Looking FORWARD

Half-year Financial Report 2024
(JANUARY 2024 - JUNE 2024)

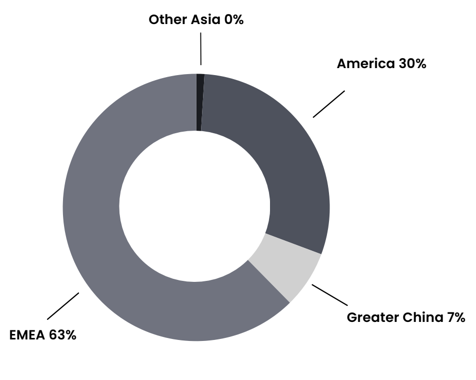
Wolford Group *IN FIGURES*

KEY EARNINGS FIGURES		JAN.–JUN. 2024	JAN.–JUN. 2023	CHANGE IN %
Sales	in EUR million	43.08	58.80	-26.74
EBIT	in EUR million	-21.78	-12.05	80.82
Loss before tax	in EUR million	-25.58	-16.08	59.11
Loss after tax	in EUR million	-24.98	-16.11	55.05
Investments	in EUR million	1.34	6.22	-78.41
Free cash flow	in EUR million	-4.13	-11.12	-62.90
Employees (average)	FTE	906	1,041	-12.97

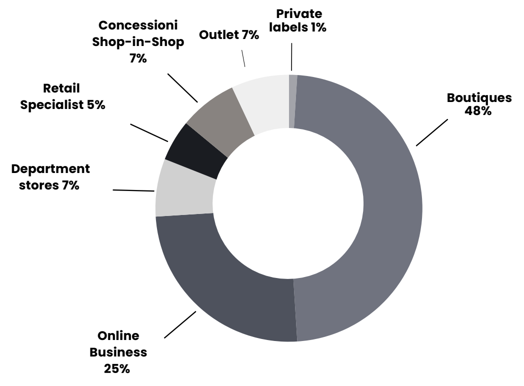
KEY BALANCE SHEET FIGURES		JUNE 30, 2024	DEC. 31, 2023	CHANGE IN %
Net assets	in EUR million	-60.48	-34.41	75.75
Net debt	in EUR million	58.82	43.95	33.83
Working capital	in EUR million	8.11	20.41	-60.26
Balance sheet total	in EUR million	118.04	134.18	-12.03
Equity ratio	in %	-51.2	-25.6	99.78

STOCK MARKET HIGHLIGHTS		JAN.–JUN. 2024	JAN.–JUN. 2023	CHANGE IN %
Earnings per share	in EUR	-2.61	-1.68	55.05
Annual high	in EUR	5.00	7.10	-29.58
Annual low	in EUR	3.40	4.32	-21.30
Share price at end of period	in EUR	3.50	4.78	-26.78
Weighted number of shares	in thousands	9,565.00	9,653.00	-0.92
Market capitalization at year-end	in EUR million	33.80	45.72	-26.07

SALES BY MARKET, in percent



SALES BY DISTRIBUTION CHANNEL, in percent



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01 Foreword by the *MANAGEMENT BOARD*

As we present the first half-year results in 2024, we acknowledge that significant challenges and transitions have marked this period for Wolford. The current performance underscores the urgent need for a renewed sense of discipline and strategic focus within our management practices—a direction we are now decisively steering under our newly appointed leadership.
In a challenging environment marked by slowing luxury demand and macroeconomic uncertainties across critical regions, Wolford's strategic vision is to reconnect with its core customers by leveraging the timeless appeal of its iconic products while introducing relevant newness.

Our immediate priority is implementing a robust restructuring plan to lay the foundation for reinventing Wolford's business model, particularly in production and distribution. Indeed, the first half of 2024 has revealed deep-seated challenges within our operational and distribution networks, exacerbated by external macroeconomic pressures. The significant disruption we experienced in Q2 due to the transition to a new logistics provider has highlighted the critical need for a comprehensive restructuring. We must act urgently to reinvent our business model, focusing on enhancing our sourcing efficiency and distribution capabilities.

Our immediate restructuring efforts concentrate on overhauling our supply chain, optimizing inventory management, and reducing time-to-market. This is not just about cutting costs but fundamentally reshaping how we operate to ensure that Wolford is positioned for sustainable growth in a rapidly evolving market.

Our unwavering commitment to quality and sustainability is at the heart of Wolford's transformation. As we streamline our operations and reinvent our business model, we will not compromise on the high standards that define our brand. Sustainability is a core value that drives our decision-making at every level. From sourcing sustainable materials to improving energy efficiency across our production processes, we are dedicated to ensuring our growth is responsible and aligned with the global push towards a greener future.

The path ahead is challenging, but the urgency of our actions is apparent. The restructuring plan we are implementing is not just a response to current difficulties but a proactive step towards reinventing Wolford for the future. With a renewed focus on disciplined execution and strategic clarity, we are confident that we can navigate these challenges and emerge stronger. We thank our shareholders, customers, and employees for their continued support as we embark on this crucial transformation journey.

Management changes

- **Leadership Transition:** In June 2024, the Supervisory Board appointed Regis Rimbert as the new CEO. His deep knowledge of Wolford and the Lanvin Group further enhances the Group's commitment to Wolford's transformation.

- **Board Strengthening:** In July 2024, the Management Board was reinforced with the appointment of Domenico Giordano, who also serves as the Group Director of HR. Mr. Giordano, who joined the company in May 2024, is expected to play a pivotal role in enhancing our human capital strategies.

- **Strategic Focus:** The new leadership team is committed to continuity in our strategic direction. There will be no significant shifts in the Brand strategy. The Management Board will continue emphasizing driving top-line growth and implementing the restructuring plan across the organization.

Bregenz, September 20, 2024

Your Board Members

Regis RIMBERT – CEO

Ralf POLITO – COO

Domenico GIORDANO – Group Director HR

02 Group *MANAGEMENT*

Business Development in the First Half of 2024

The period from January 1, 2024, to June 30, 2024, was used as the comparative period for the consolidated statement of comprehensive income.

INCOME STATEMENT (JANUARY 2024 TO JUNE 2024)

in EUR k	JAN.–JUN. 2024	JAN.–JUN. 2023	CHANGE IN %
Revenue	43,077	58,802	-26.74
Other performance	42,248	65,554	-35.55
Expenses	-64,031	-77,600	-17.49
EBIT	**-21,783**	**-12,046**	80.82
Financial result	-3,802	-4,034	-5.74
Earnings before taxes	**-25,585**	**-16,080**	59.11
Income tax	608	-29	> 100
Earnings after taxes	**-24,976**	**-16,109**	55.05
Other result	-1,092	603	> 100
Overall result	**-26,068**	**-15,506**	68.12
Earnings per share in EUR (diluted = basic)	**-2.61**	**-1.68**	55.05

1/ Business Performance Overview:

- Q1 performance at -20% vs LY, of which retail -11%, wholesale -38%, E-Com -14%.
- However, Q2 experienced a significant downturn of -31% vs LY due to substantial business disruption.
- The disruption stemmed from transitioning to a new logistics provider in April 2024. Operational complications have caused a two-month shipping backlog across all channels. This issue is expected to be resolved by Q3.

2/ Market Conditions:

- Wolford faced challenges from slowing demand in the affordable luxury segment, compounded by macroeconomic uncertainties affecting key regions, contributing to sector-wide deceleration.
- EMEA: -30% vs LY, America: -11% vs LY, Asia Pacific: -32% vs LY (Mainland China: 41%)
- Direct-to-Consumer (DTC) contribution was 79% with a good resilience of the retail stores

3/ Strategic Adjustments:

- The weak US market, declining consumer confidence in mainland China, and instability in Europe have presented significant headwinds. In response, we rebalanced our product offerings to align more closely with the preferences of Wolford's core customers, ensuring continued relevance.
- Wolford's strategy reinforces its universal appeal and deepens emotional connections with its current customers. We will continue to target essential fashion customers while cultivating a base that values quality, sustainability, and timeless elegance. Strategically, we have concentrated our retail footprint in select markets while accelerating the transition of our retail distribution in the Scandinavian region to a wholesale model.

Decrease in EBIT Result of 81%

In the first six months of the current financial year, EBIT amounted to €-21.78 million, a decrease of 80.83% compared to EBIT in the first six months of the 2023 financial year (€-12.05 million). Personnel expenses decreased by 6.77% compared to the same period of the previous year, while other operating expenses, including impairment losses on receivables, decreased by 23.28% compared to the first six months of FY2023.

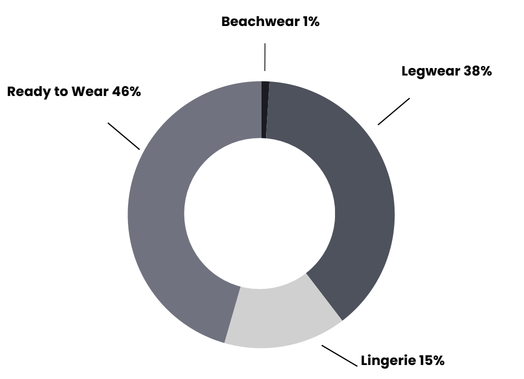
The average number of employees on a full-time equivalent is 906 for 2024, decreasing by 135 (average for the first half of the financial year 2023: 1,041 full-time employees). As a result, salary and wage decreased in the first half of the 2024 financial year by €-1.96 million to €27.03 million compared to the first half of the 2023 financial year (€28.99 million).

In the first six months of the current financial year, other operating expenses decreased by €-6.81 million to €22.44 million (first half of 2023: €29.25 million), because of the cost reduction plan, mainly affecting consultancy costs and marketing expenses. As a result of the reduction in sales, as well freights and custom duties decreased.

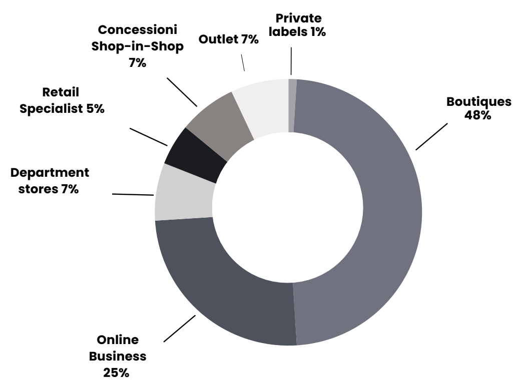
Depreciation and amortization changed by 7.67% in H1 2024 compared to H1 2023, from €6.75 million to €6.23 million.

Overall, expenses decreased by 17% compared to the first half of fiscal year 2023.

SALES BY PRODUCT CATEGORY, in percent



SALES BY DISTRIBUTION CHANNEL, in percent



The financial result improved by €0.23 million, from €-4.03 million in the first half of the 2023 financial year to €-3.80 million in the first half of the 2024 financial year. Since the fiscal year 2021, Fosun Fashion Group (Cayman) Limited has granted several shareholder loans with a term of one year at an interest rate of 12% per annum and partially extended their term. As of June 30, 2024, the loans granted amounted to €50,45 million and $1,2 million, each at an interest rate of 12% per annum. In the first six months of 2024 financial year, interest of €-2,7 million was accrued on these loans.

Earning After tax deteriorated by €8.87 million from €-16.11 million in the first half of the 2023 financial year to €-24.98 million. Earnings per share amounted to €-2.61 after €-1.68 in the first half of the 2023 financial year.

CASH FLOW (JANUARY 2024 – JUNE 2024)

in EUR k	JAN. – JUN. 2024	JAN.–JUN. 2023	CHANGE IN %
Profit before tax	-25,585	-16,080	59.11
Cash flow from operating activities	**-2,437**	**-10,080**	**-75.82**
Cash flow from investing activities	**-1,690**	**-1,034**	**63.43**
Cash flow from financing activities	**237**	**10,120**	**-97.65**
Change in cash and cash equivalents	**-3,890**	**-994**	**> 100**
Cash and cash equivalents at the beginning of the year	6,471	3,656	76.99
Change in cash and cash equivalents due to exchange rate changes	-50	-93	-46.20
Cash and cash equivalents at the end of the period	2,531	2,569	-1.49

IMPROVEMENT IN OPERATING CASH FLOW

The cash flow from operating activities (operating cash flow) improved by €7.64 million to €-2.44 million in the period under review (first half of the previous year: €-10.08 million). The main reason has been the cash inflow from the increase in trade receivables by €1.74 million (first half of 2023: €0.87 million) and other receivables and assets by €3.89 million (first half of 2023: cash inflow from the decrease by €0.7 million). No subsidies for fixed costs claimed in the previous year were received in the first half of the 2024 financial year (as last year). Cash flow from investing activities decreased by €-0.66 million compared to the same period last year, mainly due to investments in property, plant and equipment and intangible assets, which decreased from €-1.03 million to €-1.69 million.
As a result, free cash flow (operating cash flow plus cash flow from investments) improved by €6,99 million to €-4.13 million in the first half of the 2024 financial year from €-11.11 million in the first half of the 2023 financial year. Cash flow from financing activities decreased by €-9.88 million from €10.12 million in H1 2023 to €0.24 million. Cash and cash equivalents amounted to €2.53 million at the end of the reporting period after €6.47 million as of December 31, 2023.

EQUITY AND FINANCIAL POSITION (AS OF JUNE 30, 2024)

The balance sheet total decreased by €-16.14 million (-12.03%) from €134.18 million as of December 31, 2023, to €118.04 million mainly due to the decrease in plant and equipment (including right-of-use assets) (€-4.59 million, or -7.27%), in other receivables and assets (€-4.12 million, or -40.14%) and in cash and cash equivalents (€-3.94 million, or -60.88%) .

Negative Equity and higher Net Debt

Due to the negative result in the first half of the year, the Wolford Group's negative equity decreased by €-26.07 million to €-60.48 million (December 31, 2023: €-34.41 million) as of the balance sheet date, with an equity ratio of -51.2% (December 31, 2023: -25.6%).
As of June 30, 2024, financial liabilities from shareholder loans increased to €61.69 million. The loans granted amounted to €50.45 million and $1.20 million, each at an interest rate of 12% per annum, each with a maturity of one year. In the first six months of 2024 financial year, interest of €-2.72 million was accrued up to that point.

EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of July, Wolford received a shareholder loan in the amount of €1 million from Fosun Fashion Group (Cayman) Limited. In August, the company received another €2 million as shareholder loan from Fosun Fashion Group (Cayman) Limited and an additional €2 million in September.

In July 2024, Lanvin Group Holdings Limited issued a letter of comfort to provide financial support to Wolford. This is intended to enable the company to meet its liabilities as they fall due and to ensure the company's continued existence for the foreseeable future. This guarantee cannot be revoked until the end of July 2026. In the event that financial support is required, Lanvin Group Holdings Limited undertake to enforce the guarantee in full. The outstanding shareholder loans so far granted by Fosun Fashion Group (Cayman) Limited to the Company have been subordinated in the total amount of €62.69 million. Repayment can only be demanded once the restructuring of Wolford has been completed and no insolvency proceedings need to be opened in respect of these liabilities.
The current Global Director HR of Wolford AG, Domenico Giordano, was appointed by the Supervisory Board of Wolford AG on July 26th as a member of the Management Board for one year with effect from August 1, 2024.
No other events with a significant impact on the Wolford Group's equity, financial position and operating results occurred after the balance sheet date.

Opportunities and Risks

As we navigate the challenging macroeconomic landscape, Wolford implemented disciplined cost control measures across critical areas, including supply chain management and labor costs. We are committed to achieving cost savings in H2 / 2024, with sustainable effects anticipated to extend into 2025.

Recognizing the potential for continued economic uncertainty, we plan to streamline our product assortment by focusing on timeless classics and seasonal collections designed by Nao Takekoshi that resonate with our customers. Wolford will maintain its commitment to being an inclusive brand, ensuring our offerings remain accessible and relevant with new geo-pricing.

Our strategic approach emphasizes rebalancing toward our core strengths—timeless products, inclusive marketing propositions, and aesthetics familiar to our customer base. We are determined to execute these actions swiftly, reinforcing the foundation of our business.

Outlook

- **Strategic Vision:** In a challenging environment marked by slowing luxury demand and macroeconomic uncertainties across critical regions, Wolford sees an opportunity to reconnect with its core customers by leveraging the timeless appeal of its iconic products while introducing relevant newness. Our ambitious vision remains our guiding principle. While confident in our strategy's ability to deliver sustainable, long-term value, we acknowledge that recent results missed expectations.

- **Core Categories:** Our legwear and ready-to-wear core categories remain strong and are supported by unique production expertise. We will continue rebalancing our product portfolio to demonstrate our resilience and offer a more comprehensive assortment across seasons.

- **Product Development:** We will continue to emphasize Wolford's icons and will soon unveil its latest Brand Collaboration with Etro alongside the newest collection designed by Nao Takekoshi.

- **Retail and Customer Experience Enhancements**: As part of our strategy to reinforce sales generated by the DTC channels, customers will soon discover strategic changes in our stores and online, including improved product offerings.

- **Revenue Growth Initiatives:** We remain committed to driving organic revenue growth through our focused action plan in DTC and Wholesale distribution channels across all regions, strengthening our competitive position and securing long-term growth.

- **Operational Improvements:** We will optimize operational processes to reduce time to market, enhance our ability to adapt to unpredictable market conditions, and implement cost-saving measures.

- **Capital Expenditure and Financial Discipline:** We will reduce capital expenditure to ensure financial discipline and support our strategic initiatives.

Bregenz, September 20, 2024

Regis Rimbert
Chief Executive Officer (CEO)

Ralf Polito
Chief Operating Officer (COO)

Domenico Giordano
Group Director HR

03 IFRS *Interim Consolidated Financial Statements*

Consolidated Statement of Comprehensive Income

in EUR k	JAN.–JUN. 2024	JAN.–JUN. 2023
Revenue	**43,077**	**58,802**
Other operating income	551	1,242
Changes in inventories of finished goods and work in progress	-1,380	5,510
Cost of materials and purchased services	-8,329	-12,610
Personnel expenses	-27,033	-28,994
Other operating expenses	-22,441	-29,249
Depreciation/amortization, incl. impairments and write-backs	-6,229	-6,747
EBIT	**-21,783**	**-12,046**
Interest and similar income	21	**4**
Interest and similar expenses	-4,443	-3,803
Interests on provisions for employee benefits	-206	-234
Other financial income	0	0
Other financial expense	826	0
Financial result	**-3,802**	**-4,034**
Loss before income taxes	**-25,585**	**-16,080**
Income tax	608	-29
Earnings after tax	**-24,976**	**-16,109**
Other comprehensive income/loss*		
Amounts that will potentially be recognized through profit and loss in future periods	-1,092	603
of which currency translation for foreign operations	-1,092	603
Other comprehensive income/loss*	**-1,092**	**603**
Total comprehensive loss	**-26,068**	**-15,506**
Attributable to owners of the parent company	-26,068	-15,506
Earnings after tax attributable to owners of the parent company	-24,976	-16,109
Loss per share in EUR (basic = diluted)	**-2.61**	**-1.68**

*Other comprehensive income/loss is reported after tax.

Wolford
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Consolidated Cash Flow Statement

in EUR k	JAN.–JUN. 2024	JAN.–JUN. 2023
Earning before tax	**-25,585**	**-16,080**
Depreciation/ amortization/appreciation	6,229	6,747
Gains/losses on disposals of non-current assets	-17	-24
Interest expenses/interest income	4,422	3,799
Other non-cash income and expenses	-493	-393
Changes in inventories	2,215	-5,617
Changes in trade receivables	1,744	874
Changes in other receivables and assets	3,892	704
Changes in trade payables	1,670	-297
Changes in other provisions and employee benefits	224	-505
Changes in other liabilities	3,029	704
Interest received	21	3
Interest paid	0	-25
Balance of income taxes received and paid	211	30
Cash flow from operating activities	**-2,437**	**-10,080**
Payments for investments in property, plant and equipment	-648	-1,058
Payments for investments in other intangible assets	-237	0
Proceeds from disposals of property, plant and equipment and other intangible assets	-1,118	24
Proceeds from repayments of long term deposits	312	0
Cash flow from investing activities	**-1,690**	**-1,034**
Proceeds from increase in share capital	0	17,427
Proceeds from current and non-current financial liabilities	8,250	0
Repayment of current and non-current financial liabilities	0	0
Payment of lease liabilities (excluding interests)	-6,044	-7,307
Interest paid	-1,969	0
Cash flow from financing activities	**237**	**10,120**
Cash-effective change in cash and cash equivalents	**-3,890**	**-994**
Cash and cash equivalents at beginning of period	6,471	3,656
Effects of exchange rate movements on cash and cash equivalents	-50	-93
Cash and cash equivalents at end of period	**2,531**	**2,569**

Consolidated Balance Sheet

in EUR k	06/30/2024	12/31/2023
Assets		
Property, plant and equipment (including right-of-use assets)	58,526	63,114
Goodwill	82	83
Other intangible assets	1,043	922
Non-current financial assets	1,075	1,075
Non-current receivables and assets	2,412	2,724
Deferred tax assets	2,016	1,363
Non-current assets	**65,155**	**69,280**
Inventories	33,818	36,033
Contract assets	39	38
Trade receivables	10,358	12,102
Other receivables and assets	6,139	10,256
Cash and cash equivalents	2,531	6,471
Current assets	**52,885**	**64,901**
Total assets	**118,041**	**134,181**
Liabilities		
Share capital	46,338	46,338
Capital reserves	3,740	3,740
Other reserves	-99,902	-74,926
Treasury Shares	-4,195	-4,195
Accumulated other equity	-6,462	-5,370
Negative equity	**-60,482**	**-34,413**
Non current financial liabilities	730	800
Lease liablities, non-current	43,590	48,981
Other non-current liabilities	824	846
Provisions for long-term employee benefits	12,676	12,658
Other non-current provisions	128	128
Deferred tax liabilities	46	15
Non-current liabilities	**57,994**	**63,428**
Current financial liabilities	61,693	50,694
Lease liabilities	13,187	13,542
Trade payables	25,638	23,968
Other liabilities	16,606	14,054
Income tax liabilities	563	567
Other provisions	135	135
Reimbursement and contract liabilities	2,707	2,707
Current liabilities	**120,529**	**105,166**
Total equity and liabilities	**118,041**	**134,181**

Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY ACCUMULATED EQUITY						
in EUR k	SHARE CAPITAL	CAPITAL RESERVES	OTHER RESERVES	TREASURY SHARES	ACTUARIAL GAIN/LOSS	CURRENCY TRANSLATION	EQUITY
As of 01/01/2023	**32,252**	**398**	**-42,190**	**-4,195**	**-3,873**	**-1,445**	**-19,053**
Earnings after tax			-16,109				-16,109
Capital increase	14,086	3,342					17,428
Other comprehensive loss						603	603
As of 06/30/2023	**46,338**	**3,741**	**-58,299**	**-4,195**	**-3,873**	**-842**	**-17,131**
As of 01/01/2024	**46,338**	**3,740**	**-74,926**	**-4,195**	**-5,134**	**-235**	**-34,413**
Earnings after tax			-24,976				-24,976
Other comprehensive loss					0	-1,092	-1,092
As of 06/30/2024	**46,338**	**3,740**	**-99,902**	**-4,195**	**-5,134**	**-1,327**	**-60,482**

Segment Reporting

JAN-JUN 2024 in EUR k	AUSTRIA	GERMANY	REST OF EUROPE	NORTH AMERICA	ASIA	RECONCILIATION	GROUP
Revenue	**18,946**	**3,926**	**17,707**	**12,747**	**3,274**	**-13,523**	**43,077**
of which intersegmental sales	10,691	0	2,832	0	0	-13,523	0
External sales	**8,255**	**3.926**	**14,875**	**12,747**	**3,274**	**0**	**43,077**
EBIT	**-12,112**	**-719**	**-7,474**	**-2,579**	**-887**	**1,989**	**-21,783**
Segment assets	110,883	10,627	56,391	21,577	5,429	-86,866	118,041
Segment liabilities	114,662	9,305	48,946	51,722	18,483	-64,595	178,523
Investments (including modifications and additions of right-of-use assets)	270	262	754	45	11	0	1,342
Depreciation and amortization, including impairments and reversals of impairment losses	-1,051	-509	-2,195	-2,014	-460	0	-6,229
Average number of employees (FTE)	256	55	452	99	44	0	906

JAN-JUN 2023 in EUR k	AUSTRIA	GERMANY	REST OF EUROPE	NORTH AMERICA	ASIA	RECONCILIATION	GROUP
Revenue	**35,019**	**5,429**	**23,642**	**13,820**	**3,976**	**-23,084**	**58,802**
of which intersegmental sales	19,007	0	4.076	0	0	-23,084	0
External sales	**16,012**	**5,429**	**19,566**	**13,820**	**3,976**	**0**	**58,802**
EBIT	**-7,581**	**-29**	**-2,142**	**-932**	**-1,100**	**-262**	**-12,046**
Segment assets	110,307	11,479	56,854	25,607	4,895	-87,069	122,073
Segment liabilities	31,168	6,233	26,209	25,221	14,837	-60,755	42,913
Investments (including modifications and additions of right-of-use assets)	37	192	3.734	1,410	843	0	6,216
Depreciation and amortization, including impairments and reversals of impairment losses	-1,063	-699	-2,813	-1,855	-317	0	-6,747
Average number of employees (FTE)	332	63	497	124	25	0	1,041

Notes to the Half-Yearly Financial Statements

GENERAL INFORMATION

These consolidated interim financial statements of Wolford AG for the first six months (January 1 to June 30) of the 2024 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable in the European Union (EU) at the reporting date. In particular, the provisions of IAS 34 on interim reporting have been applied.

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

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

The interim condensed consolidated financial statements were authorized for publication by the Management Board on September 20, 2024.

SIGNIFICANT ACCOUNTING AND VALUATION METHODS

The accounting principles applied in the preparation of the interim consolidated financial statements are consistent with those applied in the consolidated financial statements for 2023.

All International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) mandatory for the 2024 financial year have been taken into account.

For the first half of 2024, no new or amended standards and interpretations are expected to have a significant impact on the consolidated financial statements.

These interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Therefore, the interim financial statements must be considered together with the most recent consolidated financial statements as of December 31, 2023. The interim financial statements are presented in thousands of euros (€k). Rounding differences may occur due to business rounding.

Furthermore, no material changes were made to the estimates compared to the consolidated financial statements as of December 31, 2023.

INFORMATION ON PARTICULAR FACTORS AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS

DEVELOPMENT OF REVENUE

The economic environment continued to be difficult in the first six months of the 2024 financial year. Revenue decreased by 27% from €58,802k in the first six months of 2023 to € 43,077k in the first half year of 2024 due to strong economical situations and logistic problems, in particular in the wholesale business.

In the first six months of 2024, the company's retail business is the driver channel with 58% of sales (-14% compare with 2023), Online Channel 21% (-12% compare with 2023).

STATE SUBSIDIES

Provided the relevant conditions were met, government subsidies were used to cushion the negative effects of Covid-19, mainly in Austria (mainly subsidies for fixed costs, loss compensation and short-time work). In fiscal year 2023, the group received the last payment of Covid-19 grants totaling €2,849k. Following the expiry of the Covid-19 subsidy programs, no further amounts can be received.

INFORMATION ON CLIMATE ISSUES

The Corporate Sustainability Reporting Directive (CSRD) adopted by the EU Parliament in November 2022 will profoundly change the scope and nature of sustainability reporting by companies.

To firmly integrate the requirements of the Corporate Sustainability Reporting Directive into the organization, several processes are currently being revised and measures adapted. In order to report transparently on our goals and actions, we are currently working on implementing the new CSRD directive.

ASPECTS OF REVENUE

Wolford is focused on highlighting the visibility of the brand and adopted the product portfolio, intensively concerned with the demand patterns of its customers for sustainable products, among other things through cooperation with sustainability-oriented bloggers and influencers and takes these into account by developing appropriate products.

In addition, Wolford aims to offer its customers forward looking alternatives to non-sustainably produced products, including those from other manufacturers, and to encourage a change in consumer behavior, e.g. through longer product use.

PRODUCTION ASPECTS AND MATERIALS

The special feature of the business model is clearly for Wolford's benefit, given that Wolford manufactures most of its products itself.

All legwear products knitted and dyed by Wolford itself on a cotton and polyamide basis for the Essential collection have bluesign® approved status. 90% of the company's suppliers are also located in Europe, of which the majority come from Germany, Italy, Austria and France, making for short transportation routes.

All of Wolford's suppliers have to fulfill prevailing social and environmental standards. Wolford has employed environmentally friendly practices for many years. As a means of ensuring adherence to environmental and social standards above and beyond the respective statutory regulations, all suppliers are obliged to comply with the Code of Conduct of the German textile and fashion industry, the STANDARD 100 by OEKO-TEX® and the EU's REACH Regulation.

Wolford is doing pioneering work in the development of recyclable products in line with the Cradle to Cradle® approach. Furthermore, Wolford is increasingly using environmentally friendly packaging materials.

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

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

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets: It is not necessary to make a provision for climate related issues in the 2024 half-year financial statements due to a legal or constructive obligation pursuant to IAS 37.10.

INFORMATION ON MACROECONOMIC CONDITIONS

Following the outbreak of war in Ukraine and Gaza, the global macroeconomic context is highly complex and volatile. The first half of 2024 continues to be characterized by inflation and related interest rate increases. This also affects the Wolford Group's business activities and consolidated financial statements. The following aspects have been taken into account:
The cost of materials and services purchased decreased by 33.95% to €8,329k in H1 2024 from €12,610k in H1 2023. The decrease is linked to the efficiency brought into the organization by the management.
With the launch of new collections, prices are set to achieve the expected contribution margin. No government measures have been taken in this context.

IFRS 9 and 7 – Financial Instruments and Disclosures

Wolford AG's debt financing consists of shareholder loans in the amount of €61,693k (including accrued interest) as of June 30 2024, subscribed at fixed interest rates (12%) and a bank loan of €730k at a variable rate of 7,64% as of June 30, 2024. The tranches of shareholder loans mature at different dates in 2024 and 2025 or are already overdue but will not need to be repaid in short-term because of the subordination of the loans. An increase in interest expense due to the changed interest rate environment is not expected in the short term.

IFRS 9 – Valuation of ECL: there were no indications of an increased need for impairment of receivables arising from Wolford's sales in 2024. The ECL valuation model applied to Wolford adequately reflects the macroeconomic conditions and their impact on credit risk and ECL valuation.

IMPACT OF CLIMATE CONCERNS, THE WAR IN UKRAINE AND MACROECONOMIC CONDITIONS ON ESTIMATION UNCERTAINTIES AND JUDGMENTS

- **Asset impairment:** no triggering event was identified for the half-year financial statements and as a result no impairment tests were performed for material non-current assets pursuant to IAS 36.

- **Valuation of receivables:** The development of receivables is subject to close monitoring as a result of the negative economic development. However, there is no need for an adjustment of the existing receivables valuation system overall.

- **Recognition of deferred tax assets:** Recognition of deferred tax assets: The deferred tax assets were recorded in accordance with IAS 12.56 based on an estimation of future taxable profits and the expected tax rate. Due to the economic development and the resulting uncertainty, a significant portion of the active deferred tax assets arising from deductible temporary differences was not recognized or impaired.

CONSOLIDATION

As of June 30, 2024, there were no changes in the scope of consolidation compared to December 31, 2023.

SEASONALITY OF COMPANY PERFORMANCE

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

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

In the first six months of the 2024 fiscal year, the Wolford Group generated sales of €43,077k. In the first six months of FY2023, sales of €58,802 k were generated. For a breakdown of sales by product group and distribution channel, please refer to "The Wolford Group in Figures."

In the first six months of the current year, other operating income amounted to €551k as resulted primarily from decrease in scope of leased buildings or early termination of lease contracts, modification gains amounting to €231k, W.O.W. restaurant incomes €168k as well as gain from the sale of property, plant and equipment and other intangible assets (€16k). In the first half year of 2023 the other operating income was mainly derived from income related to research funding (€844k). This did not occur in the first six months of the 2024 financial year.

As a result of additional shop closures, the average number of full-time employees decreased to 906 (2023 half year average: 1,041 full-time employees).

In the first six months of the 2024 financial year, other operating costs amounted to €22,441k and decreased by €-6,808k compared to the first half of the previous year (first half of 2023: €29,249k). The main reasons for the decrease were a reduction in marketing expenses and lower consultancy costs.

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

Despite the lower Cost of materials and purchased services, lower depreciation and amortization, and a decrease in other operating expenses, the operating result (EBIT) in the first half of the current financial year decreased significantly by €-9,736k to €-21,783k, compared to €-12,046k in the previous year. This figure was affected by a decrease in revenues of €-15,725k and by decrease in changes in inventories of finished goods and work in progress for €-6,890k.
The financial result improved by €231k, from €-4,034 in the first half of the 2023 financial year to €-3,802 in the first half of the 2024 financial year.

Since the fiscal year 2021, Fosun Fashion Group (Cayman) Limited has granted several shareholder loans with a term of one year at an interest rate of 12% per annum and partially extended their term. As of June 30, 2024, the loans granted amounted to €50,450k and $1,200k, each at an interest rate of 12% per annum, each with a maturity of one year. In the first six months of 2024 financial year, interest of €-2,729k was accrued on these loans. In the first six months of 2024, other financial expenses amounting to €826k (2023 half-year: €0) primarily result from the valuation of intercompany loans denominated in currencies other than EUR were recognized. In fiscal year 2023, intercompany trade receivables were transferred to intercompany loans (USD 20 million, CNY 43,5 million, HKD 38 million); the related foreign exchange differences are no longer shown as other operating expenses but are shown within financial result.

The contracts were concluded effective January 1, 2023, on July 1, 2023, taking into account the existing condition whereby the subsidiaries were already unable to settle their delivery liabilities to Wolford AG at the beginning of the year, and this was not demanded by Wolford AG either.

After taking into account tax expenses of €608k (2023 half-year: €-29k), consisting of current tax expenses of €-10k and deferred tax assets of €618k, determined on the basis of the estimated tax rate for the 2024 financial year, the profit after tax for the first half of 2024 is €24,976k (previous half-year: €-16,109k).
With no change in the weighted number of shares, earnings per share amounted to €2.61 for the first half of the 2024 financial year after €-1.68 for the first half of the 2023 financial year. Currency translation differences of €-1,092k (first half of the previous year: €603k) recognized in other comprehensive income decreased the overall result to €26,068k (first half of the previous year: €-15,506k).

NOTES ON SEGMENT REPORTING

The Wolford Group's reporting segments are divided into five regions: Austria, Germany, Rest of Europe, North America and Asia. The segment information is based on the same accounting principles as the consolidated financial statements as of December 31, 2023.

External sales decreased by 48% in the segment Austria, by 28% in the segment Germany and by 24% in the segment Rest of Europe compared to the same period in the previous year. Consequently, EBIT in the Austria segment was €-12,112k, decreasing by 59,77% compared to the same period of the previous year. Also, other segments reported a significant deterioration in EBIT. The main reasons are related to due to the seasonality of business development and logistic disruption, which had a negative impact on sales.

NOTES TO THE CASH FLOW STATEMENT

The cash flow from operating activities (operating cash flow) improved by €7.64 million to €-2.44 million in the period under review (first half of the previous year: €-10.08 million).

The main reason has been the cash inflow from the increase in trade receivables by €1.74 million (first half of 2023: €0.87 million) and other receivables and assets by €3.89 million (first half of 2023: cash inflow from the decrease by €0.7 million). No subsidies for fixed costs claimed in the previous year were received in the first half of the 2024 financial year (as last year). Cash flow from investing activities decreased by €-0.66 million compared to the same period last year, mainly due to investments in property, plant and equipment and intangible assets, which decreased from €-1.03 million to €-1.69 million.
As a result, free cash flow (operating cash flow plus cash flow from investments) improved by €6,99 million to €-4.13 million in the first half of the 2024 financial year from €-11.11 million in the first half of the 2023 financial year.

Cash flow from financing activities decreased by €-9.88 million from €10.12 million in H1 2023 to €0.24 million. Cash and cash equivalents amounted to €2.53 million at the end of the reporting period after €6.47 million as of December 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At the balance sheet date of June 30, 2024, total assets amounted to €118,041k, which corresponds to a decrease of -12.03% against December 31, 2023. The decrease resulted from a drop in non-current assets (€-4,125k (-5.95%)), trade receivables (€-1,744k (-14.41%)) and other receivables and assets (€-4,117k (-40.14%)), as well as the decrease in cash and cash equivalents (€-3,940k (-60.88%)). The decrease in property, plant and equipment is due to the reduction in the number of shops as a result of openings and closures. Other non-current receivables and assets mainly comprise deposits from long-term lease agreements. Deferred tax assets arising from the recognition of material changes in assets and liabilities in the income statement. The share of current assets in total assets reached 44.80% as of June 30, 2024 (December 31, 2023: 48.37%). The decrease in trade receivables is largely due to improved credit management, with a higher share of prepayments and collection.

As of June 30, 2024, consolidated equity amounted to €-60,482k, which corresponds to an equity ratio of -51.2% (December 31, 2023: €-34,413k or -25.6%).

Long-term leasing liabilities decreased by €-5,391k to €43,590k (December 31, 2023: €48,981), due to the closing of stores. Non-current liabilities decreased by €-5,434k to €57,994k, or 49.13% of the balance sheet total. At €120,529k, current liabilities are €15,363k above the level at the end of the previous year (December 31, 2023: €105,166k).

This is mainly due to the increase in current financial liabilities of €11,000k to €61,693k, which resulted from loan granted by Fosun Fashion Group (Cayman) Limited in 2024 for an amount of €8,250k with an interest rate of 12%p.a.. Other provisions include mainly the provision for onerous contracts. Other liabilities mainly comprise tax payables of €6,445k, payables to personnel for untaken vacation, overtime, special payments and other obligations totaling €3,204k, payables for advertising expenses of €0,280k and for social security of €1,833k.

FINANCIAL INSTRUMENTS

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

- **Level 1:** quoted prices for identical assets or liabilities in active markets.
- **Level 2:** Valuation factors other than quoted market prices that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** Valuation factors for assets or liabilities not based on observable market data.

Financial assets classified as level 1 include units of listed investment funds. There are no financial instruments measured according to level 3. Furthermore, no groupings have been made between the different levels of the fair value hierarchy. The reconciliation between the carrying values of financial assets and liabilities and the valuation categories under IFRS 9 are presented below.

For financial assets and liabilities for which the carrying amount is a reasonable approximation of fair value, fair values are not disclosed.

	BOOK VALUES		FAIR VALUES	
06/30/2024 in EUR k	AT FAIR VALUE	AT AMORTIZED COST	LEVEL 1	LEVEL 2
Non-current financial assets	1,075		1,075	
Receivables and non-current assets		2,412		
Credits for supplies and services		10,358		
Other receivables and assets		514		
Liquidity and cash equivalents		2,531		
Total financial assets	**1,075**	**15,815**	**1,075**	**0**
Financial liabilities (current)		61,693		
Financial liabilities (non-current)		730		
Liabilities for supplies and services		25,638		
Lease liabilities (current)		13,187		
Lease liabilities (non-current)		43,590		
Other financial liabilities (current)		6,008		
Other financial liabilities (non-current)		824		
Total financial liabilities	**0**	**151,670**	**0**	**0**

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	BOOK VALUES		FAIR VALUES	
12/31/2023 in EUR k	AT FAIR VALUE	AT AMORTIZED COST	LEVEL 1	LEVEL 2
Non-current financial assets	1,075		1,075	
Other financial receivables and asset		2,724		
Credits for supplies and services		12,102		
Other receivables and assets		5,042		
Liquidity and cash equivalents		6,471		
Total financial assets	**1,075**	**26,338**	**1,075**	
Financial liabilities (current)		50,694		
Financial liabilities (non-current)		800		
Liabilities for supplies and services		23,968		
Lease liabilities (current)		13,542		
Lease liabilities (non-current)		48,981		
Other financial liabilities (current)		4,526		
Other financial liabilities (non-current)		846		
Total financial liabilities	**0**	**143,356**	**0**	

OTHER INFORMATION

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

RELATED PARTY TRANSACTIONS (IAS 24)

None of the members of the Supervisory Board had any business or personal relationships with the company or its Management Board in the first half of 2024 that would constitute a material conflict of interest and thus influence the conduct of the member of the Supervisory Board. There were no business relationships with any member of the Supervisory Board in the first half of 2024. The same applies to members of the Management Board.

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 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 operating management of all wholesale and retail channels, as well as for online retail. The contract between FFBM and Wolford provides for monthly payment of a fixed amount and performance-based commission for each distribution channel (retail, wholesale, online).

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 approximately 61% of the shares in Wolford after the capital increase in 2023.As of June 30, 2024, shareholder loans totaling to €51,560k consisting of €50,450k and $1,200k (December 31, 2023: €42,200k and $1,200k were granted from Fosun Fashion Group (Cayman) Limited and its subsidiaries. During fiscal years 2024, 2023 and 2022, no repayments of the loans or interest payments were made. All loans have been granted at an interest rate of 12% p.a..

Amount in EUR k	Granted	ORIGINAL MATURITY
10,000	Before 01/01/2022	12/31/2023
2,500	01/28/2022	12/31/2023
5,000	05/23/2022	12/31/2023
2,000	06/28/2022	02/18/2023
4,000	07/20/2022	03/12/2023
1,500	07/29/2022	03/21/2023
3,500	05/08/2022	01/28/2023
2,000	08/30/2022	12/21/2022
2,000	11/29/2022	01/27/2023
32,500	**12/31/2022**	
1,000	07/24/2023	12/20/2023
1,000	07/28/2023	12/20/2023
500	10/24/2023	10/23/2024
1,500	10/30/2023	10/29/2024
1,500	10/31/2023	10/30/2024
3,000	11/17/2023	11/19/2024
1,200	11/28/2023	11/27/2024
42,200	**12/31/2023**	
1,500	03/29/2024	03/28/2025
2,000	04/17/2024	04/16/2025
1,500	04/23/2024	04/22/2025
2,000	05/29/2024	05/28/2025
1,000	06/14/2024	06/13/2025
250	06/20/2024	06/19/2025
50,450	**06/30/2024**	

Amount in USD k	Granted	MATURITY
1,200	12/08/2023	12/07/2024
1,200	**06/30/2024**	

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As indicated in the table above, the loans would have been predominantly due as of December 31, 2023, according to their maturity. All loans are unsecured.
At the beginning of April 2023, Lanvin Group Holdings Limited issued a letter of comfort to provide financial support to Wolford. This is intended to enable the company to meet its liabilities as they fall due and to ensure the company's continued existence for the foreseeable future. This guarantee cannot be revoked until the end of 2024. In the event that financial support from Lanvin is required, both parties undertake to enforce the guarantee in full. As of December 31, 2022, the outstanding shareholder loans granted by Fosun Fashion Group (Cayman) Limited to the Company have been subordinated in the amount of €16.3 million. Repayment can only be demanded once the restructuring of Wolford has been completed.
At end of financial year 2023 the conditions to lift subordination are not met. In July 2024, Lanvin Group Holdings Limited issued a comfort letter (hard letter of patronage) and agreed to continue to provide financial support to Wolford as needed. The stakeholder has also committed to the qualified subordination of all loans granted to date in the amount of €62.69 million and those made available under the comfort letter, including accrued interest. Fosun Fashion Group (Cayman) Limited has also signed the comfort letter and committed to provide liquidity for the total amount of EUR 33,25 million ("Liquidity Injection") from 1st January 2024 to 31st July 2026 upon the request of Company's management. Up to beginning of September 2024, EUR 13,25 million have already been provided which reduces the guaranteed Liquidity Injection from EUR 33,25 million to EUR 20,0 million. Third party loans granted on the basis of pledged working capital up to EUR 9,6 million would depending on the drawing reduce or increase shareholder's commitment. This is intended to put the company in a position to meet its liabilities as they fall due at any time and ensure the company's continued existence for the foreseeable future. This comfort letter cannot be revoked until the end of July 2026. In the event that financial support is required, Lanvin Group Holdings Limited undertake to enforce the guarantee in full.

EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of July, Wolford received a shareholder loan in the amount of €1 million from Fosun Fashion Group (Cayman) Limited. In August, the company received another €2 million as shareholder loan from Fosun Fashion Group (Cayman) Limited and an additional €2 million in September.

In July 2024, Lanvin Group Holdings Limited issued a letter of comfort to provide financial support to Wolford. This is intended to enable the company to meet its liabilities as they fall due and to ensure the company's continued existence for the foreseeable future.

This guarantee cannot be revoked until the end of July 2026. In the event that financial support is required, Lanvin Group Holdings Limited undertake to enforce the guarantee in full. The outstanding shareholder loans so far granted by Fosun Fashion Group (Cayman) Limited to the Company have been subordinated in the total amount of €62.69 million. Repayment can only be demanded once the restructuring of Wolford has been completed and no insolvency proceedings need to be opened in respect of these liabilities.

The current Global Director HR of Wolford AG, Domenico Giordano, was appointed by the Supervisory Board of Wolford AG on July 26th as a member of the Management Board for one year with effect from August 1, 2024.

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

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

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

Bregenz, September 20, 2024

Regis Rimbert
Chief Executive Officer (CEO)

Ralf Polito
Chief Operating Officer (COO)

Domenico Giordano
Group Director HR

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WOLFORD
Group at a Glance

The brand is represented in **46 countries** worldwide with **188 mono- brand points of sale** and more than **1,064 wholesale partners**. The Austrian company manufactures products exclusively in Europe in accordance with the strictest ecological and socially sustainable standards. Wolford creates its designs in the Italian fashion metropolis of Milan and produces its creations at its headquarters in Bregenz, located near Lake Constance, as well as in the Slovenian town of Murska Sobota – both regions with a long and illustrious tradition of textile production. As of June 30, 2024, the Wolford Group had a total of **877 employees (FTE), 222 of whom worked at the Bregenz headquarters.** Wolford was founded in Bregenz in 1950 and is listed on the stock ex- changes in Vienna, Frankfurt, and New York. The brand is part of the global luxury fashion conglomerate Lanvin Group, which was founded by Wolford's Chinese majority shareholder Fosun.

Wolford generates more than **46% of its sales** with Ready-to-wear, and the company's skin wear creations, complemented by a small selection of accessories, are closely matched with the Group's core product.

Characteristics of the brand architecture include the fashionable Trend products and the **Essential** collections. The Essentials, which include all of Wolford's legendary, timeless classics, such as its **Satin Touch tights, which have been on sale since 1988, account for around 66% of sales.** The Trend products are represented by Wolford, The W and The W Lab. The W launched in 2019 to present the modern face of Wolford to a younger, more leisure-oriented audience with innovative athleisure clothing, now accounts for 8%. **The W Lab**, with a lustrous history of partnerships with top designers – from Valentino to Karl Lagerfeld, Vivienne Westwood to Giorgio Armani – has evolved into an integral part of a new business segment, the impact of 2% thanks to high-profile collaborations with stellar outside designers is going to be higher in the second half of the year due to the Etro collaboration.

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

Financial Calendar

Wolford AG's financial calendar is available at https://company.wolford.com/investor-relations/financial-calendar/.

Wolford AG publishes its half-year and annual results in accordance with the regulations of the Standard Market.

INFORMATION ABOUT THE COMPANY AND ITS SHARES

Investor Relations	Ralf Polito
Phone	+43 5574 690-0
Email	investor@wolford.com
Website	company.wolford.com
Vienna Stock Exchange	WOL
Reuters	WLFD.VI
Bloomberg	WOL:AV, WOF:GR

Contact & Imprint

PUBLISHER:

Wolford AG
Wolfordstraße 1
6900 Bregenz
Austria

Responsible for content:
The Management Board of Wolford AG

Your contact for investor relations:
Ralf Polito
Chief Operating Officer
ralf.polito@wolford.com
company.wolford.com

Note: The half-year report is available in German and English on the internet at company.wolford.com.

#Wolford AG
Wolfordstraße 1
6900 Bregenz
Austria
+43 5574 690-0

wolford.com