity is currently difficult to assess. The resulting uncertainty is taken into account by intensified monitoring of liquidity.

The following table is based on the undiscounted cash flows (interest and principal) of financial liabilities and shows the contractual terms of the financial liabilities held by the Wolford Group:

EUR 000s	Carrying amount December 31, 2020	Cash flows 2021	Cash flows 2022 to 2025	Cash flows 2026 and later
Lease liabilities	64,852	16,136	44,323	14,101
Trade payables	11,026	11,026	0	0
Other financial liabilities	160	160	0	0
Total	76,038	27,322	44,323	14,101

EUR 000s	Carrying amount April 30, 2020	Cash flows 2020/21	Cash flows 2021/22 to 2024/25	Cash flows 2025/26 and later
Financial liabilities – interest-bearing	38,959	38,959	0	0
Financial liabilities – non-interest-bearing	24	24	0	0
Lease liabilities	61,142	16,015	40,610	15,445
Trade payables	8,368	8,368	0	0
Other financial liabilities	894	0	894	0
Total	109,386	63,365	41,504	15,445

At December 31, 2020, no open credit lines exist (April 30, 2020: 100% drawn).

Primary financial instruments

The primary financial instruments held by the Wolford Group are reported in the balance sheet. On the asset side, these include securities, cash and cash equivalents, trade receivables, and other receivables. On the liabilities side, they involve trade payables, other liabilities, and interest-bearing financial liabilities. The carrying amounts of the primary financial instruments reported in the balance sheet are largely equivalent to their fair values. The amounts recognized also represent the maximum creditworthiness and default risks as no offsetting agreements are in place.

Fair Value

The following hierarchy is used to determine and report the fair values of financial instruments in line with the respective valuation method:

Level 1: Listed prices for identical assets or liabilities on active markets;

Level 2: Input factors other than listed prices that are observable for assets and liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Input factors for assets and liabilities that are not based on observable market data.

The financial assets reported in Level 1 include publicly listed investment fund shares. No items were reclassified between Levels 1 and 3 in the 2020 abridged financial year.

December 31, 2020			
EUR 000s	Level 1	Level 2	Level 3
Non-current assets			
Non-current financial assets	1,323	0	0
Total	1,323	0	0

April 30, 2020			
EUR 000s	Level 1	Level 2	Level 3
Non-current assets			
Non-current financial assets	1,297	0	0
Total	1,297	0	0

The carrying amounts of cash and cash equivalents, trade accounts receivable and payable, and current liabilities can be considered reasonable estimates of their fair values due to the short-term nature of these assets and liabilities.

The cost, fair values, and carrying amounts of non-current securities are as follows:

December 31, 2020 EUR 000s	Cost	Fair value = carrying amount	Recognized gains / losses
Non-current securities			
Investment fund shares	1,398	1,323	-75
Total	1,398	1,323	-75

April 30, 2020 EUR 000s	Cost	Fair value = carrying amount	Recognized gains / losses
Non-current securities			
Investment fund shares	1,398	1,297	-101
Total	1,398	1,297	-101

Carrying amounts and fair values of financial instruments based on measurement criteria, maturities, and classes

The following table shows the reconciliation of the carrying amounts of financial instruments with IFRS 9 measurement categories:

December 31, 2020 in EUR 000s	IFRS 9 measurement category	Carrying amount	Fair value	Current	Non-current
Cash and cash equivalents	AC	14,126	14,126	14,126	0
Trade receivables	AC	8,814	8,814	8,814	0
Other receivables and assets	AC	6,323	6,323	4,576	1,747
Non-current financial assets	FVPL	1,323	1,323	0	1,323
Total financial assets		34,285	34,285	31,216	3,070
Trade payables	AC	11,026	11,026	11,026	0
Other financial liabilities	AC	160	160	0	160
Total financial liabilities		11,186	11,186	11,186	160

April 30, 2020 in EUR 000s	IFRS 9 measuremen t category	Carrying amount	Fair value	Current	Non-current
Cash and cash equivalents	AC	4,519	4,519	4,519	0
Trade receivables	AC	5,719	5,719	5,719	0
Other receivables and assets	AC	5,997	5,997	4,250	1,747
Non-current financial assets	FVPL	1,297	1,297	0	1,297
Total financial assets		17,532	17,532	14,488	3,044
Trade payables	AC	8,368	8,368	8,368	0
Current financial liabilities	AC	38,983	38,983	38,983	0
Other financial liabilities	AC	894	894	0	894
Total financial liabilities		48,245	48,245	47,351	894

Net results by class

2020 EUR 000s	From interest	From other	From subsequent measurement at fair value	From impairment	From disposal	Total through profit or loss
Cash and cash equivalents (AC)	17	0	0	0	0	17
Trade receivables (AC)	0	0	0	-448	0	-448
Assets measured at fair value through profit or loss (FVPL)	0	18	26	0	0	44
Financial liabilities (AC)	-2,540	0	0	0	0	-2,540
Net results	-2,523	18	26	-448	0	-2,927

2019/20 EUR 000s	From interest	From other	From subsequent measurement at fair value	From impairment	From disposal	Total through profit or loss
Cash and cash equivalents (AC)	24	0	0	0	0	24
Trade receivables (AC)	0	0	0	-1,359	0	-1,359
Assets measured at fair value through profit or loss (FVPL)	0	0	14	0	0	14
Financial liabilities (AC)	-2,198	-170	0	0	0	-2,368
Net results	-2,174	-170	14	-1,359	0	-3,689

VI. OTHER DISCLOSURES

EVENTS AFTER THE BALANCE SHEET DATE

In February 2021, a contract was concluded for the sale of a further operating property with sales proceeds amounting to € 805k. The sales negotiations were already started in the abridged financial year 2020; the property in question was already available for sale as of December 31, 2020.

In March 2021, an external fraud incident ("fake president incident") resulted in an unlawful outflow of cash and cash equivalents of € 1,151k from the Company. On the other hand, there are expected claims from concluded insurance agreements in the amount of approximately € 1,000k.

There were no other matters with a material impact on the assets, financial position and earnings situation of the Wolford Group.

RELATED PARTY TRANSACTIONS

None of the Supervisory Board members maintains any business or personal relationships with the company or its Management Board which could provide grounds for a material conflict of interests and would therefore be suited to influence the conduct of the respective Supervisory Board member. The company did not maintain business relationships with any member of the Supervisory Board in the 2020 abridged financial year.

As of February 1, 2019, the Wolford Group entered into a business relationship with Fosun Fashion Brand Management (FFBM) in order to reinforce and extend its market presence in China. FFBM is a subsidiary of Fosun Fashion Group (and thus a company subject to significant influence) and acts on behalf of Wolford as a full-service provider focusing on sales and marketing. As well as extending market access, FFBM is also responsible for the operative management of all wholesale and retail channels, as well as for online retail. The contract between FFBM and Wolford was concluded on customary market terms, including a fixed monthly payment and performance-based commission for each distribution channel (retail, wholesale, online). A total of € 853k was paid to FFBM in the abridged financial year; the amount of outstanding balances as of December 31, 2020 is € 356k (liability for Wolford).

In June 2019, Fosun Fashion Investment Holdings (HK) Limited granted a shareholder's loan of € 10,000k. This loan charges interest at 12% p.a. and has an original term through to June 30, 2021. The interest rate thereby agreed for a subordinate loan in the company's current situation is deemed to be customary to the market, a view also confirmed by an external market study. The shareholder's loan was repaid in the abridged financial year 2020.

The ultimate beneficial owner of Fosun Fashion Brand Management (FFBM) is Mr. Guangchang Guo, who is also the ultimate beneficial owner of FFG Wisdom (Luxembourg) S.à.r.l., which owns 58.45% of the shares in Wolford.

INFORMATION ON THE MANAGEMENT AND SUPERVISORY BOARD

2020 in EUR 000s	Remuneration	Severance compensation	Pensions	Total
Expenses for members of the Management Board	685	0	0	685
of which variable	309	0	0	309
Former members of the Management Board	0	0	180	180
Total	685	0	180	865

2019/20 in EUR 000s	Remuneration	Severance compensation	Pensions	Total
Expenses for members of the Management Board	351	0	0	351
of which variable	50	0	0	50
Former members of the Management Board	503	279	0	782
Total	854	279	0	1.133

Expenses for remuneration to the Supervisory Board amounted to € 144k in the short financial year (previous year: € 164k). No advances were paid out in the abridged financial year 2020, nor were there any liabilities for members of the Board of Management or the Supervisory Board. There were no off-balance sheet transactions.

The members of the Management Board in the 2020 abridged financial year were:

Andrew Thorndike, Chief Operating Officer

Silvia Azzali, Chief Commercial Officer

The members of the Supervisory Board in the 2020 abridged financial year were:

Dr. Junyang Shao, Chairwoman
Thomas Dressendörfer, Deputy Chairman
Yun Cheng, member
Dr. Prof. Matthias Freise, member

The Staff Council's representatives on the Supervisory Board were:

Anton Mathis
Christian Medwed (until September 30, 2020)
Alexander Greußing (from October 1, 2021)

The terms of office of the Supervisory Board members and the composition of the Supervisory Board committees are presented in the Corporate Governance Report.

The Management Board of Wolford AG approved the consolidated financial statements for submission to the Supervisory Board on April 30, 2021. The Supervisory Board is required to perform its own review of the consolidated financial statements and to declare whether it has approved them.

Bregenz, May 12, 2021



Andrew Thorndike



Silvia Azzali

Declaration by the Management Board of Wolford AG pursuant to § 124 (1) No. 3 BörseG

We hereby confirm to the best of our knowledge that the consolidated financial statements as of December 31, 2020 give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements as of December 31, 2020 give a true and fair picture of the assets, liabilities, financial position, and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Bregenz, May, 12 , 2021



Andrew Thorndike
COO

Responsible for Product Development,
Supply Chain Management, Finance, Legal,
Investor Relations, IT, and HR



Silvia Azzali
CCO

Responsible for Sales &
Merchandising, Marketing, and
Design

Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

Wolford Aktiengesellschaft, Bregenz,

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the short fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2020 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Material uncertainty regarding going concern

We refer to chapter I.1 (Accounting Principles – Bases of Preparation) of the notes of the consolidated financial statements and to section “Outlook and targets” in the group management report, where management states, that despite a profit after tax of kEUR 12,766 of Wolford Aktiengesellschaft group in the short fiscal year ending December 31, 2020, the assumptions in prior year’s going concern prognosis were not reached. This was mainly caused by restrictions as a result of the measure taken against the COVID-19 pandemic. Management further states, that going concern depends on the implementation of the measures included in the updated going concern prognosis, i.e. in particular on achieving the planned increases in revenue and cost savings as well as receiving governmental subsidies in connection with COVID-19. If the group is not able to successfully implement the planned measures or to ensure additional liquidity, this would cause significant doubts regarding going concern and the group may not have the ability, to realize or repay their assets or liabilities within the ordinary course of business. Our audit opinion is not modified in regard of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. In addition to the matter described in the section “Material uncertainty regarding going concern” the following matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the following we present the audit issues that are particularly important from our point of view:

1. *Presentation of sale & leaseback transaction of the headquarter property Bregenz*
2. *Recoverability of tangible and intangible assets*

1. *Presentation of sale & leaseback transaction of the headquarter property Bregenz*

Description:

Wolford Aktiengesellschaft sold the headquarter property in Bregenz and leased back the property (sale & leaseback transaction) in May 2020. The transaction has a significant impact on the consolidated balance sheet as of December 31, 2020 and the consolidated statement of comprehensive income of the short fiscal year 2020.

In its consolidated financial statements as of December 31, 2020, Wolford AG recognizes a right of use asset from this leasing contract amounting to MEUR 3.3 as well as short-term leasing liabilities of MEUR 1.8 and long-term leasing liabilities of MEUR 8.4. Due to the sale price of MEUR 72.0, a book value of the sold property of MEUR 24,5, which was reported as assets held for sale in the previous year, and the leaseback of the property, a gain from the sale of MEUR 41.0 was reported.

The corresponding disclosures from Wolford Aktiengesellschaft concerning this transaction and the relating accounting consequences are included in the notes in section II.21 (Non-current assets held for sale in the consolidated financial statements).

How we addressed the matter in the audit:

Our audit procedures included, among other, the following:

- Review of the sale and leasing contract as well as inquiries whether any side-agreements exist
- Verification of receipt of payment
- Assessment of the compliance of the selected accounting method with IFRS, in particular concerning the amount of the right of use asset and the extent that income is realized for this transaction
- Assessment of appropriateness of the disclosure in the notes in connection with this transaction

2. Valuation of tangible and intangible assets

Description:

In the consolidated financial statements as of December 31, 2020, Wolford Aktiengesellschaft reports tangible assets amounting to MEUR 61.1 and goodwill as well as other intangible assets amounting to MEUR 1.3. MEUR 52.3 pertain to rights of use assets from leases.

As part of impairment tests in accordance with IAS 36, the legal representatives have to make significant assumptions and estimates when assessing whether there is an impairment requirement and, if necessary, when quantifying such impairments. The material risk related is the estimation of future cash flows and discount rates when determining the value in use.

The corresponding disclosures from Wolford Aktiengesellschaft for tangible assets and other intangible assets are included in the notes in section I.4 (Accounting and Valuation Methods) and section II.7 (Depreciation) in the consolidated financial statements.

How we addressed the matter in the audit:

Our audit procedures included, among others, the following:

- Assessment of conception and design of the process for the validation of the recoverability, particularly taken into account the right of use assets recognized in accordance with IFRS 16
- Review of the definitions of cash-generating units and the assignment of assets and liabilities to these CGUs
- Assessment of the applied methodology and the clerical accuracy of the calculations provided as well as plausibility check of discount rates with assistance from EY valuation specialists
- Review of planning documents for consistency with cash flow calculations included in the updated going concern prognosis as well as plausibility checks and analysis of the material assumptions with assistance from EY restructuring specialists
- Assessment of the appropriateness of disclosures in the notes concerning impairment tests and related assumptions

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether - based on our knowledge obtained in the audit - the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Supplement

Regarding the material uncertainty relating to going concern, we refer to the sections of the economic environment and the analysis of the results and the balance sheet in the group management report, which covers the analysis of group's position. We refer further to the section of outlook and objectives in the group management report, which covers the expected development of the group and the explanations of material risks in the group management report.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at September 30, 2020. We were appointed by the Supervisory Board on January 26, 2021. We are auditors without cease since 2019/2020.

We confirm that the audit opinion in the Section "Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Severin Eisl, Certified Public Accountant.

Linz, May 12, 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Severin Eisl mp
Wirtschaftsprüfer / Certified Public Accountant

ppa DI (FH) Hans Eduard Seidel mp
Wirtschaftsprüfer / Certified Public Accountant

Jahresabschluss der Wolford AG

GEWINN- UND VERLUSTRECHNUNG
für das Rumpfgeschäftsjahr vom 1. Mai 2020 bis 31. Dezember 2020
(Beträge in Euro)

		1.Mai 2019 - 30. April 2020
		TEUR
1. Umsatzerlöse	40.093.335,46	64.684
2. Veränderung des Bestands an fertigen und unfertigen Erzeugnissen sowie an noch nicht abrechenbaren Leistungen	1.498.946,39	-3.388
3. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom und der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen	47.536.674,09	22
b) Erträge aus der Auflösung von Rückstellungen	897.236,86	573
c) übrige	<u>5.812.169,68</u>	1.604
	54.246.080,63	2.199
4. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Materialaufwand	-11.370.389,50	-15.527
b) Aufwendungen für bezogene Leistungen	<u>-6.842.556,55</u>	-8.891
	-18.212.946,05	-24.418
5. Personalaufwand		
a) Löhne	-2.469.626,10	-4.059
b) Gehälter	-12.940.385,23	-22.799
c) soziale Aufwendungen		
aa) Aufwendungen für Altersversorgung	-309.885,68	-182
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-1.651.246,93	-906
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und	-4.433.100,82	-6.995
dd) übrige	<u>-141.081,30</u>	-225
	-21.945.326,06	-35.166
6. Abschreibungen		
a) auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-1.324.959,40	-3.841
b) auf Gegenstände des Umlaufvermögens	<u>0,00</u>	0
	-1.324.959,40	-3.841
7. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 16 fallen	-227.677,09	-128
b) übrige	<u>-19.873.515,93</u>	-25.882
	-20.101.193,02	-26.010
8. Zwischensumme aus Z 1 bis 7 (Betriebserfolg)	<u>34.253.937,95</u>	<u>-25.940</u>
9. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	17.953,20	20
davon aus verbundenen Unternehmen EUR 0,00 (Vorjahr TEUR 0)		
10. sonstige Zinsen und ähnliche Erträge	172.214,45	261
davon aus verbundenen Unternehmen EUR 171.222,83 (Vorjahr TEUR 259)		
11. Erträge aus der Zuschreibung zu Finanzanlagen	25.932,40	14
davon aus verbundenen Unternehmen EUR 0,00 (Vorjahr TEUR 0)		
12. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	0,00	-2.686
a) davon Abschreibungen EUR 0 (Vorjahr TEUR 2.686)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR 0,00 (Vorjahr TEUR 2.686)		
13. Zinsen und ähnliche Aufwendungen	-52.344,75	-2.132
davon betreffend verbundene Unternehmen EUR 0 (Vorjahr TEUR 0)		
14. Zwischensumme aus Z 9 bis 13 (Finanzerfolg)	<u>163.755,30</u>	<u>-4.523</u>
15. Ergebnis vor Steuern (Zwischensumme aus Z 8 und Z 14)	<u>34.417.693,25</u>	<u>-30.463</u>
16. Steuern vom Einkommen und vom Ertrag	-4.634.507,92	5.935
davon Steuerumlage EUR 0,00 (Vorjahr TEUR 0)		
davon latente Steuern EUR -3.906.833,55 (Vorjahr TEUR 5.847)		
17. Ergebnis nach Steuern = Jahresüberschuss-/fehlbetrag	<u>29.783.185,33</u>	<u>-24.528</u>
18. Verlustvortrag aus dem Vorjahr	-66.698.348,41	-42.170
19. Bilanzverlust	<u>-36.915.163,08</u>	<u>-66.698</u>

ANLAGENSPIEGEL ZUM 31. Dezember 2020

(Beträge in Euro)

POSTEN	ANSCHAFFUNGS-/HERSTELLUNGSKOSTEN				KUMULIERTE ABSCHREIBUNG							
	Stand am 01.05.2020	Zugang	Umbuchung	Abgang	Stand am 31.12.2020	Stand am 01.05.2020	Abschreibung im Geschäftsjahr	Abschreibung Abgang	Zuschreibung im Geschäftsjahr	Stand am 31.12.2020	Buchwert 31.12.2020	Buchwert 30.04.2020
I. Immaterielle Vermögensgegenstände												
1. Mietrechte und Software	16.482.692,49	20.665,00	-	-	16.503.357,49	15.094.796,49	432.359,00	-	-	15.527.155,49	976.202,00	1.387.896,00
Summe immaterielle Vermögensgegenstände	16.482.692,49	20.665,00	-	-	16.503.357,49	15.094.796,49	432.359,00	-	-	15.527.155,49	976.202,00	1.387.896,00
II. Sachanlagen												
1. Grundstücke und Bauten												
a) bebaute Grundstücke												
aa) Geschäfts- oder Fabriksgebäude oder andere Baulichkeiten												
Grundwert	1.449.960,00	-	-	1.424.766,00	25.194,00	-	-	-	-	-	25.194,00	1.449.960,00
Gebäudewert	67.350.065,07	7.620,00	-	66.582.749,30	774.935,77	45.721.671,07	161.833,00	45.147.374,30	-	736.129,77	38.806,00	21.628.394,00
ab) Wohngebäude												
Grundwert	-	-	-	-	-	-	-	-	-	-	-	-
Gebäudewert	-	-	-	-	-	-	-	-	-	-	-	-
b) unbebaute Grundstücke	1.087.123,00	-	-	1.087.123,00	-	-	-	-	-	-	-	1.087.123,00
	69.887.148,07	7.620,00	-	69.094.638,30	800.129,77	45.721.671,07	161.833,00	45.147.374,30	-	736.129,77	64.000,00	24.165.477,00
2. technische Anlagen und Maschinen	29.065.623,74	88.999,53	-	1.780.478,05	27.374.145,22	26.706.272,74	294.673,53	1.265.362,05	-	25.735.584,22	1.638.561,00	2.359.351,00
3. andere Anlagen, Betriebs- und Geschäftsausstattung	16.873.675,63	80.964,58	-	3.185.711,46	13.768.928,75	15.351.857,63	436.093,87	3.089.756,46	-	12.698.195,04	1.070.733,71	1.521.818,00
4. geleistete Anzahlungen und Anlagen in Bau	1.731.410,86	-	-	-	1.731.410,86	1.731.402,86	-	-	-	1.731.402,86	8,00	8,00
Summe Sachanlagen	117.557.858,30	177.584,11	-	74.060.827,81	43.674.614,60	89.511.204,30	892.600,40	49.502.492,81	-	40.901.311,89	2.773.302,71	28.046.654,00
	134.040.550,79	198.249,11	-	74.060.827,81	60.177.972,09	104.606.000,79	1.324.959,40	49.502.492,81	-	56.428.467,38	3.749.504,71	29.434.550,00
III. Finanzanlagen												
1. Anteile an verbundenen Unternehmen	18.907.644,17	-	-	-	18.907.644,17	5.356.031,44	-	-	-	5.356.031,44	13.551.612,73	13.551.612,73
2. Ausleihungen an verbundene Unternehmen	11.856.913,97	2.048.938,15	-	-	13.905.852,12	4.899.496,91	-	-	-	4.899.496,91	9.006.355,21	6.957.417,06
3. Wertpapiere des Anlagevermögens	1.398.564,14	-	-	-	1.398.564,14	101.594,14	-	-	25.932,40	75.661,74	1.322.902,40	1.296.970,00
	32.163.122,28	2.048.938,15	-	-	34.212.060,43	10.357.122,49	-	-	25.932,40	10.331.190,09	23.880.870,34	21.805.999,79
SUMME ANLAGEVERMÖGEN	166.203.673,07	2.247.187,26	-	74.060.827,81	94.390.032,52	114.963.123,28	1.324.959,40	49.502.492,81	25.932,40	66.759.657,47	27.630.375,05	51.240.549,79

ANHANG für das Rumpfgeschäftsjahr 2020

Die Wolford AG ist eine Aktiengesellschaft mit Hauptsitz in Österreich, 6900 Bregenz, Wolfordstraße 1, und ist beim Landesgericht Feldkirch, Österreich, unter FN 68605s registriert. Die Wolford AG stellt den Konzernabschluss für den kleinsten Kreis der Konzernunternehmen auf.

Aufgrund des geänderten Wirtschaftsjahres sind die Vorjahreswerte nur bedingt vergleichbar.

Der Konzernabschluss der Wolford AG wird auf ihrer Homepage veröffentlicht. Die Gesellschaft macht vom § 243b Abs. 6 UGB Gebrauch und erstellt einen gesonderten nichtfinanziellen Bericht, welcher ebenfalls auf der Homepage der Wolford AG veröffentlicht wird.

I. BILANZIERUNGS- UND BEWERTUNGSGRUNDSÄTZE

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung, sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt. Die Bilanzierungs- und Bewertungsmethoden wurden im Vergleich zum Vorjahr nicht geändert.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten. Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt. Die Wolford Aktiengesellschaft schließt das Rumpfgeschäftsjahr mit einem positiven Ergebnis nach Steuern in Höhe von TEUR 29.783 ab.

Im Rumpfgeschäftsjahr 2020 konnte sich die Wolford den durch die Corona-Krise ausgelösten Turbulenzen im Einzelhandel nicht entziehen. Von staatlicher Seite ergriffene Maßnahmen zu Kontaktbeschränkungen wie zB Lockdowns haben sich deutlich mit hinter dem Budget zurückbleibenden Umsatzerlösen ausgewirkt. Somit konnten die in der vorjährigen Fortbestandsprognose getroffenen Annahmen hinsichtlich der Umsatz- und Liquiditätsentwicklung nur zum Teil erreicht werden.

Mit einer aktualisierten Fortbestandsprognose trägt Wolford diesen Umständen Rechnung, dabei wurden folgende Bereiche berücksichtigt:

- Die Umsatzplanung für 2021 und Folgejahre wurde anhand der Entwicklungen der ersten Monate 2021 und der bestmöglichen Schätzung für die verbleibende Zeit erstellt. Mit dem Umsatzsteigerungsprogramm NORDSTERN wurden die Weichen für zukünftiges Wachstum gestellt.
- Zusätzlich wurden die bereits im Vorjahr initiierten Restrukturierungsmaßnahmen aus dem PITBOLI-Programm nochmals intensiviert, um weitere Kosteneinsparungen zu erzielen. Insbesondere werden nicht profitabel betreibbare Standorte geschlossen, der Headcount in der Zentrale deutlich reduziert und Logistikprozesse optimiert.
- Zur Sicherstellung der Liquidität werden noch weitere Maßnahmen, wie zB der Verkauf einer Liegenschaft (siehe dazu auch die Erläuterungen bei den Ereignissen nach dem Bilanzstichtag), gesetzt.
- Wolford macht darüber hinaus umfassend von staatlichen Fördermaßnahmen zur Abmilderung der Folgen der Corona-Pandemie Gebrauch; so wurden bereits im Jahr 2020 der Fixkostenzuschuss beantragt und das Instrument der Kurzarbeit genutzt. Weiters ist auch für 2021 die Inanspruchnahme derartiger Förderungen geplant, wie zB des Verlustausgleichs.
- Um den in der aktualisierten Liquiditätsplanung enthaltenen vorübergehenden Finanzierungsbedarf zu decken, hat ein (indirekter) Mehrheitsgesellschafter eine bis Oktober 2022 geltende Finanzierungszusage in Höhe von bis zu EUR 10 Millionen eingeräumt. Diese Finanzierungszusage deckt neben dem geplanten kurz-

fristigen Finanzierungsbedarf auch eine zusätzliche Sicherheitsreserve für nicht vorhersehbare Budgetabweichungen ab.

Auf Basis der aktuell verfügbaren Informationen, die in der aktualisierten Fortbestandsprognose berücksichtigt wurden, bestehen derzeit aus Sicht des Vorstandes keine wesentlichen Einzelrisiken, die den Unternehmensbestand gefährden könnten. Der Fortbestand der Gesellschaft ist daher mit überwiegender Wahrscheinlichkeit gegeben. Der Vorstand ist sich jedoch der Tatsache bewusst, dass nicht vorhersehbare Budgetabweichungen größeren Ausmaßes, wie beispielsweise durch länger anhaltende und umfangreiche Beschränkungen als Folge der Corona-Pandemie hervorgerufen, eine Gefährdung des Fortbestands der Gesellschaft zur Folge haben können.

Erworbene immaterielle Vermögensgegenstände werden zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen innerhalb der Nutzungsdauer vermindert sind. Die planmäßige Abschreibung wird linear vorgenommen.

Für die Spezialsoftware wird eine Nutzungsdauer von zehn Jahren zugrunde gelegt. Standardsoftware wird über vier Jahre abgeschrieben. Mietrechte werden je nach Mietdauer über 3 – 10 Jahre abgeschrieben.

Das Sachanlagevermögen wird zu Anschaffungs- oder Herstellungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind. Bei der Ermittlung der Anschaffungs- oder Herstellungskosten werden keine Fremdkapitalzinsen aktiviert.

Die planmäßige Abschreibung wird linear vorgenommen und richtet sich nach der betriebsgewöhnlichen Nutzungsdauer der jeweiligen Anlagegüter.

Den planmäßigen linearen Abschreibungen liegt folgende Nutzungsdauer zugrunde:

Grundstücke, grundstücksgleiche Rechte und Bauten	10 bis 50 Jahre
Technische Anlagen und Maschinen	5 bis 20 Jahre
Andere Anlagen, Betriebs- und Geschäftsausstattung	2 bis 10 Jahre

Die Abschreibung erfolgt auf Monatsbasis.

Geringwertige Vermögensgegenstände werden im Jahr der Anschaffung voll abgeschrieben.

Außerplanmäßige Abschreibungen werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

Das Finanzanlagevermögen wird zu Anschaffungskosten bewertet. Außerplanmäßige Abschreibungen werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind. Die Werthaltigkeit der Beteiligungen wird anhand ihrer auf Planwerten basierten abgezinsten Cashflows ermittelt.

Die Bewertung der Roh-, Hilfs- und Betriebsstoffe erfolgt zu Anschaffungskosten unter Beachtung des Niederstwertprinzips.

Die Bewertung der unfertigen und fertigen Erzeugnisse erfolgt zu Herstellungskosten oder zum niedrigeren realisierbaren Nettoverkaufswert. Die Herstellungskosten umfassen alle Aufwendungen, die dem Gegenstand direkt

zugerechnet werden können, sowie alle variablen und fixen Gemeinkosten, die im Zusammenhang mit der Herstellung anfallen. Bestandsrisiken, die sich aus der Lagerdauer sowie geminderter Verwertbarkeit ergeben, sind durch angemessene Wertabschläge berücksichtigt.

Die Forderungen und sonstigen Vermögensgegenstände sind mit dem Nennwert angesetzt. Fremdwährungsforderungen werden mit ihrem Entstehungskurs oder mit dem niedrigeren Devisenmittelkurs zum Bilanzstichtag bewertet. Bei erkennbaren Einzelrisiken wird der niedrigere beizulegende Wert ermittelt und angesetzt. Für erwartete Ausfälle aller anderen Forderungen wird ein angemessener Wertminderungsaufwand aus Forderungen aus Lieferungen und Leistungen erfasst. Das Risiko von Forderungsausfällen ist durch den Abschluss von Kreditversicherungen reduziert, für die ein Selbstbehalt i.H.v. 10 % besteht.

Die Ermittlung der Höhe der Abfertigungsrückstellung und der Rückstellung für Jubiläumsgelder erfolgte auf Grund der anerkannten Regeln der Versicherungsmathematik unter Beachtung der Berechnungsvorschriften gemäß IAS 19. Bei der Berechnung der nach der Projected Unit Credit Method gebildeten Rückstellungen kamen folgende Parameter zur Anwendung:

<u>Biometrische Rechnungsgrundlagen</u>	<u>AVÖ 2018 – P</u>	<u>(2019/20: AVÖ 2018 – P)</u>
Rechnungszinssatz	0,78 % und 0,62 % p.a.	(2019/20: 1,25 % und 1,11 %)
Lohn-/ Gehaltstrend	1,80 % p.a.	(2019/20: 2,29 %)
Pensionsantrittsalter	64 – 65	59 – 65 Jahre
Gestaffelte Fluktuation	0–2 Jahre	24 % (2019/20: 24 %)
(Jubiläumsgeldrückstellung)	3-4 Jahre	22 % (2019/20: 22 %)
	5-9 Jahre	16 % (2019/20: 16 %)
	10-14 Jahre	14 % (2019/20: 14 %)
	15-19 Jahre	9 % (2019/20: 9 %)
	20-29 Jahre	3 % (2019/20: 3 %)
	ab 30 Jahre	0 % (2019/20: 0 %)

Die Berechnung der Rückstellung für Pensionen erfolgt aufgrund der anerkannten Regeln der Versicherungsmathematik unter Beachtung der Berechnungsvorschriften gemäß IAS 19. Bei der Berechnung der nach der Projected Unit Credit Method gebildeten Rückstellungen kamen folgende Parameter zur Anwendung:

<u>Biometrische Rechnungsgrundlagen</u>	<u>AVÖ 2018 – P</u>	<u>(2019/20: AVÖ 2018 – P)</u>
Rechnungszinssatz	0,90 % p.a.	(2019/20: 1,37 %)
<u>Valorisierung Bezüge IAS / IFRS</u>	1,70 % und 2,29 % p.a.	(2019/20: 1,70 % und 2,29 %)

Die Veränderungen der Rückstellungen zu Abfertigung, Jubiläum und Pensionen werden zur Gänze im Personalaufwand gezeigt.

In den sonstigen Rückstellungen werden unter Beachtung des Vorsichtsprinzips alle im Zeitpunkt der Bilanzstellung erkennbaren Risiken sowie der Höhe und dem Grunde nach ungewisse Verbindlichkeiten mit den voraussichtlichen Erfüllungsbeträgen berücksichtigt.

Verbindlichkeiten sind mit dem Nennwert oder dem höheren Erfüllungsbetrag angesetzt. Fremdwährungsverbindlichkeiten sind mit dem Anschaffungskurs oder dem höheren Devisenmittelkurs zum Bilanzstichtag bewertet worden.

Die Bewertung der latenten Steuern erfolgt mit dem aktuellen Körperschaftsteuersatz von 25 % ohne Berücksichtigung einer Abzinsung. Latente Steuern werden auf steuerliche Verlustvträge berücksichtigt, soweit deren Verbrauch im nächsten Geschäftsjahr hinreichend sicher ist.

II. ERLÄUTERUNGEN ZUR BILANZ

Anlagevermögen

Bei den immateriellen Vermögensgegenständen handelt es sich um Standortwerte für übernommene Boutiquen und um Software. Für die Entwicklung des Anlagevermögens siehe Anlagenspiegel gemäß § 226 UGB (Beilage 1 zum Anhang).

Von den Ausleihungen gegenüber verbundenen Unternehmen weisen alle eine Restlaufzeit über einem Jahr auf.

Umlaufvermögen

Die Fristigkeit der Forderungen und sonstigen Vermögensgegenstände können der Bilanz entnommen werden.

Von den Forderungen gegenüber verbundenen Unternehmen beliefen sich zum Abschlussstichtag 31.12.2020 EUR 18.068.569,66 (VJ: TEUR 11.616) auf Forderungen aus Lieferungen und Leistungen und EUR 6.944.363,21 (VJ TEUR 8.551) auf sonstige Forderungen. Im Rahmen der Überprüfung der Werthaltigkeit der Forderungen gegenüber verbundenen Unternehmen wurde kein weiterer Anpassungsbedarf ermittelt, somit blieben die Wertberichtigungen wie im Vorjahr bei EUR 2.144.026,09 (VJ: TEUR 2.144).

In den sonstigen Forderungen und Vermögensgegenständen sind Erträge in Höhe von EUR 12.728,13 (VJ: TEUR 10) enthalten, die erst nach dem Abschlussstichtag zahlungswirksam werden. In den sonstigen Forderungen werden Forderungen aus Fixkostenzuschüssen iHv. TEUR 3.700 erfasst.

Eigenkapital

Das eingeforderte Nennkapital innerhalb des Grundkapitals beträgt EUR 48.848.227,77 und setzt sich aus 6.719.151 Stück auf Inhaber lautende Stammaktien zusammen. Es handelt sich dabei um Stückaktien, die alle im gleichen Ausmaß am Grundkapital beteiligt sind. Der Bestand der eigenen Aktien von 88.140 Stück blieb im Rumpfgeschäftsjahr 2020 unverändert.

Rückstellungen

Die Entwicklung der sonstigen Rückstellungen ist in folgender Übersicht dargestellt:

In EUR	Stand 30.04.2020	Verbrauch	Auflösung	Zuführung	Stand 31.12.2020
Jubiläumsgelder	1.869.009,00	138.156,00	51.248,00	0,00	1.679.605,00
Restrukturierungsmaßnahmen	704.000,00	110.935,00	330.000,00	994.462,00	1.257.527,00
Sonderzahlungen	1.377.000,00	1.377.000,00	0,00	0,00	0,00
Nicht konsum. Urlaub	1.277.624,85	1.277.624,85	0,00	1.179.447,30	1.179.447,30
Prämien und Sondervergütungen	924.783,14	632.721,00	298.409,00	751.460,00	745.113,14
Beratung	265.880,00	247.729,00	14.151,00	629.766,00	633.766,00
Gutstunden	127.896,17	127.896,17	0,00	162.720,00	162.720,00
Übrige	857.932,68	649.020,00	102.720,00	551.035,00	657.227,68
Gesamt	7.404.125,84	4.561.082,02	796.528,00	4.268.890,30	6.315.406,12

In den übrigen Rückstellungen sind u.a. Aufwände zu Retouren, Werbung und Frachtkosten enthalten. Der Unterschiedsbetrag in der Auflösungsposition zur Gewinn- und Verlustrechnung ist auf die Auflösung von Abfertigungen zurück zu führen.

Verbindlichkeiten

Die Verbindlichkeiten und deren Fristigkeit können der Bilanzstruktur entnommen werden. Im Übrigen sind wie im Vorjahr keine Verbindlichkeiten mit einer Restlaufzeit von mehr als 5 Jahren enthalten.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren aus Lieferverbindlichkeiten gegenüber der Produktionsgesellschaft in Slowenien und den Vertriebsgesellschaften.

III. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

Gesamtkostenverfahren

Die Gewinn- und Verlustrechnung wird nach dem Gesamtkostenverfahren erstellt.

Umsatzerlöse

Aufgliederung

a) nach geographischen Gesichtspunkten (nach Währungseffekten)

	2020 in EUR	2019/20 in TEUR
Inland	6.289.714,05	10.899
Ausland	33.803.621,41	53.785
	40.093.335,46	64.684

b) nach Produktgruppen

	2020 in EUR	2019/20 in TEUR
Legwear	15.561.087,13	30.394
Ready-to-wear	11.171.578,46	19.102
Lingerie	5.138.001,56	8.890
Accessoires	5.042.808,39	601
Swimwear	420.571,52	661
Handelsware	257.528,38	420
Sonstige	2.501.760,02	4.616
	40.093.335,46	64.684

Die wesentlichen Positionen in Sonstige sind hierbei die Erträge aus der Weiterbelastung für Aufwendungen im Zusammenhang mit erbrachten Dienstleistungen innerhalb des Konzernverbundes, Erlöse aus dem Restaurantbetrieb sowie Einkünfte aus Vermietung und Verpachtung.

Sonstige betriebliche Erträge

	2020 in EUR	2019/20 in TEUR
Erträge aus dem Abgang von Anlagevermögen	47.536.674,09	22
Fixkostenzuschuss	3.700.000,00	0
AMS Kurzarbeitsbeihilfe	1.684.362,99	0
Erträge aus der Auflösung von Rückstellungen	897.236,86	573
Kursdifferenzen	96.099,50	732
Sonstige	331.707,19	277
	54.246.080,63	1.604

Die Sonstigen betrieblichen Erträge sind im Rumpfwirtschaftsjahr stark durch den Verkauf der Liegenschaft in Bregenz und die staatlichen Förderungen in Zusammenhang mit der Covid-19-Pandemie getrieben.

Aufwendungen für Material und sonstige bezogene Herstellungsleistungen

Aufwendungen für Material

	2020 in EUR	2019/20 in TEUR
Garne	2.567.919,06	4.088
Zukaufware	2.662.643,36	1.361
Stoffe	2.334.102,72	4.255
Zubehör, Gummibänder	1.051.834,37	1.504
Ernergie und Wasser	635.229,50	1.093
Sonstiger Materialaufwand	2.152.617,77	3.256,38
Skontoerträge	-33.957,28	-29,81
	11.370.389,50	15.527

Aufwendungen für sonstige bezogene Herstellungsleistungen

	2020 in EUR	2019/20 in TEUR
Lohnarbeit	6.165.148,91	7.659
Frachten Wolford d.o.o.	263.818,95	421
Sonstige	413.588,69	811
	6.842.556,55	8.891

Personalaufwand

Aufwendungen für Abfertigungen und Pensionen

	2020		2019/20	
	Abfertigungen in EUR	Pensionen in EUR	Abfertigungen in TEUR	Pensionen in TEUR
Aufgliederung der Aufwendungen für				
Vorstandsmitglieder	0	0	0	0
Ehemalige Vorstandsmitglieder	0	309.885,68	279	182
	0	309.885,68	279	182
Leitende Angestellte	0	0	0	0
Übrige Arbeitnehmer	1.651.246,51	0	428	0
	1.651.246,51	309.885,68	707	182

Aufwendungen für Abfertigungen und betriebliche Mitarbeitervorsorgekassen

	2020 in EUR	2019/20 in TEUR
Aufwand für Abfertigungen	1.651.246,93	707
Restrukturierungsmaßnahmen	1.257.527,00	0
Beiträge Mitarbeitervorsorgekasse	196.185,01	199
	3.104.958,94	906

Übrige sonstige betriebliche Aufwendungen

	2020 in EUR	2019/20 in TEUR
Rechts- und Beratungskosten	5.410.852,77	5.574
Marketing	4.030.156,66	5.163
Aufwand B2C	2.390.691,83	2.876
EDV inkl. Wartung	1.793.683,14	2.780
Kursdifferenzen	971.914,52	404
Frachten	918.241,40	1.600
Mieten	774.084,84	1.571
Telefon, Fax	369.993,88	90
Reparaturen	226.284,28	277
Sonstige	3.215.289,70	3.032,95
	20.101.193,02	23.367

Die sonstigen betrieblichen Aufwendungen umfassen unter anderem Intercompany Verrechnungen (TEUR 537/ VJ: 911), Kreditkartengebühren (TEUR 280 / VJ: 311) und Kommissionen iHv. TEUR 267 (VJ: 21)

Aufwendungen Abschlussprüfer

Bezüglich dieser Aufwendungen wird auf die Angabe im Konzernanhang verwiesen.

Ergebnis aus Finanzanlagen

Im Wirtschaftsjahr wurden die Anteile an verbundenen Unternehmen und Ausleihungen sowie Forderungen gegenüber verbundenen Unternehmen auf Werthaltigkeit überprüft. Daraus ergaben sich keine Wertminderungen und Abschreibungen gegenüber verbundenen Unternehmen (VJ: TEUR 2.686).

Steuern vom Einkommen und vom Ertrag

Zum Bilanzstichtag bestehen aktive und passive latente Steuern für temporäre Differenzen zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz für folgende Posten:

	Aktiv	Passiv
	2020	2020
Sachanlagen		544.474,79
Finanzanlagen	573.153,44	
Personalarückstellungen	6.474.460,14	
Sonstige Rückstellungen	1.257.527,00	
Betrag Gesamtdifferenz	8.305.140,58	544.474,79
Ansatz steuerlicher Verlustvortrag	0,00	
Ansatzbetrag	8.305.140,58	544.474,79
Latente Steuern (25%)	2.076.285,15	136.118,70
Saldierung	1.940.166,45	
Aktiver Überhang	1.940.166,45	

IV. ERGÄNZENDE ANGABEN

1. Sonstige finanzielle Verpflichtungen

Es bestehen folgende Verpflichtungen aus langfristigen Mietverträgen und Operating-Leasingverhältnissen.

	2020 in EUR	2019/20 in TEUR
Mindest- Miet- und Leasingentgelte fällig		
bis zu einem Jahr	2.927.947,83	1.150
mehr als einem Jahr bis zu fünf Jahren	10.525.935,30	3.217
mehr als fünf Jahren	4.182.320,76	1.033

In diesem Rumpfgeschäftsjahr 2020 wurden wie im Vorjahr die Verpflichtungen anhand der vertraglichen Laufzeiten ermittelt. In diesen Laufzeiten sind teilweise Verlängerungsoptionen berücksichtigt.

2. Anteile an verbundenen Unternehmen

Die Wolford AG in Bregenz ist die Muttergesellschaft und jene Gesellschaft, die den Konzernabschluss aufstellt.

in EUR Gesellschaftname	Sitz	Unmittelbarer Anteil	Eigenkapital 31.12.2020	Jahresergebnis 2020
Wolford Beteiligungs GmbH	Bregenz	100	12.785.813,00	-24.630,00
Wolford proizvodnja in trgovina d.o.o.	Murska Sobota	100	6.926.883,00	194.701,00

Gesellschaftname	Buchwert 31.12.2020 in EUR	Buchwert 30.04.2020 in TEUR
Wolford Beteiligungs GmbH	11.051.612,73	11.052
Wolford proizvodnja in trgovina d.o.o.	2.500.000,00	2.500
	13.551.612,73	13.552

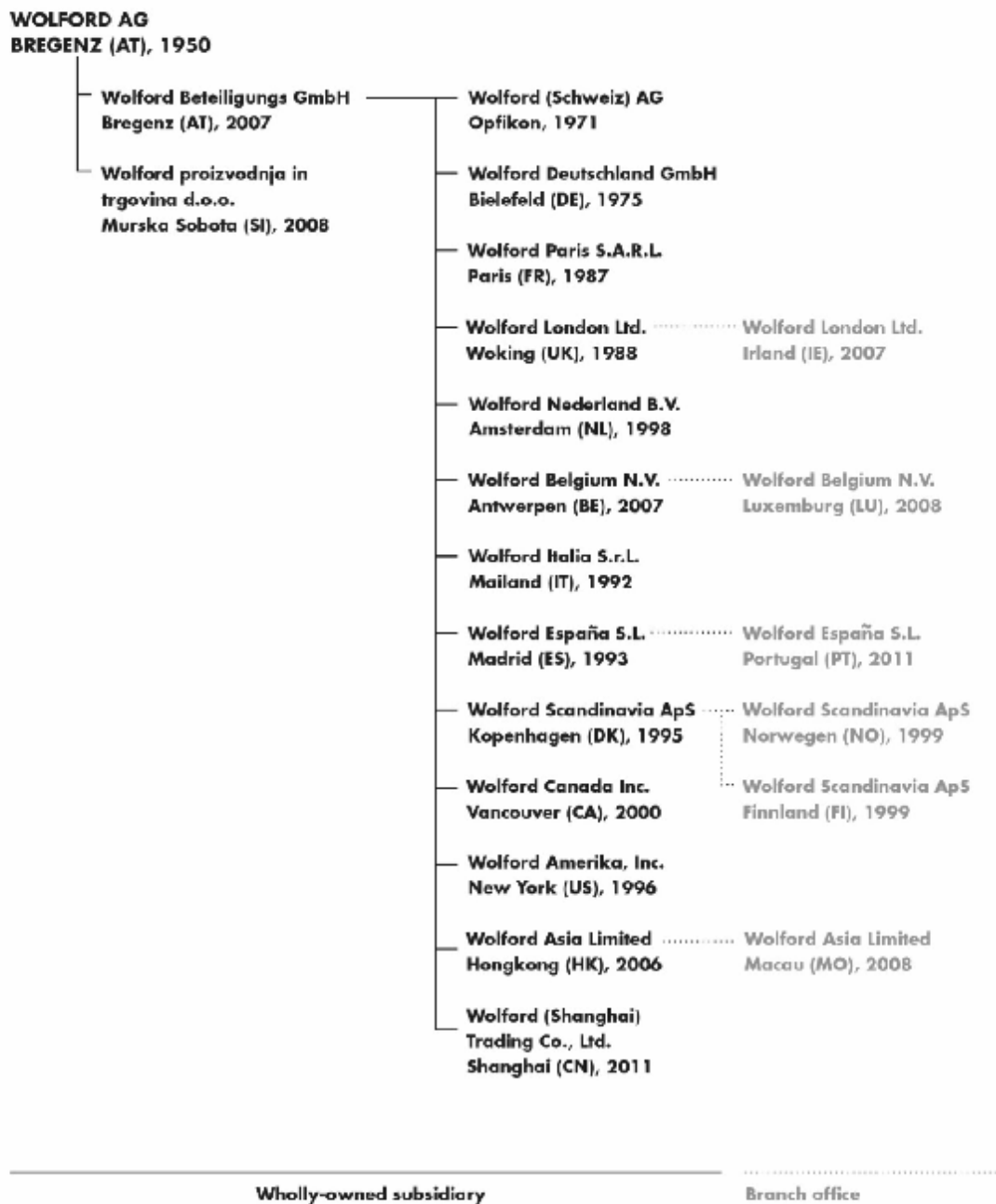
Mit Bescheid vom 16. August 2006 wurde dem Antrag der Gesellschaft auf Feststellung einer Gruppe gemäß § 9 Abs. 8 KStG 1988 stattgegeben. Seit der Veranlagung 2006 ist die Gesellschaft Gruppenträgerin; die Gruppe beinhaltet zum Stichtag als Gruppenmitglied die Wolford Beteiligungs GmbH. Diese wurde mit Gruppen- und Steuer-ausgleichsvertrag vom 15. April 2008 als Gruppenmitglied in die Gruppe aufgenommen.

Erzielt die Wolford Beteiligungs GmbH in einem Wirtschaftsjahr einen steuerpflichtigen Gewinn, so hat sie eine Steuerumlage an die Wolford AG zu entrichten; erzielt sie einen steuerlichen Verlust bzw. einen steuerlich nicht ausgleichsfähigen Verlust, wird dieser Verlust evident gehalten und in jenen darauf folgenden Wirtschaftsjahren, in denen die Wolford Beteiligungs GmbH wieder einen steuerlichen Gewinn erzielt, gegen diesen steuerlichen Gewinn verrechnet.

Von der Wolford Beteiligungs GmbH während der Wirksamkeit der Unternehmensgruppe erzielte steuerliche Verluste bzw. nicht ausgleichsfähige Verluste, die im Zeitpunkt der Beendigung des Gruppen- und Steuerausgleichsvertrages noch nicht verrechnet sind, sind von der Wolford AG in Form einer Ausgleichszahlung angemessen abzugelten.

Der Gruppenträger hat für diese Verpflichtung grundsätzlich eine Rückstellung zu bilden. Nach unserer unternehmerischen Beurteilung ist die tatsächliche Inanspruchnahme aufgrund der Verlustsituation beim Gruppenmitglied und beim Gruppenträger derzeit unwahrscheinlich. Daher wird keine Rückstellung gebildet.

Wolford Gruppe auf einen Blick



3. Derivative Finanzinstrumente

Zum 31.12.2020 sowie im Vorjahr sind keine derivativen Finanzinstrumente offen.

4. Personalstand

Der Beschäftigtenstand betrug zum 31. Dezember 2020 453 (VJ: 500) Mitarbeiter davon 107 (VJ: 128) Arbeiter, 333 (VJ: 359) Angestellte und 13 (VJ: 13) Lehrlinge; die Berechnung erfolgte auf Vollzeitbasis. Im Durchschnitt betrug der Beschäftigtenstand im Rumpfgeschäftsjahr 2020 478 (VJ: 505) Mitarbeiter davon 120 (VJ: 134) Arbeiter, 345 (VJ: 355) Angestellte und 13 (VJ: 16) Lehrlinge; die Berechnung erfolgte auf Vollzeitbasis.

5. Organe

Aufgliederung der Aufwendungen für:

2020 in EUR	Bezüge	Abfertigung	Gesamtbezüge
Vorstandsmitglieder	709.333,00	0,00	709.333,00
davon variabel	333.333,00	0,00	333.333,00
Ehemalige Vorstandsmitglieder	182.986,06	0,00	182.986,06
	892.319,06	0,00	892.319,06

2019/20 in TEUR	Bezüge	Abfertigung	Gesamtbezüge
Vorstandsmitglieder	351	0	351
davon variabel	50	0	50
Ehemalige Vorstandsmitglieder	503	279	782
	854	279	1.133

An ehemalige Vorstandsmitglieder wurden Pensionszahlungen in Höhe von EUR 182.986,06 (VJ: TEUR 182) geleistet. Es wurden im Rumpfgeschäftsjahr 2020 keine Vorschüsse ausbezahlt bzw. gibt es auch keine Haftungen für Vorstands und Aufsichtsratsmitglieder.

Der Aufwand für die Vergütungen an den Aufsichtsrat betrug TEUR 94 (VJ: TEUR 164), wobei diese nach den jeweiligen Funktionen bemessen wurden.

Als Vorstandsmitglieder waren im Rumpfgeschäftsjahr 2020 bestellt:

Andrew Thorndike, Chief Operating Officer (COO - seit dem 1. Oktober 2019)

Silvia Azzali, Chief Commercial Officer (CCO – seit dem 1. November 2019)

Der Aufsichtsrat bestand im Rumpfgeschäftsjahr 2020 aus folgenden Mitgliedern:

Dr. Junyang Shao, Vorsitzende (seit der a. Hauptversammlung am 4. Mai 2018)

Thomas Dressendörfer, Stellvertreter der Vorsitzenden, (seit der a. o. Hauptversammlung am 4. Mai. 2018, Wiederbestellung in der o. Hauptversammlung am 13. September 2018)

Yun Cheng, Mitglied (seit der o. Hauptversammlung am 13. September 2018)

Dr. Prof. Matthias Freise, Mitglied (seit der o. Hauptversammlung am 26. September 2019)

Vom Betriebsrat waren in den Aufsichtsrat entsandt:

Anton Mathis, Mitglied

Christian Medwed, Mitglied (bis zur o. Hauptversammlung am 30. September 2020)

Alexander Greußing, Mitglied (seit dem 01. Oktober 2020)

6. Haftungsverhältnisse

	31.12.2020 in EUR	30.04.2020 in TEUR
Mietgarantie für Wolford America Inc.	1.477.901,39	1.328
Sonstige Mietgarantien (Deutschland, Spanien, Niederlande, UK, Österreich)	0	685
Sonstige	2.799,29	80
	1.480.700,68	2.093

Mit europäischen Tochterunternehmen bestehen Verrechnungspreisvereinbarungen mit einer definierten Zielmar-ge. Im Falle von Abweichungen zur Zielmar-ge werden durch die Wolford AG entsprechende Ausgleichszahlungen erhalten oder geleistet.

7. Ergebnisverwendungsvorschlag

Der in der Gewinn- und Verlustrechnung des Rumpfwirtschaftsjahres unter Punkt 19 ausgewiesene Bilanzverlust in Höhe von EUR 36.915.163,08 wird auf neue Rechnung vorgetragen.

8. Ereignisse nach dem Bilanzstichtag

Am 01. Februar 2021 unterzeichnete die Wolford AG einen Vertrag über die Veräußerung einer im Anlagevermögen gehaltenen Liegenschaft in Hard (Österreich). Der Kaufpreis wurde auf 0,80 Mio. € festgesetzt. Der Übergang des Vermögens und die vollständige Bezahlung des Kaufpreises werden am 30.09.2021 (nach Übergabe des Objektes) erfolgen.

Darüber hinaus sind keine Ereignisse nach dem Bilanzstichtag eingetreten die eine wesentliche Auswirkung auf die Vermögens-, Finanz- und Ertragslage haben.

Bregenz, am 12. Mai 2021

Der Vorstand:

Andrew Thorndike

Silvia Azzali



LAGEBERICHT für das Rumpfgeschäftsjahr 2020

GESCHÄFTSVERLAUF, GESCHÄFTSERGEBNIS UND LAGE DES UNTERNEHMENS

Wolford in Kürze

Das 1950 im österreichischen Bregenz gegründete Unternehmen Wolford entwickelt, produziert und vertreibt luxuriöse Legwear und Bodywear. Es entwickelt und produziert unter Einhaltung höchster Umweltstandards (Partner des bluesign® systems) ausschließlich in Europa, an zwei eigenen Standorten in Österreich und Slowenien. Mit ihren 240 Monobrand-POS (Points of Sale) und über 3 000 Handelspartnern ist die Marke weltweit in 45 Ländern vertreten. Insgesamt beschäftigt die Wolford Gruppe 1 169 Mitarbeiter (FTE), davon 478 Mitarbeiter (FTE) im Headquarter in Bregenz.

Produkte mit hohem Qualitätsanspruch

Mit der Kernproduktgruppe Legwear, an der alle anderen Produktgruppen ausgerichtet sind, erzielt Wolford etwa 41% des Umsatzes. Die zweitstärkste Produktgruppe ist die Ready-to-wear mit körpernahen Produkten wie Bodys und Shirts (Bodywear) sowie Kleidern und Pullovern. Die Produktgruppen Legwear und Bodywear basieren auf einer speziellen, von Wolford entwickelten und laufend verfeinerten Rundstricktechnologie – Grundlage für den bekannten Tragekomfort und die Qualität der Wolford Produkte. Beide Produktgruppen werden komplettiert durch ein Angebot dekorativer und teilweise körperformender Wäsche. Ergänzt werden die Kollektionen durch eine kleine Auswahl an Accessoires wie Tücher und Gürtel, die im niedrigen einstelligen Millionen-Euro-Bereich zum Umsatz beitragen.

Bei den Produkten unterscheidet Wolford zwischen modischen Trend-Produkten und der sogenannten Essential-Kollektion, die alle zeitlosen „Klassiker“ des Unternehmens umfasst, etwa die seit 1988 produzierte Strumpfhose Satin Touch.

Insgesamt bringt Wolford pro Kalenderjahr zwei Trend-Kollektionen auf den Markt. Eine deckt den Zeitraum Frühjahr/Sommer ab, die andere Herbst und Winter. Je nach Kollektion gibt es vier bis fünf Lieferintervalle mit neuen Produkten, die für neue Impulse auf der Verkaufsfläche sorgen sollen – flankiert durch entsprechende Kommunikationsmaßnahmen.

Ergebnis- und Bilanzanalyse

Die Wolford AG erzielte im Rumpfgeschäftsjahr 2020 einen Umsatz von 40,09 Mio. €. Er lag damit um 38,0 % unter dem Vergleichswert des Vorjahres (64,68 Mio. €).

Die sonstigen betrieblichen Erträge beliefen sich auf 54,25 Mio. € (Vorjahr: 2,20 Mio. €). Diese Veränderung ist zum einen auf den Verkauf der Liegenschaft in Bregenz (47,54 Mio. €) und zum anderen auf die Berücksichtigung des beantragten Fixkostenzuschusses (3,7 Mio. €) zurückzuführen. Weiters wurden Kurzarbeitsförderungen in Höhe Mio. € 1,68 erhalten.

Im Rumpfgeschäftsjahr 2020 wurde der Vorratsbestand um 1,3 Mio. € auf 24,3 Mio. € aufgebaut (Vorjahr Abbau um 3,4 Mio. €) was nicht zuletzt an der Saisonalität bzw. der Änderung auf den neuen Abschlussstichtag 31.12. und der Beeinflussung der Lockdowns im letzten Quartal des Jahres lag. Der Materialaufwand sank um 6,2 Mio. € auf 18,2 Mio. €.

Der Personalaufwand reduzierte sich um 13,3 Mio. € auf 21,9 Mio. € (Vorjahr: 35,2 Mio. €). Die Höhe des Personalaufwandes ist zum einen auf die Bildung von Abfertigungsrückstellungen aufgrund von Restrukturierungsmaßnahmen in Höhe von 1.2 Mio. € zurückzuführen. Der Beschäftigtenstand betrug zum 31. Dezember 2020 453 (VJ: 500) Mitarbeiter davon 107 (VJ: 128) Arbeiter, 333 (VJ: 359) Angestellte und 13 (VJ: 13) Lehrlinge, was einen Reduktion von 47 Mitarbeitern zum Stichtag bedeutet; die Berechnung erfolgte auf Vollzeitbasis. Im Durchschnitt betrug der Beschäftigtenstand im Rumpfgeschäftsjahr 2020 478 (VJ: 505) Mitarbeiter davon 120 (VJ: 134) Arbeiter, 345 (VJ: 355) Angestellte und 13 (VJ: 16) Lehrlinge; die Berechnung erfolgte auf Vollzeitbasis.

Die Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen beliefen sich auf 1,3 Mio. € (Vorjahr: 3,8 Mio. €).

Die sonstigen betrieblichen Aufwendungen reduzierten sich um 5,9 Mio. € auf 20,1 Mio. € (Vorjahr: 26,0 Mio. €) im Vergleich zum Vorjahr. Die sonstigen betrieblichen Aufwendungen setzten sich zum großen Teil aus Rechts- und Beratungskosten (4,3 Mio. €), Marketingkosten (4,0 Mio. €), Aufwand B2C (2,4 Mio.€) und Steuerberater und Wirtschaftsprüfer (1,0 Mio. €) zusammen.

Das operative Ergebnis (EBIT) verbessert sich gegenüber dem Vorjahr – vor allem durch den Verkauf der Liegenschaft in Bregenz, aus der ein Ertrag nach Steuern von 47,5 Mio. € resultierte – um 60,2 Mio. € auf 34,3 Mio. €.

Das Finanzergebnis verbessert sich auf +0,2 Mio. € (Vorjahr: -4,5 Mio. €). Dies ist auf die Rückführung der Darlehen bei den Kreditinstituten und dem Darlehen der Fosun Fashion Investment Holdings (HK) Limited und damit wegfallender Zinsen zurückzuführen. Somit ergibt sich ein Ergebnis vor Steuern von 34,4 Mio. € nach -30,5 Mio. € im Vorjahr. Die Ertragsteuern belaufen sich auf -4,6 Mio. € (Vorjahr: 5,9 Mio. €). Das Ergebnis nach Steuern verbessert sich um 54,3 Mio. € auf 28,8 Mio. € (Vorjahr: -24,5 Mio. €).

Das Anlagevermögen zum Stichtag 31. Dezember 2020 verringerte sich auf 31,0 Mio. € gegenüber einem Vorjahreswert von 51,2 Mio. € was auf den Anlagenabgang in Zusammenhang mit dem Verkauf der Liegenschaft zurückzuführen ist.

Das Umlaufvermögen erhöht sich um 9,9 Mio. € auf 60,0 Mio. € (Vorjahr: 50,1 Mio. €). Das Eigenkapital belief sich auf 52,3 Mio. € (Vorjahr: 22,5 Mio. €). Die Eigenkapitalquote stieg von 20,8 % auf 57,8 %.

Die Verbindlichkeiten gegenüber Kreditinstituten beliefen sich zum 31. Dezember 2020 auf 0,1 Mio. € nach 32,8 Mio. € am Ende des letzten Geschäftsjahres.

Der Zahlungsmittelbestand hat sich um 1,4 Mio. € von 4,6 Mio. € auf 3,2 Mio. € reduziert.

Sämtliche Liquiditätskennzahlen haben sich aufgrund der Entschuldung nach dem Verkauf der Liegenschaft in Bregenz sehr stark positiv entwickelt.

Ausblick und Ziele

Nach wie vor stellt der Ausbruch des neuartigen Coronavirus die Weltwirtschaft vor große Herausforderungen. Die negativen Auswirkungen der wochenlangen Lockdowns auf die Industrie und den Dienstleistungssektor spiegeln sich in den sinkenden Umsätzen Volkswirtschaften wider. Jedoch sind bereits weitreichende konjunkturelle Erholungen zu erkennen. So rechnet die Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) für das Jahr 2021 mit einem Anstieg des weltweiten BIP.

Für den Bereich Luxusgüter rechnet die Strategieberatung Bain & Company in einer Prognose von Anfang Dezember mit einer Erholung frühestens im Jahr 2022. Für die Modebranche weltweit erwartet die Strategieberatung

McKinsey & Company laut einer gemeinsamen Studie mit dem Branchennetzwerk „The Business of Fashion“ ebenfalls eine langsame Erholung. In einem optimistischen Szenario ist hier lediglich mit einem Rückgang von 0 bis 5 % im Jahr 2021 im Vergleich zu 2019 zu rechnen. In einem zweiten Szenario würde der Rückgang des Umsatzwachstums für 2021 10 bis 15 % betragen.

Durch die Coronakrise beschleunigt sich der seit Langem offensichtliche Strukturwandel in der Modebranche nochmals deutlich. Der stationäre Einzelhandel und auch der Modeeinzelhandel müssen darauf neue strategische Antworten finden. Wolford geht hier mit dem Remote Selling bereits erste Schritte in eine digitalere Zukunft.

Wolford ist von den Auswirkungen der Corona-Krise und den dadurch noch verschärften Strukturproblemen im Einzelhandel ebenso betroffen wie andere Modehersteller mit eigenem Retail-Geschäft. Im Zuge der Lockdown-Maßnahmen zur Eindämmung des Corona-Virus sanken die Umsatzerlöse des Unternehmens allein in den Monaten März und April (den letzten beiden Monaten des abgelaufenen Geschäftsjahres) um 52 % (März) bzw. 73 % (April).

Auch im Mai des Rumpfgeschäftsjahres waren die Auswirkungen mit einem Rückgang von 50 % noch deutlich zu spüren, zumal die Boutiquen von Land zu Land unterschiedlichen Terminen wiedereröffnet wurden. So konnten die Boutiquen in Österreich, Deutschland und Skandinavien bereits ab Mitte April in den Folgewochen sukzessive wieder ihren Normalbetrieb aufnehmen, wohingegen die Boutiquen in Frankreich, Italien, Spanien und Nordamerika erst ab Ende Mai und teilweise erst ab Ende Juni wiedereröffnen konnten.

Die positiven Effekte aus den bisherigen Restrukturierungsmaßnahmen zur Kostenreduktion (PITBOLI) und Umsatzstabilisierung (Nordstern) werden durch die absehbar anhaltende Wirtschaftskrise infolge von Covid-19 aktuell noch überkompensiert. Vor diesem Hintergrund hatte Wolford bereits im vorangegangenen Geschäftsjahr die mittelfristige Umsatzprognose an die Marktgegebenheiten angepasst und die eingeleiteten Restrukturierungsbemühungen intensiviert. Um die Covid-19-bedingten Umsatzauswirkungen und damit einhergehenden Ergebniseffekte abzumildern, macht die Gesellschaft von der Inanspruchnahme von Unterstützungsmaßnahmen wie Kurzarbeit, Miet- und Steuerstundungen sowie weiteren staatlichen Zuwendungen Gebrauch. Die langfristige Zukunftsfähigkeit von Wolford wird mittels einer grundlegenden Neuorganisation des gesamten Unternehmens gesichert, die alle Bereiche und die gesamte Wertschöpfungskette umfasst. Zur Umsatzausweitung wurde ein detailliertes Maßnahmenpaket ausgearbeitet, das einerseits kurz-, und mittelfristige Maßnahmen aber auch nachhaltig wirksame Maßnahmen zur Steigerung des Umsatzes umfasst. So wurde bereits im abgelaufenen Geschäftsjahr ein Zweit Label mit großem Erfolg eingeführt, die Steigerung der Wholesale- und Online- Umsätze steht auch weiterhin im Fokus. Für die neuen Trend Kollektionen bekommt Wolford eine deutlich positivere Resonanz bei den Kunden, was sich in der zukünftigen Umsatzentwicklung ebenso positiv bemerkbar machen sollte.

Im laufenden Geschäftsjahr wird das Management den eingeschlagenen Weg weiter konsequent fortsetzen. Die Umsetzung der bereits definierten und deutliche Erfolge zeigenden Maßnahmen zur Neustrukturierung sowie gezielte Maßnahmen zur Umsatzausweitung, etwa der weitere Ausbau des Online-Geschäfts, werden dabei im Fokus stehen.

Trotz der Corona-Krise, deren Auswirkung auf die Umsatzerlöse voraussichtlich auch in der zweiten Jahreshälfte des Kalenderjahres 2021 spürbar sein wird, plant das Management für das Kalenderjahres 2021 eine Rückkehr in die Gewinnzone auf operativer Ebene. Es wird mit einem positiven operativen Ergebnis (EBIT) für das Gesamtjahr gerechnet, welches in den folgenden Geschäftsjahren nachhaltig stabilisiert werden soll. Mit der konsequenten Umsetzung des Umsatzsteigerungsprogrammes Nordstern und des Restrukturierungsprogrammes PITBOLI sind die Weichen für profitables Wachstum und einer damit einhergehenden Wertsteigerung für die Aktionäre gestellt.

Ereignisse nach dem Bilanzstichtag

Im Februar 2021 wurde ein Vertrag über den Verkauf einer weiteren Betriebsliegenschaft mit einem Veräußerungserlös von TEUR 805 abgeschlossen. Die Verkaufsverhandlungen wurden bereits im Rumpfgeschäftsjahr 2020

gestartet; die betreffende Liegenschaft ist per 31. Dezember 2020 bereits als zur Veräußerung verfügbar ausgewiesen.

Darüber hinaus haben sich keine Sachverhalte mit wesentlicher Auswirkung auf die Vermögens-, Finanz- und Ertragslage der Wolford Gruppe ergeben.

Chancen- und Risikomanagement

Um nachhaltig wettbewerbsfähig sein zu können, müssen Unternehmen bewusst gewisse Risiken eingehen. Dies trifft auch auf die Wolford AG zu; sie ist im Rahmen ihrer globalen Geschäftstätigkeit unterschiedlichen Risiken ausgesetzt und sieht in einem effektiven Risikomanagement einen wesentlichen Erfolgsfaktor für die nachhaltige Sicherung des Unternehmens und die Schaffung von Shareholder-Value. Neben den Risiken entstehen aber auch Chancen, die sich zu einem Wettbewerbsvorteil entwickeln können. Daher versucht Wolford zu jedem Zeitpunkt, Chancen und Risiken frühzeitig zu erkennen und adäquat darauf zu reagieren. Dies soll durch interne Grundsätze und Systeme sichergestellt werden.

Grundlage des Chancen- und Risikomanagements

Die rechtzeitige Wahrnehmung von Chancen und Risiken hat einen großen Einfluss auf die Zielerreichung der Wolford AG. So versteht Wolford Risiken als interne bzw. externe Ereignisse, die das Erreichen von Geschäftszielen negativ beeinflussen können. Analog dazu definiert Wolford Chancen als interne bzw. externe Ereignisse, die das Erreichen von Geschäftszielen positiv beeinflussen können. Dementsprechend hat das Unternehmen durch eine Vielzahl von Evaluationsgesprächen mit ausgewählten Führungskräften aus den unterschiedlichsten Abteilungen Chancen und Risiken eruiert. Darauf aufbauend hat das Managementteam sowohl die potenziellen Top-Chancen als auch die Top-Risiken qualitativ bewertet, entsprechend priorisiert und anschließend kategorisiert. Die Bewertung erfolgte im Rahmen einer Bewertungsmatrix mit Eintrittswahrscheinlichkeiten und möglichem Schadensausmaß.

Chancen- und Risikomanagementsystem

Das Chancen- und Risikomanagement ist direkt dem Vorstand unterstellt, damit ein umfassendes, ganzheitliches und effektives Management sämtlicher wesentlicher Chancen und Risiken gewährleistet werden kann. Ziel des Risikomanagements ist die frühzeitige Identifikation von Risiken, die das Erreichen der Unternehmensziele gefährden können, und von Chancen, die das Erreichen der Unternehmensziele erleichtern können, sowie das Ergreifen entsprechender Maßnahmen zur Zielerreichung. Somit ist die Zieldefinition auch ein wesentlicher Bestandteil des Chancen- und Risikomanagementsystems.

Damit das Chancen- und Risikomanagementsystem effektiv umgesetzt werden kann, wurde es entsprechend den Vorgaben des international bewährten Regelwerks für unternehmensweites Risikomanagement und interne Kontrollsysteme (COSO – Internal Control and Enterprise Risk Management Framework des Committee of Sponsoring Organizations of the Treadway Commission) implementiert. Demzufolge werden Chancen und Risiken regelmäßig aber mindestens jährlich im Rahmen des internen Chancen- und Risikomanagementprozesses identifiziert, bewertet, gesteuert, überwacht und systematisch dokumentiert.

Erläuterung wesentlicher Risiken und Chancen

Die Corona-Krise und die Auswirkungen auf die Weltwirtschaft und unsere Hauptmärkte stellen wesentliche Risiken für die weitere Geschäftsentwicklung von Wolford dar. Aufgrund der durch die Corona-Krise eingeschränkten Visibilität können die Geschäftsrisiken aktuell nur schwer eingeschätzt werden, da diese stark von der Dauer und der Intensität der Krise sowie den weiteren Folgen für die Weltwirtschaft abhängen. Der Rückgang war im Rumpfgeschäftsjahr deutlich spürbar und die Erholung verzögert sich durch das massive Auftreten einer zweiten Welle, die zu erneuten Lockdowns in verschiedenen Ländern geführt hat. Die weitere Entwicklung der Pandemie und die daraus resultierenden politischen Maßnahmen sind aus heutiger Sicht schwer abschätzbar, entsprechend könnten sich weitere negative Auswirkungen auf die Umsatz- und Ergebnisentwicklung der Gruppe ergeben.

Strategieentwicklung

Wolford befindet sich in einem dynamischen, sich schnell verändernden Marktumfeld, folglich ist es wichtig, eine passende Strategie zu entwickeln. Eine fehlende Strategie gefährdet langfristig die Wettbewerbsfähigkeit und damit die Zukunft des Unternehmens. Daher ist es von zentraler Bedeutung, eine durchgängige Strategie für das Unternehmen zu entwickeln und nicht zuletzt auch intern zu kommunizieren, damit sie von allen Mitarbeitern mitgetragen wird. Ein wesentliches Risiko bei der Entwicklung der Strategie ist die Nichtbeachtung oder Fehleinschätzung aktueller Trends. Wolford überwacht laufend die Entwicklung des Marktumfelds, das Verhalten der Zielgruppen sowie aktuelle Trends und passt die eigene Strategie entsprechend an. Angesichts des anhaltenden Trends zum Onlinekauf setzt Wolford beispielsweise schon seit längerem auf den systematischen Ausbau des eigenen Onlinegeschäfts und auf Kooperationen mit relevanten Anbietern in diesem Bereich. Da das Wachstum der Luxusmarken absehbar in Asien, allen voran in China, stattfinden wird, wurde in den vergangenen Jahren vermerkt in den Ausbau der Marktpräsenz in China investiert. Im Frühling 2020 wurden als Reaktion auf die sich ausbreitende Covid-19 Pandemie MNS-Masken ins Sortiment aufgenommen und konnten damit Umsatzeinbrüche aus den anderen Bereichen zu Teilen wieder wett machen.

Marktkommunikation

Für ein Unternehmen wie Wolford, das von der Strahlkraft seiner Marke lebt, ist das Markenimage von großer Bedeutung. Daher braucht es eine gezielte Marktkommunikation mit einer stringenten Marketingstrategie. Es bedarf des passenden Marktauftritts, um auch jüngere potenzielle Konsumentinnen anzusprechen. Weitere Investitionen in den globalen Marktauftritt sind für Wolford unerlässlich.

Personalentwicklung

Für Wolford stellen die Mitarbeiter die wichtigste Ressource des Unternehmens dar. Daher ist es für Wolford selbstverständlich, Mitarbeiter ebenso zu schützen wie zu fördern. Die Arbeitsbedingungen und die Qualifikation der Mitarbeiter beeinflussen die Leistung in der Entwicklung und Produktion ebenso wie den Erfolg am Point of Sale; gut geschultes Verkaufspersonal hat einen entscheidenden Einfluss auf die Umsatzentwicklung. Vor allem aber lebt Wolford von der anerkannten Qualität ihrer Produkte aus eigener Fabrikation, und diese steht in enger Verbindung mit den Arbeitsbedingungen in Produktion und Fertigung in den beiden Werken in Österreich und Slowenien. Nicht nur der Verlust von Schlüsselpersonal stellt ein hohes Risiko dar, sondern auch die Gefahr, nicht genügend gut ausgebildete und motivierte Mitarbeiter zu identifizieren, zu rekrutieren und an das Unternehmen zu binden. Wolford befindet sich in einem dynamischen Wettbewerbsumfeld, dementsprechend schnell verändern sich die Anforderungen an das Unternehmen als Ganzes und an die Mitarbeiter im Speziellen hinsichtlich Flexibilität, Mobilität und Anpassungsfähigkeit. Folglich muss Wolford systematisch in die Aus- und Weiterbildung der Mitarbeiter investieren und zudem ihr Recruiting laufend optimieren, um gut ausgebildete und flexible Mitarbeiter gewinnen zu können.

IT-Implementierung

Die Anforderungen an die IT nehmen heute ständig zu, deshalb bedarf es eines effizienten und prozessorientierten IT-Systems. Das Nebeneinander unterschiedlicher IT-Systeme stellt für das Unternehmen ein potenzielles Risiko dar: Vom Einkauf über die Produktionsplanung bis zum Vertrieb existiert eine Vielzahl von unabhängigen IT-Systemen und Datenbanken, die nur begrenzt kompatibel sind. Entsprechend zeit- und personalaufwendig sind der Datenabgleich und der generelle IT-Support, entsprechend fehleranfällig kann auch das Gesamtsystem der Wolford AG sein. Systemausfälle können zum Verlust von wichtigen Daten und in der Folge zu finanziellen Einbußen führen. Vor diesem Hintergrund plant Wolford mittelfristig die Vereinheitlichung der IT-Landschaft durch die unternehmensweite Einführung einer ERP-Standardsoftware.

Marktveränderung

Wolford unterliegt einer Vielzahl von externen Einflüssen und Risiken, zum Beispiel gesamtwirtschaftlichen oder gesellschaftlichen Veränderungen. Als global agierendes Unternehmen ist Wolford der konjunkturellen Entwicklung in internationalen Märkten unterworfen und abhängig vom Verhalten der Konsumenten. Durch konjunkturbedingte oder durch sonstige externe Faktoren (wie die Covid-19-Pandemie im abgelaufenen Rumpfgeschäftsjahr) verursachte Nachfragerückgänge kann es zu Überkapazitäten in der Produktionsplanung kommen. Um dies zu vermeiden, analysiert Wolford laufend die Auslastung der Kapazitäten und passt diese gegebenenfalls an die Markterfordernisse

an. Im Rumpfgeschäftsjahr wurden als Maßnahme in diesem Zusammenhang auch Kurzarbeitsförderungen in Anspruch genommen. Zudem sind die Rahmenbedingungen im Modeeinzelhandel anhaltend schwierig, da die zunehmende Globalisierung und Digitalisierung das Warenangebot für die Konsumenten erhöht und für einen intensiveren Wettbewerb sorgt. Um die Risiken aus diesen Entwicklungen zu minimieren, setzt Wolford auf den Erhalt ihrer Qualitätsführerschaft und auf eine starke Marktkommunikation. Das umfassende Netz von eigenen Retailstandorten wird laufend auf seine Wirtschaftlichkeit hin überprüft, nicht ausreichend profitable Boutiquen werden nach Auslaufen entsprechender Mietverträge geschlossen. Zudem baut Wolford das eigene Onlinegeschäft seit Langem systematisch aus und kooperiert auch mit den relevanten E-Tailern.

Durch die Coronakrise beschleunigt sich der seit Langem offensichtliche Strukturwandel in der Modebranche nochmals deutlich. Die Zukunft des stationären Einzelhandels steht mehr denn je infrage, und auch Wolford muss darauf neue strategische Antworten durch die Neuausrichtung und den zuvor angeführten Maßnahmen zur Umsatzausweitung finden, um den Fortbestand sicherzustellen. Das Management wird im laufenden Geschäftsjahr den eingeschlagenen Weg weiter konsequent fortsetzen. Im Fokus stehen dabei die Umsetzung der bereits definierten und deutliche Erfolge zeigenden Maßnahmen zur Neustrukturierungen sowie gezielte Maßnahmen zur Umsatzausweitung, etwa der weitere Ausbau des Online-Geschäfts.

Politische und gesellschaftliche Risiken

Als global agierendes Unternehmen unterliegt die Wolford AG politischen und gesellschaftlichen Risiken. So können Veränderungen im politischen oder regulatorischen Umfeld, geopolitische Spannungen, aber auch terroristische Anschläge das Konsumverhalten der Kunden negativ beeinflussen. Auch im Jahr 2021 ist weiterhin weltweit mit Unsicherheiten infolge politischer und gesellschaftlicher Umbrüche zu rechnen. Damit gehen gerade auch für die Anbieter von Luxusgütern Risiken einher, die sie selbst nicht beeinflussen können.

Finanzielle Risiken

Wolford ist finanziellen Risiken aufgrund von Zinssatzänderungen und Schwankungen der Wechselkurse ausgesetzt. Durch die Rückzahlung der Finanzverbindlichkeiten im Geschäftsjahr konnten die aus variabel verzinsten Verbindlichkeiten resultierenden Risiken deutlich reduziert werden. Als Folge der internationalen Ausrichtung des Geschäftsmodells unterliegt Wolford jedoch auch dem Risiko von Wechselkursschwankungen. Die Entwicklung wesentlicher Fremdwährungsexposures wird laufend beobachtet, Absicherungen über Derivate werden derzeit nicht vorgenommen.

Liquiditätsrisiko

Am 28. Mai 2020 hat die Blum-Gruppe den vereinbarten Kaufpreis von rund 72 Mio. Euro an die Wolford AG überwiesen (Closing der Transaktion). Im gleichen Zug hat die Wolford AG sämtliche Kreditlinien an ihre finanzierenden österreichischen Banken von rund 33 Mio. Euro zurückgeführt. Darüber hinaus hat die Wolford AG auch das von der Fosun Fashion Investment Holdings (HK) Limited gewährte Gesellschafterdarlehen in Höhe von 10 Mio. Euro sowie Zinsen in Höhe von 1,1 Mio. Euro abgelöst.

Zur Sicherung der Zahlungsfähigkeit hält die Wolford Gruppe Liquidität in Form von mehrheitlich täglich verfügbaren Bankguthaben, um erwartete betriebliche Aufwendungen und finanzielle Verbindlichkeiten bedienen zu können. Die Auswirkungen von weiteren Lockdowns und Einschränkungen der Geschäftstätigkeit aufgrund der Corona-Krise auf die Liquidität der Wolford Gruppe sind derzeit jedoch schwer abschätzbar. Der daraus resultierenden Unsicherheit wird durch eine verstärkte Überwachung der Liquidität Rechnung getragen. Hier wird auf die Angaben zur Going Concern Analyse im Kapitel „I. Bilanzierungs- und Bewertungsmethoden“ verwiesen.

Auf Basis der aktuell verfügbaren Informationen bestehen derzeit aus Sicht des Vorstandes keine wesentlichen Einzelrisiken, die den Unternehmensbestand gefährden könnten.

Kreditrisiken

Das Kreditrisiko stellt das Risiko dar, das aus der Nichterfüllung von Vertragsverpflichtungen durch Geschäftspartner entsteht und zu Verlusten führen kann. Potenzielle Kreditrisiken gibt es gegenüber Wholesale-Kunden durch

die Gewährung von Zahlungszielen mit damit einhergehendem Forderungsausfallrisiko. Dieses Risiko wird zum Großteil durch einen Kreditversicherer abgesichert. Weiters besteht ein Ausfallrisiko beim Kauf durch Endkonsumenten im Online-Business. Aus diesem Grund arbeitet das Unternehmen mit einem externen Anbieter von Bonitätsprüfungen zusammen, sodass Kunden bei ihrer Bestellung auf Kreditwürdigkeit überprüft werden. Zudem überwachen und überprüfen die jeweiligen Onlineshop-Manager fortlaufend die Bestelleingänge.

INTERNES KONTROLLSYSTEM

Der Vorstand trägt die Verantwortung für die Einrichtung und Ausgestaltung des rechnungslegungsbezogenen internen Kontroll- und Risikomanagementsystems sowie für die Sicherstellung der Einhaltung aller rechtlichen Anforderungen. Die Konzernrechnungslegung der Wolford Gruppe liegt organisatorisch bei der Wolford AG. Die Abteilungen Group-Accounting (zuständig für das externe Berichtswesen) und Group-Controlling (zuständig für das konzerninterne Berichtswesen) unterstehen direkt dem Vorstand der Wolford AG.

Grundlage der Prozesse in der Konzernrechnungslegung und -berichterstattung ist ein Bilanzierungshandbuch, das von der Wolford AG herausgegeben und regelmäßig aktualisiert wird. Darin werden die wesentlichen auf IFRS basierenden Bilanzierungs- und Berichterstattungserfordernisse konzerneinheitlich vorgegeben. Dies betrifft insbesondere Vorgaben zur Bilanzierung und Berichterstattung von langfristigen Vermögenswerten, Kundenforderungen und Abgrenzungen, Finanzinstrumenten und Rückstellungen sowie die Überleitung der latenten Steueransprüche und -schulden.

Die regelmäßige Überprüfung der Werthaltigkeit von Firmenwerten und Gruppen von Vermögenswerten, die einzelnen Cash-Generating Units (CGUs) zugerechnet sind, erfolgt gemäß den geltenden IFRS-Grundsätzen. Die Erfassung, Verbuchung und Bilanzierung aller Geschäftsvorfälle im Konzern wird mit einheitlichen Softwarelösungen umgesetzt. Lediglich in China und Hongkong erfolgt die Bilanzierung durch lokale Steuerberater außerhalb des Konzernsystems. Die Tochtergesellschaften liefern monatlich Berichtspakete (sogenannte „Reporting-Packages“) mit allen relevanten Buchhaltungsdaten zu Gewinn-und-Verlust-Rechnung, Bilanz und Cashflow. Diese Daten werden in das zentrale Konsolidierungssystem eingepflegt. Diese Finanzinformationen werden auf der Konzernebene in den Abteilungen Corporate Accounting und Corporate Controlling überprüft und bilden die Basis für die Quartalsberichterstattung der Wolford Gruppe nach IFRS.

Für das interne Management-Reporting wird eine gängige Planungs- und Reportingsoftware verwendet. Für die Übernahme der Ist-Daten aus den Primärsystemen wurden automatisierte Schnittstellen geschaffen, die Eingabe der Werte für Vorschaurechnungen erfolgt in einem standardisierten Prozess. Die Berichterstattung erfolgt nach Regionen und pro Gesellschaft. Neben einer Berichterstattung zur operativen Ergebnisentwicklung für den jeweils abgelaufenen Monat erfolgte im abgelaufenen Rumpfgeschäftsjahr eine rollierende Ganzjahresvorschaurechnung.

Die beschriebenen Finanzinformationen sind in Zusammenhang mit den Quartalszahlen Basis der Berichterstattung des Vorstands an den Aufsichtsrat. Der Aufsichtsrat wird in regelmäßigen Sitzungen über die wirtschaftliche Entwicklung informiert, und zwar in Form von konsolidierten Darstellungen, bestehend aus Segmentberichterstattung, Ergebnisentwicklung mit Budget- und Vorjahresvergleich, Vorschaurechnungen, Konzernabschlüssen, Personal- und Auftragsentwicklung sowie ausgewählten Finanzkennzahlen.

Forschung und Entwicklung (FuE)

Innovationen sind das Herzstück unserer Produktwelten und Teil unserer DNA. Das Produktportfolio ist klar an der Kernkompetenz des Unternehmens ausgerichtet: körpernahe Rundstrickprodukte wie Legwear und Bodys, sogenannte Skinwear, mit hohem Tragekomfort in erstklassiger Qualität. Wolford beschäftigte im Rumpfgeschäftsjahr 2020 im Bereich der Produktentwicklung 60 Mitarbeiter (FTE).

Ein zentrales FuE-Thema bei Wolford ist das Projekt zur Entwicklung kreislauffähiger Produkte (Cradle to Cradle®) im Rahmen des Branchennetzwerks „Smart Textiles“. Das Konzept „Cradle to Cradle®“ (C2C, deutsch „von der Wiege bis zur Wiege“) verfolgt die Vision von geschlossenen Materialzyklen für Produkte, sodass die Entstehung von Müll zukünftig gänzlich vermeidbar sein sollte.

Beim Smart-Textiles-Projekt geht es um die Entwicklung von Legwear-, Bodywear- und Lingerie-Produkten, die für den biologischen Kreislauf keine Belastung darstellen. Hergestellt werden die Produkte aus einem speziell für Wolford entwickelten, biologisch abbaubaren Elastan (Roica™, Asahi Kasei), aus einer entsprechend modifizierten Polyesterfaser der Firma Lauffenmühle und aus der im Rahmen nachhaltiger Forstwirtschaft gewonnenen Modalfaser der Marke TENCEL™ des österreichischen Textilherstellers Lenzing. An dem von der Österreichischen Forschungsförderungsgesellschaft (FFG) geförderten sogenannten COIN-Projekt (Cooperation Innovation) beteiligen sich unter der Führung von Wolford 13 Unternehmen und Forschungseinrichtungen aus Vorarlberg, die entsprechende Produktbestandteile produzieren oder ihre technisch-wissenschaftliche Kompetenz einbringen.

Erste Erfolge konnte das Unternehmen bereits im Geschäftsjahr 2018/19 vorweisen: Im September 2018 brachte Wolford die ersten biologisch kreislauffähigen Pullover, T-Shirts und Leggings auf den Markt. Diese im Rahmen der österreichischen Smart-Textiles-Initiative entwickelten Produkte sind komplett kompostierbar. Im April 2019 erhielt das Unternehmen auch für die Entwicklung technisch kreislauffähiger (also komplett wiederverwertbarer) Produkte die Auszeichnung „Cradle to Cradle Certified™ (Gold)“. Wolford ist das erste und bislang einzige Unternehmen in der Bekleidungs- und Textilbranche, das für die Entwicklung umweltneutraler Produkte in beiden Kategorien („biologisch abbaubar“ und „technisch wiederverwertbar“) von Cradle to Cradle mit Gold zertifiziert wurde.

Im Jahr 2020 konnte die erste technisch kreislauffähige Strumpfhose, die „Aurora 70 Tights“, auf den Markt gebracht werden, und es wurde an der Entwicklung weiterer kreislauffähiger Strumpfhosen gearbeitet. Außerdem konnte die Ready-to-wear-Serie „Pure“ auf biologisch abbaubares Material umgestellt werden. Auch zum Wolford Bestseller „Fatal Dress“ konnte mit dem „Aurora Tube Dress“ eine kreislauffähige Alternative entwickelt werden. Damit wurden wesentliche Meilensteine gesetzt, um bis zum Jahr 2025 50% der bestehenden Wolford Produkte nach dem C2C-Konzept produzieren zu können.

Als sehr erfolgreich erweist sich der Einsatz des 3D-Druckverfahrens, bei dem Wolford eine Pionierrolle einnimmt. Mit einer aus der Metallindustrie stammenden Technik wird eine dünne Silikonlinie auf den Stoff gespritzt; diese Linie übernimmt beispielsweise beim BH 3W Skin Bra die Funktion von elastischen Gummis an den Rändern und Bügeln. Das ermöglicht gleichmäßig über das Produkt verteilte Stützfunktionen und verhindert ein Einschneiden oder Druckstellen am Körper. Diese Technologie wurde auch im abgelaufenen Geschäftsjahr genutzt, um neue Produkte auf den Markt zu bringen.

Umwelt

Ergänzend zu den untenstehenden Angaben verweisen wir auf den gesonderten konsolidierten nichtfinanziellen Bericht gemäß § 267a Abs. 6 UGB.

Auswirkungen auf Umwelt ergeben sich vor allem in den Bereichen „Emissionen und Energieverbrauch“, „Abwasser und Abfallvermeidung“ und „Wasser effizient nutzen“.

Seit 2015 ist Wolford in Österreich durch das Energieeffizienzgesetz (EEffG) dazu verpflichtet, ihren Energieverbrauch regelmäßig zu analysieren und kontinuierlich die energetische Leistung zu verbessern. Die meiste Energie verbraucht Wolford am Produktionsstandort Bregenz, wo es insbesondere durch den Betrieb von zwei Dampfkesseln in der Produktion zu Emissionen in relevanten Umfang kommt. An den Verkaufsstandorten hingegen sind der Energieverbrauch und das Potenzial klimaschädlicher Emissionen relativ gering. Seit dem Geschäftsjahr 2019/20 hat die Wolford AG einen internen Energieverantwortlichen beauftragt. Außerdem wurde 2019 von externen Energieberater Smartbridge ein Audit durchgeführt, durch das bestätigt wurde, dass Wolford die Verpflichtungen im Hinblick auf das Energieeffizienzgesetz (EEffG) erfüllt.

Beim Thema „Abfall“ setzt das Unternehmen auf Müllvermeidung, Mülltrennung und Recycling. Alle Mitarbeiter sind dazu angehalten, den verursachten Müll zu minieren und ordnungsgemäß zu trennen. Reststoffe sind nach Möglichkeit wiederzuverwerten. Sonstige Abfälle werden von entsprechenden Fachunternehmen entsprechend entsorgt. Das Thema „Abwasser“ ist für Wolford seit Jahren ein wichtiges Anliegen, da in der Färberei sowohl mit Chemikalien als auch Farbstoffen gearbeitet wird. Am Standort Bregenz ist ein Abwasserbeauftragter ernannt worden, der regelmäßig an die gesamtverantwortliche Geschäftsleitung berichtet.

Wolford nutzt am Produktionsstandort Bregenz das Grundwasser für ihre Prozesse und die Klimatisierung der Gebäude, weshalb die Ressource „Wasser“ im Mittelpunkt vieler Umweltschutzmaßnahmen von Wolford.

Human Resources

Engagierte Mitarbeiter sind die Basis des Erfolgs eines Unternehmens. Daher legt Wolford großen Wert auf die Förderung der Gesundheit der Mitarbeiter und ihrer Identifikation mit dem Unternehmen. Neue Mitarbeiter werden mithilfe eines maßgeschneiderten Einführungsprogramms im Headquarter in Bregenz in die Philosophie, Produkte und Struktur von Wolford eingeführt. Im Rumpfgeschäftsjahr 2020 beschäftigte Wolford weltweit durchschnittlich 1.169 Mitarbeiterinnen und Mitarbeiter (FTE), der Frauenanteil liegt mit 83% auf dem Niveau des Vorjahres. Im Managementteam der Wolford Gruppe (Vorstand und Führungskräfte der unternehmensweit relevanten Bereiche) betrug der Anteil weiblicher Führungskräfte rund 42%. Die Zahl der Beschäftigten im Headquarter in Bregenz lag im Durchschnitt bei etwa 478 (FTE). In Bregenz bildet das Unternehmen derzeit in 7 unterschiedlichen Lehrberufen 13 Lehrlinge aus. Bereits seit 1989 ist Wolford durchgängig „staatlich ausgezeichnete Ausbildungsbetrieb“ nach § 30a BAG.

Für die Auszubildenden finden regelmäßig interne und externe Workshops statt, zum Beispiel zum Thema „Geld kann man lernen“. Zudem werden auch interne Workshops zur Weiterbildung der Ausbilder organisiert. Des Weiteren bietet Wolford ihren Auszubildenden die Möglichkeit von Auslandsaufenthalten, etwa Sprachreisen nach England oder Irland oder einen Austausch unter Lehrlingen im Einzelhandel in Salzburg, München und Bern. Zudem besteht seit 2012 eine Kooperation mit der Dualen Hochschule Baden-Württemberg (DHBW): Im Studiengang BWL-Fashion Management haben Studenten die Möglichkeit, in den Praxisphasen verschiedene Abteilungen des Unternehmens zu durchlaufen und erlernte Inhalte direkt umzusetzen.

Um die Sicherheit am Arbeitsplatz zu gewährleisten, gibt es bei Wolford 2 ausgebildete Arbeitssicherheitsfachkräfte, 11 Sicherheitsvertrauenspersonen für die Mitarbeiter in der Produktion, 36 Ersthelfer sowie eine eigene Betriebsfeuerwehr. Um die Umsetzung von Umwelt- bzw. Energieeffizienzmaßnahmen kümmert sich jeweils ein interner Beauftragter. Zwei Betriebsärzte führen alle notwendigen Arbeitsschutzuntersuchungen durch und überwachen Maßnahmen zur Gesundheitsvorsorge.

Zur Gesundheitsvorsorge bei Wolford gehört außerdem ein umfassendes Angebot zur Erhaltung der Work-Life-Balance. Die vielfältigen Möglichkeiten speziell am Standort Bregenz reichen von medizinischer Betreuung über Heilmassagen bis hin zu Yogakursen.

Flexibilität und lebenslanges Lernen sind heute Grundvoraussetzungen für eine erfolgreiche persönliche und berufliche Entwicklung. Wolford bietet ihren Mitarbeitern abteilungs-, aber auch landesübergreifende Einsatz- und Entwicklungsmöglichkeiten. Der Ausschreibungsprozess aller Vakanzen ist transparent, und interne Bewerbungen werden bei entsprechender Eignung vorrangig berücksichtigt. Gegebenenfalls noch fehlende Qualifikationen können auch mit finanzieller Unterstützung des Unternehmens erworben werden.

Auf sich verändernde persönliche Lebenssituationen von Mitarbeitern versucht Wolford auch über die gesetzlichen Erfordernisse hinaus, flexibel zu reagieren. Das Unternehmen bietet das Modell der Elternteilzeit an, das im abgelaufenen Geschäftsjahr allein in Österreich von 23 Mitarbeiterinnen und Mitarbeitern genutzt wurde. Individuelle Wünsche von Arbeitnehmern, z. B. nach Arbeitszeitflexibilisierung und alternativem betrieblichem Einsatz, werden in Abstimmung mit Vorgesetzten und dem Betriebsrat geprüft und im Rahmen des betrieblich Machbaren umgesetzt. Seit 2013 bietet Wolford älteren Mitarbeitern auch ein Altersteilzeitmodell mit einer kontinuierlichen Reduzierung der

Arbeitszeit an. Im Rumpfgeschäftsjahr 2020 nahmen 16 Mitarbeiterinnen und Mitarbeiter das Altersteilzeitmodell in Anspruch.

Angaben nach § 243a Abs. 1 UGB

Das Grundkapital der im Standard Market der Wiener Börse notierten Wolford AG beträgt zum Stichtag 31. Dezember 2020 48.848.228 € und teilt sich auf in 6.719.151 auf den Inhaber lautende nennbetragslose Stückaktien. Dem Vorstand sind keine Beschränkungen bekannt, die Stimmrechte oder die Übertragung von Aktien betreffen. Es gibt keine Aktien mit besonderen Kontrollrechten.

Nach Kenntnis der Gesellschaft bestanden zum 31. Dezember 2020 folgende direkte oder indirekte Beteiligungen am Kapital der Wolford AG, die zumindest 10% betragen: Fosun Industrial Holding hielt rund 58%. Seit dem 22. Mai 2019 befinden sich die Anteile an der Wolford AG nicht mehr direkt bei der Fosun Industrial Holding, sondern wurden an die Tochtergesellschaft FFG Wisdom (Luxembourg) S.à.r.l. übergeben. Ralph Bartel hielt ebenfalls über 30% der Anteile. Die Wolford AG verfügt nach wie vor über 88.140 eigene Aktien (ohne Stimmrechte), dies entspricht rund 2% vom Grundkapital. Der Rest der Aktien befand sich im Streubesitz. Es bestehen keine über das Gesetz hinausgehenden Befugnisse der Mitglieder des Vorstands insbesondere hinsichtlich der Möglichkeit, Aktien auszugeben oder zurückzukaufen. Es existiert kein genehmigtes Kapital.

Bregenz, am 12. Mai 2021



Andrew Thorndike



Silvia Azzali

Wolford AG: Erklärung des Vorstandes

Erklärung des Vorstands der Wolford AG gemäß § 124 (1) Z 3 BörseG

Wir bestätigen nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Konzernabschluss zum 31. Dezember 2020 ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt, dass der Konzernlagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Konzerns so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns entsteht, und dass der Konzernlagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen der Konzern ausgesetzt ist.

Wir bestätigen nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss des Mutterunternehmens zum 31. Dezember 2020 ein möglichst getreues Bild der Vermögens-, Finanz-, und Ertragslage des Unternehmens vermittelt, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Bregenz, am 12. Mai 2021



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COO
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Silvia Azzali
CCO
Verantwortlich für Sales &
Merchandising, Marketing und
Design

Bestätigungsvermerk der Wolford AG

BESTÄTIGUNGSVERMERK

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der

Wolford Aktiengesellschaft, Bregenz,

bestehend aus der Bilanz zum 31. Dezember 2020, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Rumpfgeschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2020 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Rumpfgeschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns bis zum Datum des Bestätigungsvermerks erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

Wesentliche Unsicherheiten in Bezug auf die Unternehmensfortführung

Wir verweisen auf die Erläuterungen im Anhang zur Fortführung des Unternehmens unter dem Abschnitt Bilanzierungs- und Bewertungsgrundsätze und auf den Abschnitt "Ausblick und Ziele" im Lagebericht, wo der Vorstand ausführt, dass die Wolford Aktiengesellschaft im zum 31. Dezember 2020 endenden Rumpfgeschäftsjahr trotz eines positiven Jahresergebnisses nach Steuern in Höhe von TEUR 29.783 die in der Fortbestandsprognose des Vorjahres enthaltenen Planungsannahmen nicht erreicht werden konnte. Dies war insbesondere auf Beschränkungen als Folge der Maßnahmen zur Bekämpfung der Corona-Pandemie zurückzuführen. Der Vorstand führt weiters aus, dass der Fortbestand des Unternehmens von der Umsetzung der in der aktualisierten Fortbestandsprognose enthaltenen Maßnahmen, d.h. insbesondere von der Erreichung der geplanten Umsatzsteigerungen und Kosteneinsparungen sowie dem Erhalt von staatlichen Förderungen in Zusammenhang mit Corona abhängig ist. Sollte es dem Unternehmen nicht gelingen, die geplanten Maßnahmen erfolgreich umzusetzen bzw. einen daraus zusätzlich erforderlichen Liquiditätsbedarf sicherzustellen, würde dies erhebliche Zweifel am Fortbestand des Unternehmens aufwerfen und die Wolford Aktiengesellschaft möglicherweise nicht in der Lage sein, ihre im Jahresabschluss zum 31. Dezember 2020 ausgewiesenen Vermögensgegenstände und Schulden im normalen Geschäftsverlauf zu realisieren bzw. zu tilgen. Unser Prüfungsurteil ist in Hinblick auf diesen Sachverhalt nicht modifiziert.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Rumpfgeschäftsjahres waren. Zusätzlich zu den im Abschnitt Wesentliche Unsicherheit in Bezug auf die Unternehmensfortführung beschriebenen Sachverhalt wurde folgender Sachverhalt im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir die aus unserer Sicht besonders wichtigen Prüfungssachverhalte dar:

1. Bewertung von Anteilen an verbundenen Unternehmen sowie Ausleihungen und Forderungen gegenüber verbundenen Unternehmen

Beschreibung

Im Jahresabschluss der Wolford Aktiengesellschaft zum 31. Dezember 2020 sind die Anteile an verbundenen Unternehmen (MEUR 13,6) sowie Ausleihungen (MEUR 9,0) und Forderungen (MEUR 25,0) gegenüber verbundenen Unternehmen ausgewiesen.

Die Beurteilung der Werthaltigkeit von Anteilen an verbundenen Unternehmen sowie Ausleihungen und Forderungen gegenüber verbundenen Unternehmen erfordert wesentliche Annahmen und Schätzungen der gesetzlichen Vertreter zur Beurteilung, ob eine Wertminderung zum Rumpfgeschäftsjahresende vorliegt sowie gegebenenfalls zur Quantifizierung solcher Wertminderungen.

Das wesentliche Risiko besteht dabei in der Schätzung der zukünftigen Cash-Flows der Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash-Flow Schätzungen beinhalten Annahmen, die von zukünftigen Markt- und Wirtschaftsentwicklungen beeinflusst werden.

Die Angaben der Gesellschaft zu Anteilen an verbundenen Unternehmen sowie Forderungen und Ausleihungen gegenüber verbundenen Unternehmen sind im Jahresabschluss der Wolford Aktiengesellschaft im Anhang in den Bilanzierungs- und Bewertungsmethoden zu Finanzanlagen und zu Forderungen und sonstige Vermögensgegenständen sowie in den Erläuterungen zur Bilanz und im Anlagenspiegel zum 31. Dezember 2020 beschrieben.

Adressierung im Rahmen der Abschlussprüfung

Unsere Prüfungshandlungen zur Adressierung dieses Risikos haben unter anderem folgende Tätigkeiten umfasst:

- Beurteilung von Konzeption und Ausgestaltung des Prozesses zur Überprüfung der Werthaltigkeit
- Überprüfung, ob Indikatoren auf eine mögliche Wertminderung vorliegen
- Prüfung der angewandten Methodik und der rechnerischen Richtigkeit der vorgelegten Unterlagen und Berechnungen sowie Plausibilisierung der Abzinsungssätze
- Durchsicht der Planungsunterlagen auf Konsistenz mit den in der aktualisierten Fortbestandsprognose enthaltenen Cash Flow Berechnungen sowie Plausibilisierung und Analyse der wesentlichen Annahmen, um die Angemessenheit dieser Planungen zu verifizieren
- Prüfung der Vollständigkeit der Angaben im Anhang

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Geschäftsbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk. Der Geschäftsbericht wird uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir werden keine Art der Zusicherung darauf geben.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen, sobald diese vorhanden sind, und dabei zu würdigen, ob diese sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder zu unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
 - Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
 - Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.

- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und - sofern einschlägig - damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Rumpfgeschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anordnungen

Bericht zum Lagebericht

Der Lagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält zutreffende Angaben nach § 243a UGB, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

Ergänzung

Hinsichtlich der wesentlichen Unsicherheiten in Bezug auf die Unternehmensfortführung verweisen wir auf die Abschnitte zum wirtschaftlichen Umfeld und zur Ergebnis- und Bilanzanalyse des Lageberichtes, die die Analyse der Lage des Unternehmens beschreiben. Weiters verweisen wir auf den Abschnitt zu Ausblick und Zielen im Lagebericht, der auf die voraussichtliche Entwicklung des Unternehmens eingeht und die Ausführungen zu den wesentlichen Risiken im Lagebericht.

Zusätzliche Angaben nach Artikel 10 der EU-VO

Wir wurden von der Hauptversammlung am 30. September 2020 als Abschlussprüfer gewählt.

Wir wurden am 26. Jänner 2021 vom Aufsichtsrat beauftragt. Wir sind seit dem Geschäftsjahr 2019/20 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Konzernabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. (FH) Severin Eisl.

Linz, am 12. Mai 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Severin Eisl eh
Wirtschaftsprüfer

ppa DI (FH) Hans Eduard Seidel eh
Wirtschaftsprüfer