



**AEFFE**

**INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2023**

*Disclaimer*

*This Interim consolidated financial statement at 31 March 2023 has been translated into English solely for the convenience of the International reader. In the event of conflict or inconsistency between the terms used in the Italian Version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.*

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# Corporate boards of the Parent Company

## Board of Directors

### **Chairman**

Massimo Ferretti – Member of Executive Committee

### **Deputy Chairman**

Alberta Ferretti

### **Chief Executive Officer**

Simone Badioli – Member of Executive Committee

### **Directors**

Giancarlo Galeone – Member of Executive Committee

Roberto Lugano

Bettina Campedelli

Francesca Pace

Marco Francesco Mazzù

Daniela Saitta

## Board of Statutory

### **President**

Stefano Morri

### **Statutory Auditors**

Carla Trotti

Fernando Ciotti

### **Alternate Auditors**

Nevio Dalla Valle

Daniela Elvira Bruno

## Board of Compensation Committee

### **President**

Daniela Saitta

### **Members**

Roberto Lugano

Marco Francesco Mazzù

## Board of Risk and Sustainability Control Committee

### **President**

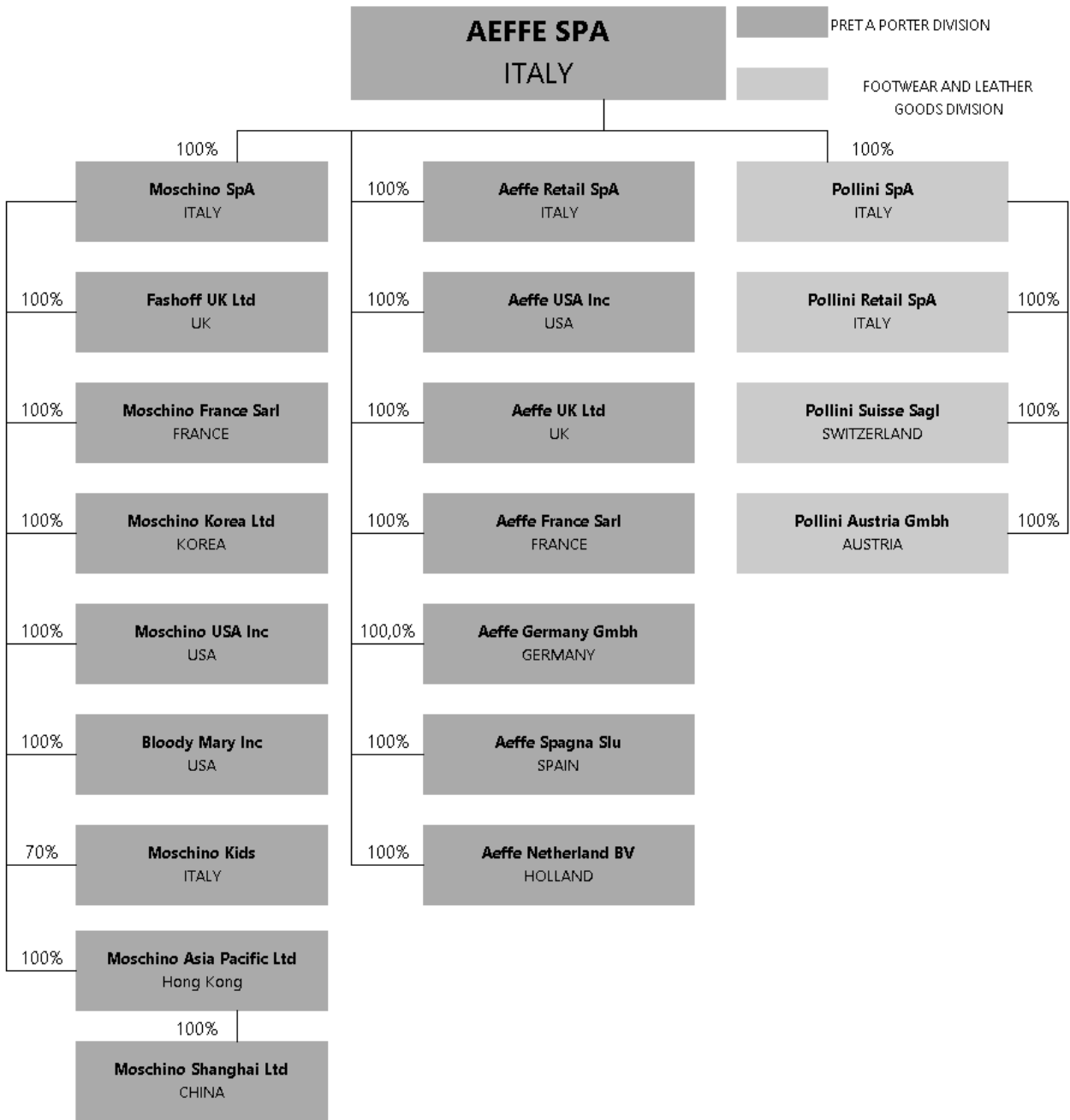
Bettina Campedelli

### **Members**

Francesca Pace

Daniela Saitta

# Organisation chart



## Brands portfolio

AEFFE SPA

*Ready To Wear - Accessories*

ALBERTA FERRETTI



MOSCHINO



PHILOSOPHY  
DI  
LORENZO SERAFINI



MOSCHINO  
JEANS



POLLINI SPA

*Footwear - Leather Goods*

POLLINI

MOSCHINO.

LOVE  
MOSCHINO

MOSCHINO SPA

*Licences - Retail - Design*

MOSCHINO.

MOSCHINO  
JEANS  
LOVE  
MOSCHINO

AEFFE SPA

*Beachwear - Underwear - Lingerie*

MOSCHINO.



CHIARA FERRAGNI

## HEADQUARTERS

### **AEFFE**

Via Delle Querce, 51  
47842 - San Giovanni in Marignano (RN)  
Italy

### **MOSCHINO**

Via San Gregorio, 28  
20124 - Milan  
Italy

### **POLLINI**

Via Erbosa I° tratto, 92  
47030 - Gatteo (FC)  
Italy

## SHOWROOMS

### **MILAN**

(FERRETTI – PHILOSOPHY – POLLINI)  
Via Donizetti, 48  
20122 - Milan  
Italy

### **LONDON**

(FERRETTI – PHILOSOPHY – MOSCHINO)  
28-29 Conduit Street  
W1S 2YB - London  
UK

### **NEW YORK**

(GRUPPO)  
30 West 56th Street  
10019 - New York  
USA

### **MILAN**

(MOSCHINO)  
Via San Gregorio, 28  
20124 - Milan  
Italy

### **PARIS**

(FERRETTI – PHILOSOPHY – MOSCHINO)  
43, Rue DU Faubourg Saint Honoré  
75008 - Paris  
France



## Main flagshipstore locations under direct management

### **MOSCHINO**

Milan  
Rome  
Venice  
Florence  
Paris  
London  
New York  
Seoul  
Pusan  
Daegu  
Shanghai  
Shenzen  
Guangzhou  
Beijing

### **ALBERTA FERRETTI**

Milan  
Rome  
Paris

### **POLLINI**

Milan  
Venice  
Bolzano



## Main economic-financial data

		Q I	Q I
		2023	2022
Total revenues	(Values in millions of EUR)	96.9	103.5
Gross operating margin (EBITDA)	(Values in millions of EUR)	11.5	20.4
Net operating profit/(loss) (EBIT)	(Values in millions of EUR)	3.2	14.2
Profit/(loss) before taxes	(Values in millions of EUR)	1.0	13.3
Net profit/(loss) for the Group	(Values in millions of EUR)	-0.3	8.9
Basic earnings per share	(Values in units of EUR)	-0.003	0.090
Cash Flow (net result + depreciation)	(Values in millions of EUR)	7.7	15.1
Cash Flow/total revenues	Ratio	8.0	14.6

		31 March	31 December	31 March	31 December
		2023	2022	2022	2021
Net capital invested	(Values in millions of EUR)	355.5	341.6	301.2	288.9
Net financial indebtedness	(Values in millions of EUR)	245.8	231.8	172.2	168.7
Group net equity	(Values in millions of EUR)	109.7	109.8	129.0	120.2
Group net equity per share	(Values in units of EUR)	1.0	1.0	1.2	1.1
Current assets/Current liabilities	Ratio	2.2	2.0	1.9	1.8
Current assets less invent./Current liabilities (ACID Test)	Ratio	1.1	1.0	1.0	0.9
Net financial indebtedness/Net equity	Ratio	2.2	2.1	1.3	1.4



## Financial statements

### Income statement at 31 March

(Values in units of EUR)	Notes	Q I	% on	Q I	% on	Change	%
		2023	revenues	2022	revenues		
<b>REVENUES FROM SALES AND SERVICES</b>	<b>(1)</b>	<b>93,242,610</b>	<b>100.0%</b>	<b>101,560,821</b>	<b>100.0%</b>	<b>(8,318,211)</b>	<b>(8.2%)</b>
Other revenues and income		3,647,978	3.9%	1,962,043	1.9%	1,685,935	85.9%
<b>TOTAL REVENUES</b>		<b>96,890,588</b>	<b>103.9%</b>	<b>103,522,864</b>	<b>101.9%</b>	<b>(6,632,276)</b>	<b>(6.4%)</b>
Changes in inventory		(921,498)	(1.0%)	1,071,317	1.1%	(1,992,815)	(186.0%)
Costs of raw materials, cons. and goods for resale		(32,041,698)	(34.4%)	(36,203,886)	(35.6%)	4,162,188	(11.5%)
Costs of services		(29,741,965)	(31.9%)	(27,327,498)	(26.9%)	(2,414,467)	8.8%
Costs for use of third parties assets		(1,488,456)	(1.6%)	(2,052,700)	(2.0%)	564,244	(27.5%)
Labour costs		(19,499,898)	(20.9%)	(17,256,850)	(17.0%)	(2,243,048)	13.0%
Other operating expenses		(1,679,337)	(1.8%)	(1,310,274)	(1.3%)	(369,063)	28.2%
<b>Total Operating Costs</b>		<b>(85,372,852)</b>	<b>(91.6%)</b>	<b>(83,079,891)</b>	<b>(81.8%)</b>	<b>(2,292,961)</b>	<b>2.8%</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2)</b>	<b>11,517,736</b>	<b>12.4%</b>	<b>20,442,973</b>	<b>20.1%</b>	<b>(8,925,237)</b>	<b>(43.7%)</b>
Amortisation of intangible fixed assets		(1,043,919)	(1.1%)	(990,784)	(1.0%)	(53,135)	5.4%
Depreciation of tangible fixed assets		(1,636,794)	(1.8%)	(1,048,383)	(1.0%)	(588,411)	56.1%
Depreciation of right-of-use assets		(5,388,138)	(5.8%)	(4,160,427)	(4.1%)	(1,227,711)	29.5%
Revaluations / (write-downs) and provisions		(230,737)	(0.2%)	(71,171)	(0.1%)	(159,566)	224.2%
<b>Total Amortisation, write-downs and provisions</b>		<b>(8,299,588)</b>	<b>(8.9%)</b>	<b>(6,270,765)</b>	<b>(6.2%)</b>	<b>(2,028,823)</b>	<b>32.4%</b>
<b>NET OPERATING PROFIT / LOSS (EBIT)</b>		<b>3,218,148</b>	<b>3.5%</b>	<b>14,172,208</b>	<b>14.0%</b>	<b>(10,954,060)</b>	<b>(77.3%)</b>
Financial income		135,235	0.1%	225,486	0.2%	(90,251)	(40.0%)
Financial expenses		(1,741,011)	(1.9%)	(640,058)	(0.6%)	(1,100,953)	172.0%
Financial expenses on right-of-use asset		(614,839)	(0.7%)	(475,493)	(0.5%)	(139,346)	29.3%
<b>Total Financial Income/(expenses)</b>		<b>(2,220,615)</b>	<b>(2.4%)</b>	<b>(890,065)</b>	<b>(0.9%)</b>	<b>(1,330,550)</b>	<b>149.5%</b>
<b>PROFIT / LOSS BEFORE TAXES</b>		<b>997,533</b>	<b>1.1%</b>	<b>13,282,143</b>	<b>13.1%</b>	<b>(12,284,610)</b>	<b>(92.5%)</b>
Total Income Taxes		(1,327,803)	(1.4%)	(4,339,148)	(4.3%)	3,011,345	(69.4%)
<b>NET PROFIT / LOSS</b>	<b>(3)</b>	<b>(330,270)</b>	<b>(0.4%)</b>	<b>8,942,995</b>	<b>8.8%</b>	<b>(9,273,265)</b>	<b>(103.7%)</b>
(Profit) / loss attributable to minority shareholders		14,561	0.0%	-	0.0%	14,561	#DIV/0!
<b>NET PROFIT / LOSS FOR THE GROUP</b>		<b>(315,709)</b>	<b>(0.3%)</b>	<b>8,942,995</b>	<b>8.8%</b>	<b>(9,258,704)</b>	<b>(103.5%)</b>

## Reclassified balance sheet

(Values in units of EUR)	Notes	31 March 2023	31 December 2022	31 March 2022
Trade receivables		77,115,928	62,850,576	71,933,419
Stocks and inventories		115,672,120	116,709,745	93,981,768
Trade payables		( 82,698,627)	( 88,596,138)	( 81,893,102)
<b>Operating net working capital</b>		<b>110,089,421</b>	<b>90,964,183</b>	<b>84,022,085</b>
Other short term receivables		30,757,493	33,118,597	31,558,066
Tax receivables		12,024,357	12,987,118	6,451,471
Derivative assets		-	-	136,268
Other short term liabilities		( 18,600,405)	( 19,497,967)	( 18,331,161)
Tax payables		( 4,167,883)	( 4,385,845)	( 5,162,728)
Derivative liabilities		( 19,461)	( 173,473)	-
<b>Net working capital</b>	<b>(4)</b>	<b>130,083,522</b>	<b>113,012,613</b>	<b>98,674,001</b>
Tangible fixed assets		60,667,814	61,250,620	58,328,862
Intangible fixed assets		65,053,230	66,021,140	67,911,027
Right-of-use assets		108,058,395	110,566,821	81,911,421
Other fixed assets		39,197	39,197	30,069
Equity investments		189,833	199,911	1,393,661
<b>Fixed assets</b>	<b>(5)</b>	<b>234,008,469</b>	<b>238,077,689</b>	<b>209,575,040</b>
Post employment benefits		( 3,510,793)	( 3,551,239)	( 4,328,150)
Provisions		( 2,495,326)	( 2,371,370)	( 1,926,051)
Long term not financial liabilities		( 1,401,623)	( 1,634,539)	( 1,019,124)
Deferred tax assets		14,334,419	13,894,621	14,330,371
Deferred tax liabilities		( 15,530,542)	( 15,798,928)	( 14,126,213)
<b>NET CAPITAL INVESTED</b>		<b>355,488,126</b>	<b>341,628,847</b>	<b>301,179,874</b>
Share capital		24,606,247	24,606,247	24,859,261
Other reserves		88,421,828	93,516,643	94,439,364
Profits / (Losses) carried-forward		( 2,973,651)	735,589	725,475
Profit / (Loss) of the period		( 315,709)	( 9,043,968)	8,942,995
<b>Group interest in shareholders' equity</b>		<b>109,738,715</b>	<b>109,814,511</b>	<b>128,967,095</b>
Minority interests in shareholders' equity		( 23,613)	( 9,052)	-
<b>Total shareholders' equity</b>	<b>(6)</b>	<b>109,715,102</b>	<b>109,805,459</b>	<b>128,967,095</b>
Short term financial receivables		-	-	( 2,972,705)
Cash		( 15,029,320)	( 21,657,539)	( 29,908,799)
Long term financial liabilities		65,137,765	70,444,091	86,001,243
Short term financial liabilities		92,338,543	78,131,171	46,897,485
<b>NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS</b>		<b>142,446,988</b>	<b>126,917,723</b>	<b>100,017,224</b>
Short term lease liabilities		15,513,616	16,072,913	12,229,168
Long term lease liabilities		87,812,420	88,832,752	59,966,387
<b>NET FINANCIAL POSITION</b>	<b>(7)</b>	<b>245,773,024</b>	<b>231,823,388</b>	<b>172,212,779</b>
<b>SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS</b>		<b>355,488,126</b>	<b>341,628,847</b>	<b>301,179,874</b>

## Cash flow

(Values in thousands of EUR)	Q I	F Y	Q I
	2023	2022	2022
<b>Opening balance</b>	<b>21,658</b>	<b>31,307</b>	<b>31,307</b>
Profit before taxes	998	( 3,796)	13,282
Amortisation / write-downs	8,300	34,336	6,271
Accrual (+)/availment (-) of long term provisions and post employment benefits	83	( 314)	17
Paid income taxes	( 2,254)	( 2,199)	( 2,609)
Financial income (-) and financial charges (+)	2,221	5,016	890
Change in operating assets and liabilities	( 17,317)	( 34,584)	( 19,712)
<b>Cash flow (absorbed) / generated by operating activity</b>	<b>( 7,969)</b>	<b>( 1,541)</b>	<b>( 1,861)</b>
Increase (-)/ decrease (+) in intangible fixed assets	( 76)	( 1,372)	( 35)
Increase (-)/ decrease (+) in tangible fixed assets	( 1,054)	( 7,465)	( 607)
Increase (-)/ decrease (+) in right-of-use assets	( 2,880)	( 47,742)	( 110)
Investments and write-downs (-)/ Disinvestments and revaluations (+)	-	( 9)	-
<b>Cash flow (absorbed) / generated by investing activity</b>	<b>( 4,010)</b>	<b>( 56,588)</b>	<b>( 752)</b>
Other variations shareholders' equity	240	( 1,299)	( 137)
Dividends paid	-	-	-
Proceeds (+)/ repayments (-) of financial payments	8,901	21,283	5,606
Proceeds (+)/ repayment (-) of lease payments	( 1,580)	29,233	( 3,477)
Increase (-)/ decrease (+) in long term financial receivables	10	4,279	113
Financial income (+) and financial charges (-)	( 2,221)	( 5,016)	( 890)
<b>Cash flow (absorbed) / generated by financing activity</b>	<b>5,350</b>	<b>48,480</b>	<b>1,215</b>
<b>Closing balance</b>	<b>15,029</b>	<b>21,658</b>	<b>29,909</b>

## Changes in shareholders' equity

(Values in thousands of EUR)

	Share capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Fair Value reserve	IAS reserve	Reassessment of defined benefit plans reserve	Translation reserve	Profits/(losses) carried-forward	Net profit/(loss) for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>BALANCES AT 31 December 2022</b>	24,606	67,599	(125)	12,690	7,901	7,607	(1,225)	(930)	735	(9,044)	109,814	(9)	109,805
Allocation of 2022 profit / (loss)	-	(5,335)	-	-	-	-	-	-	(3,709)	9,044	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) of Q1 2023	-	-	111	-	-	-	-	130	-	(316)	(75)	(15)	(90)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCES AT 31 March 2023</b>	24,606	62,264	(14)	12,690	7,901	7,607	(1,225)	(800)	(2,974)	(316)	109,739	(24)	109,715

(Values in thousands of EUR)

	Share capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Fair Value reserve	IAS reserve	Reassessment of defined benefit plans reserve	Translation reserve	Profits/(losses) carried-forward	Net profit/(loss) for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>BALANCES AT 31 December 2021</b>	24,917	69,334	(16)	28,610	7,901	7,607	(1,466)	(1,532)	(27,321)	12,126	120,160	-	120,160
Allocation of 2021 profit / (loss)	-	-	-	(15,920)	-	-	-	-	28,046	(12,126)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(58)	(397)	-	-	-	-	-	-	-	-	(455)	-	(455)
Total comprehensive income / (loss) of Q1 2022	-	-	114	-	-	-	-	205	-	8,943	9,262	-	9,262
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCES AT 31 March 2022</b>	24,859	68,937	98	12,690	7,901	7,607	(1,466)	(1,327)	725	8,943	128,967	-	128,967

## Interim management report

In the first quarter of 2023, consolidated revenues amount to EUR 93,243 thousand compared to EUR 101,561 thousand in the first quarter 2022, with a 8.2% decrease at current exchange rates (-8.4% at constant exchange rates).

In the first quarter of 2023, consolidated EBITDA ADJUSTED, net of the extraordinary effects associated with the organizational restructuring of the Group approved on March 29, 2023, was positive by EUR 12,304 thousand (with a margin of 13.2% on turnover), recording a decrease compared to the EBITDA of the first quarter of 2022 equal to EUR 20,443 thousand (with an incidence of 20.1% on turnover). Margins in the quarter decreased as a result of the new strategic course of the Moschino brand with the associated costs both relating to the change of distribution model in China (from 100% wholesale to retail) and the launch of the repositioning plan for the various Moschino collections, with consequent effects both in terms of turnover and royalties.

Looking at the balance sheet as of 31<sup>st</sup> March 2023, financial debt, IFRS 16 effect included, amounts to EUR 245,773 thousand compared to EUR 231,823 thousand as of 31<sup>st</sup> December 2022, with a EUR 13,950 thousand worsening mainly attributable to the seasonal effect on net working capital.

At 31<sup>st</sup> March 2023 operating net working capital amounts to EUR 110,089 thousand (32.0% of LTM sales) compared to EUR 90,964 thousand at 31<sup>st</sup> December 2022 (25.8% of LTM sales).

## Explanatory notes

### Income statement

#### 1. Revenues from sales and services

##### *First quarter 2023 vs 2022*

In the first quarter of 2023, consolidated revenues amount to EUR 93,243 thousand compared to EUR 101,561 thousand in the first quarter 2022, with a 8.2% decrease at current exchange rates (-8.4% at constant exchange rates).

The following table details the revenues by geographical area for the first quarters of 2023 and 2022.

(Values in thousands of EUR)	Q I		Q I		Change	
	2023	%	2022	%	Δ	%
Italy	42,757	45.9%	42,750	42.1%	7	0.0%
Europe (Italy excluded)	27,448	29.4%	31,587	31.1%	( 4,139)	(13.1%)
Asia and Rest of the World	17,539	18.8%	17,595	17.3%	( 56)	(0.3%)
America	5,499	5.9%	9,629	9.5%	( 4,130)	(42.9%)
<b>United States</b>	<b>93,243</b>	<b>100.0%</b>	<b>101,561</b>	<b>100.0%</b>	<b>( 8,318)</b>	<b>(8.2%)</b>

Sales in ITALY, with an incidence of 45.9% on turnover, are constant compared to 2022 at EUR 42,757 thousand: the wholesale channel is slightly down (-4%) offset by the excellent results of the retail channel with an increase by 35% compared to the first quarter of 2022.

Sales in EUROPE, with an incidence on turnover of 29.4%, reported an increase of 13.1% at EUR 27,448 thousand. Retail shows an 11% decrease mainly linked to the closure of the Moschino boutique in London for the renovation works completed in March 2023.

In ASIA and in the REST OF THE WORLD, the Group achieved revenues of EUR 17,539 thousand, with an incidence on turnover of 18.8%, constant compared to 2022. The change of distribution in Greater China is gradually stabilizing with performance growing in particular in March.

At current exchange rates, sales in AMERICA, with an incidence on turnover of 5.9%, recorded a decrease by 42.9%, however positioning itself at a higher level than the pre-pandemic period.

The following table details the revenues by brand for the first quarters of 2023 and 2022.

(Values in thousands of EUR)	Q I		Q I		Change	
	2023	%	2022	%	Δ	%
Alberta Ferretti	7,282	7.8%	7,002	6.9%	280	4.0%
Philosophy	6,020	6.5%	5,128	5.0%	892	17.4%
Moschino	68,538	73.5%	78,995	77.8%	( 10,457)	(13.2%)
Pollini	10,417	11.2%	8,460	8.3%	1,957	23.1%
Other	986	1.0%	1,976	2.0%	( 990)	(50.1%)
<b>Total</b>	<b>93,243</b>	<b>100.0%</b>	<b>101,561</b>	<b>100.0%</b>	<b>( 8,318)</b>	<b>(8.2%)</b>

In the first quarter of 2023, Alberta Ferretti brand increases by 4.0%, generating 7.8% of consolidated sales, while Philosophy brand increase by 17.4%, generating 6.5% of consolidated sales.

In the same period, Moschino brand sales decrease by 13.2% contributing to 73.5% of consolidated sales.

Pollini brand increases by 23.1%, generating 11.2% of consolidated sales, while the other brands sales decrease by 50.1% contributing to 1.0% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2023 and 2022.

(Values in thousands of EUR)	Q I		Q I		Change	
	2023	%	2022	%	Δ	%
Wholesale	66,913	71.8%	78,038	76.8%	( 11,125)	(14.3%)
Retail	23,942	25.7%	19,548	19.2%	4,394	22.5%
Royalties	2,388	2.5%	3,975	4.0%	( 1,587)	(39.9%)
<b>Total</b>	<b>93,243</b>	<b>100.0%</b>	<b>101,561</b>	<b>100.0%</b>	<b>( 8,318)</b>	<b>(8.2%)</b>

The revenues of the WHOLESALE CHANNEL, which represents 71.8% of turnover (EUR 66,913 thousand), recorded a decrease of 14.3% at current exchange rates.

The revenues of the RETAIL CHANNEL, which represents 25.7% of Group sales (EUR 23,942 thousand), showed an increase of 22.5% at current exchange rates compared to the corresponding period of the previous year. Excellent results in Italy (+35%) and in Asia (+91%) thanks to the change in the distribution model in China.

The revenues for ROYALTIES, which represent 2.5% of consolidated turnover (EUR 2,388 thousand), decreased by 39.9% compared to the same period of 2022.

## 2. Gross Operating Margin (EBITDA)

### *First quarter 2023 vs 2022*

In the first quarter of 2023, consolidated EBITDA ADJUSTED, net of the extraordinary effects associated with the Group's organizational restructuring approved on March 29, 2023, was positive by EUR 12,304 thousand (with a margin of 13.2% on turnover), recording a decrease compared to the EBITDA of the first quarter of 2022 equal to EUR 20,443 thousand (with an incidence of 20.1% on turnover).

Margins in the quarter decreased as a result of the new strategic course of the Moschino brand with the associated costs both relating to the change of distribution model in China (from 100% wholesale to retail) and the launch of the repositioning plan for the various Moschino collections, with consequent effects both in terms of turnover and royalties.

In the first quarter of 2023, consolidated EBITDA was positive by EUR 11,518 thousand (with a margin of 12.4% on turnover).

In Q1 2023 EBITDA ADJUSTED of the prêt-à-porter division amounted to EUR 4,004 thousand (representing 6.9% of sales), compared to EUR 12,870 thousand in Q1 2022 (19.0% of sales).

EBITDA ADJUSTED of the footwear and leather goods division amounted to EUR 8,301 thousand (18.0% of sales) compared to a EUR 7,573 thousand in Q1 2022 (16.4% of sales).

EBIT ADJUSTED was positive for EUR 4,005 thousand compared to EUR 14,172 thousand in Q1 2022.

EBIT reported was equal to EUR 3,218 thousand.

### **3. Net result**

#### *First quarter 2023 vs 2022*

In the first quarter 2023 the Group has posted a net loss of EUR 330 thousand compared to a net profit of EUR 8,943 thousand in the first quarter 2022, recording a 9,273 thousand decrease.



## Segment information

### **Economic performance by Divisions**

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

### *First quarter 2023 vs 2022*

The following tables indicate the main economic data for the first quarter of 2023 and 2022 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
Q I 2023				
<b>SECTOR REVENUES</b>	<b>58,306</b>	<b>46,103</b>	<b>( 11,166)</b>	<b>93,243</b>
Intercompany revenues	( 4,306)	( 6,860)	11,166	-
<b>Revenues with third parties</b>	<b>54,000</b>	<b>39,243</b>	-	<b>93,243</b>
<b>Gross operating margin (EBITDA)</b>	<b>3,274</b>	<b>8,244</b>	-	<b>11,518</b>
Amortisation	( 6,606)	( 1,463)	-	( 8,069)
Other non monetary items:				
Write-downs	( 134)	( 97)	-	( 231)
<b>Net operating profit / loss (EBIT)</b>	<b>( 3,466)</b>	<b>6,684</b>	-	<b>3,218</b>
Financial income	102	33	-	135
Financial expenses	( 1,849)	( 506)	-	( 2,355)
<b>Profit / loss before taxes</b>	<b>( 5,213)</b>	<b>6,211</b>	-	<b>998</b>
Income taxes	470	( 1,798)	-	( 1,328)
<b>Net profit / loss</b>	<b>( 4,743)</b>	<b>4,413</b>	-	<b>( 330)</b>

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
Q I 2022				
<b>SECTOR REVENUES</b>	<b>67,719</b>	<b>46,262</b>	<b>( 12,420)</b>	<b>101,561</b>
Intercompany revenues	( 4,440)	( 7,980)	12,420	-
<b>Revenues with third parties</b>	<b>63,279</b>	<b>38,282</b>	-	<b>101,561</b>
<b>Gross operating margin (EBITDA)</b>	<b>12,870</b>	<b>7,573</b>	-	<b>20,443</b>
Amortisation	( 5,033)	( 1,167)	-	( 6,200)
Other non monetary items:				
Write-downs	( 1)	( 70)	-	( 71)
<b>Net operating profit / loss (EBIT)</b>	<b>7,836</b>	<b>6,336</b>	-	<b>14,172</b>
Financial income	97	138	( 10)	225
Financial expenses	( 847)	( 278)	10	( 1,115)
<b>Profit / loss before taxes</b>	<b>7,086</b>	<b>6,196</b>	-	<b>13,282</b>
Income taxes	( 2,515)	( 1,824)	-	( 4,339)
<b>Net profit / loss</b>	<b>4,571</b>	<b>4,372</b>	-	<b>8,943</b>

### Prêt-à porter Division

In the first three months of 2023, revenues of the prêt-à-porter division decrease by 13.9% (-14.2% at constant exchange rates), from EUR 67,719 thousand at 31 March 2022 to EUR 58.306 thousand.

EBITDA ADJUSTED of the *prêt-à-porter* division is EUR 4,004 thousand in the first quarter of 2023 (representing 6.9% of sales) compared to EUR 12,870 thousand in the first quarter of 2022 (representing 19.0% of sales), recording a decrease of EUR 8,866 thousand.

EBITDA reported of the *prêt-à-porter* division is EUR 3,274 thousand in the first quarter of 2023.

#### Footwear and leather goods Division

Revenues of the footwear and leather goods division decrease by 0.3% from EUR 46,262 thousand in the first quarter of 2022 to EUR 46,103 thousand in the first quarter of 2023.

EBITDA ADJUSTED of the footwear and leather goods division is positive for EUR 8,301 thousand (representing 18.0% of sales), showing a 9.6% growth compared to EUR 7,573 thousand in the first quarter 2022 (representing 16.4% of sales), with a EUR 728 thousand increase.

EBITDA reported of the footwear and leather goods division amounts to EUR 8,244 thousand in the first quarter 2023.

### **Balance sheet**

#### **4. Net working capital**

At 31<sup>st</sup> March 2023 operating net working capital amounts to EUR 110,089 thousand (32.0% of LTM sales) compared to EUR 90,964 thousand at 31<sup>st</sup> December 2022 (25.8% of LTM sales).

#### **5. Fixed assets**

The change in fixed assets, that decreases from EUR 238,078 thousand at 31<sup>st</sup> December 2022 to EUR 234,008 thousand at 31<sup>st</sup> March 2023, is mainly attributable to the amortization of the period. Capex in Q1 2023 amount to EUR 1,130 thousand and are mostly related to refurbishment and IT technologies.

#### **6. Shareholders' equity**

The balance sheet shows a shareholder's equity that changes from EUR 109,805 thousand at 31<sup>st</sup> December 2022 to EUR 109,715 thousand at 31<sup>st</sup> March 2023.

Changes in shareholders' equity are presented in tables at page 12.

#### **7. Net financial position**

Looking at the balance sheet as of 31<sup>st</sup> March 2023, financial debt, IFRS 16 effect included, amounts to EUR 245,773 thousand compared to EUR 231,823 thousand as of 31<sup>st</sup> December 2022, with a EUR 13,950 thousand worsening mainly attributable to the seasonal effect on net working capital. The financial debt net of IFRS 16 effect at 31<sup>st</sup> March 2023 amounts to EUR 142,447 thousand, worsening compared to EUR 126,918 thousand at 31<sup>st</sup> December 2022, always attributable to the increase of working capital.

Regarding financial debt, it should be noted that the Aeffe Group, in the last two years, has made two strategic investments of an extraordinary nature for a total consideration of EUR 90 million relating to the purchase of the minority shareholding of 30% of Moschino S.p.A. and the change of distribution in China on the Moschino brand.

## **Other information**

### **Earnings per share**

Reference earnings

The calculation of basic and dilutive earnings per share is based on the following elements:

(Values in thousands of EUR)	Q I	Q I
	2023	2022
From continuing and discontinued activities		
From continuing activities		
Earnings for determining basic earnings per share	( 316)	8,943
<b>Earnings for determining earnings per share</b>	<b>( 316)</b>	<b>8,943</b>
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>( 316)</b>	<b>8,943</b>
From continuing and discontinued activities		
Earnings for the period	( 316)	8,943
Earnings from discontinued operations	-	-
<b>Earnings for determining basic earnings per share</b>	<b>( 316)</b>	<b>8,943</b>
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>( 316)</b>	<b>8,943</b>
Number of reference share		
<b>Average number of shares for determining earnings per share</b>	<b>98,425</b>	<b>99,437</b>
Share options	-	-
<b>Average number of shares for determining diluted earnings per</b>	<b>98,425</b>	<b>99,437</b>

#### *Basic earnings per share*

Group net loss attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 316 thousand (March 2022: net earnings equal to EUR 8,943 thousand).

#### *Dilutive earnings per share*

The calculation of diluted earnings per share for the period January - March 2023, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

### **Significant events subsequent the balance sheet date**

After the 31 March 2023 no significant events regarding the Group's activities have to be reported.

### **Outlook**

The results of the first quarter of the year are the natural outcome of the strategic reorganization plan launched by Aeffe Group in 2022 and that we are convinced will bring benefits already in the medium term. The rationalization of the Moschino brand's lines and the acquisition of direct control of the brand's distribution on the Chinese market certainly had an effect on the first quarter results, but we believe that these moves will be instrumental in the growth and development for both the brand and the Group. At the same time, the growth reported by the Alberta Ferretti, Philosophy di Lorenzo Serafini brands and above all by the Pollini brand, as well as the positive performance of the Moschino retail network in Asia, make us confident about the group's future consolidation and growth opportunities starting from 2024.

## **Atypical and/or unusual transactions**

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first quarter of 2023, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

## **Significant non-recurring events and transactions**

On 29<sup>th</sup> March 2023, the Board of Directors of Aeffe S.p.A. has approved the projects for the absorption by Aeffe of Moschino S.p.A. ("Moschino") and Aeffe Retail ("Aeffe Retail"), both wholly-owned subsidiaries. Both operations are part of a corporate rationalization and reorganization process, commenced in 2022 with the absorption of Velmar S.p.A., intended to enhance the operational efficiency and coordination of Group activities and their coordination, through the reduction the number of decision-making levels and rationalizing the release of synergies within the Group and the consequent saving of the corporate, accounting, tax and administrative costs of the above mentioned controlled companies.

The executive responsible for preparing the company's accounting documentation Matteo Scarpellini declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.