

GROUP RESULTS FOR THE FIRST HALF OF 2022 APPROVED

CONFIRMED DOUBLE-DIGIT GROWTH IN CONSOLIDATED REVENUES OVER THE PREVIOUS YEAR (+13.9%)

DIRECT RETAIL OPENING IN CHINA SUCCESSFULLY FINALISED

San Giovanni in Marignano, July 28, 2022. The Board of Directors of Aeffe Spa - luxury products company listed in the STAR segment of Borsa Italiana, operating both in the prêt-à-porter sector and in the footwear and leatherwear sector with extremely well-known brands, including Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino and Pollini - approved the Interim consolidated financial statement as of June 30, 2022.

- **CONSOLIDATED REVENUES equal to 176.5 million Euros, compared to 155 million Euros in 2021, with an increase of 13.9%** at constant exchange rates (13.2% at current exchange rates).
- **EBITDA of 20.9 million Euros (12% of revenues)** compared to the EBITDA of 20.1 million Euros in 2021.
- **NET PROFIT of the group, equal to 2.9 million Euros** compared to the profit of 13.3 million Euros in 2021.
- **NET FINANCIAL DEBT including the IFRS 16 effect equal to 182.9 million Euros**, increased compared to the indebtedness of 172.2 million Euros at the end of March 2022. Financial debt at June 30 2022, net of the IFRS 16 effect, equal to 105.7 million Euros (100 million Euros at March 31, 2022). Not considering the extraordinary purchase of the minority shareholding of Moschino S.p.A., the net financial position, net of the IFRS 16 effect, would have been 35.5 million euro, an improvement of 9.7 million euro over the same figure at 30 June 2021.

Massimo Ferretti, Executive Chairman of Aeffe Spa, commented: *"First half results reflect the effective business model of the AEEFE Group and the appreciation for our collections, with a significant growth in sales of all our brands in the different sales channels, with a strong progression especially in retail. We are therefore satisfied of the Group's performances, as well as for the evolution of the new strategic direction of Moschino and the completion of the project related to the direct management of the distribution on the Chinese market, with the related benefits expected already in the coming months. We continue to carefully monitor the challenging market context, focusing our efforts on a path of constant and sustainable growth, both in the ready-to-wear and accessories segments, together with an expansion of our geographical presence in high-potential markets, including Greater China and United States"*.

CONSOLIDATED REVENUES

The Aeffe Group achieved revenues of 176.5 million Euros in the first half of 2022, compared to 155 million Euros in 2021 (+13.9% at current exchange rates and +13.2% at constant exchange rates). In a context of generalized growth in all geographical areas with the exception of the Far East and in particular in the retail channel, the Group recorded a strong acceleration in particular in the United States (+39.5%).

- **REVENUES of the prêt-à-porter division amounted to 120.2 million Euros**, recording an increase of 14.6% at current exchange rates compared to 2021 (+13.7% at constant exchange rates).
- **REVENUES of the footwear and leather goods division amounted to 80.2 million Euros**, with an increase by 17.6%, both at constant and current exchange rates, gross of the eliminations between the two divisions.

ANALYSIS OF TURNOVER BY DISTRIBUTION CHANNEL

<i>(In thousands of Euro)</i>	1H 22	1H 21	% Change	% Change*
Wholesale	129,677	121,036	7.1%	6.5%
Retail	39,494	27,946	41.3%	40.7%
Royalties	7,335	6,038	21.5%	21.5%
Total	176,506	155,020	13.9%	13.2%

(*) At constant exchange rates.

In the first half of 2022, the Group recorded a strong growth, particularly in the RETAIL channel, reporting +41.3% compared to the same period last year. The WHOLESale channel showed sustained growth (+7.1%), despite the penalisation of revenues in China in the second quarter of the year due to the reorganisation of local distribution. The related benefits from the transaction are expected on Retail Revenues generated from Q3 2022 onwards. In particular, the successful project in China resulted in the opening of 18 direct Retail sites, will change the sales methods and approach to the local market in that area.

- **Revenues of the WHOLESale CHANNEL**, which represents 73.5% of turnover (129.7 million Euros), **recorded growth of 7.1%** at constant exchange rates, despite the reorganisation of the Chinese market.
- **Revenues of the RETAIL CHANNEL** (including directly operated stores and online channels) equal to 22.4% of Group sales (39.5 million Euros), **showed an increase of 41.3%** at current exchange rates compared to the corresponding period of the previous year
- **ROYALTIES INCOMES**, which represent 4.2% of consolidated turnover (7.3 million Euros), **grew by 21.5%** compared to the same period of 2021.

ANALYSIS OF TURNOVER BY GEOGRAPHICAL AREA

<i>(In thousands of Euro)</i>	1H 22	1H 21	% Change	% Change*
Italy	71,301	58,683	21.5%	21.5%
Europe (Italy excluded)	59,316	51,183	15.9%	15.8%
Asia & RoW	31,546	34,872	(9.5%)	(9.6%)
America	14,343	10,282	39.5%	30.8%
Total	176,506	155,020	13.9%	13.2%

(*) At constant exchange rates.

Having overcome the difficulties of the acute health crisis caused by the Covid-19 coronavirus and despite the complex scenario linked to the evolution of the conflict in Ukraine, in the first semester of 2022 the Group recorded double-digit growth in all the markets in which it operates with the exception of the Far East, with very strong increases in Europe, and America:

- **Sales on the ITALY market**, representing 40.4% of turnover, **increased by 21.5% to 71.3 million Euros** compared to 2021 thanks to the excellent results achieved by the retail channel (+59.9% compared to 2021). The wholesale channel also recorded a 9.9% increase.
- **Sales in EUROPE**, with an incidence on turnover of 33.6%, **reported an increase of 15.9% to 59.3 million Euros** compared to 2021, driven by the significant acceleration of the retail channel, which showed an increase of 104.1% compared to the same period last year.
- **In ASIA and in the REST OF THE WORLD**, the Group achieved revenues of 31.5 million Euros, with an incidence on turnover of 17.9%, **down by 9.5%** compared to the same period of 2021. This decrease was

mainly driven by the wholesale channel as a result of the Group taking over the direct management of the Chinese market along with the impact of the continuing health emergency.

- **Sales in AMERICA**, with an incidence on turnover of 8.1%, **recorded growth of 39.5% to 14.3 million Euros** compared to 2021. The increase is directly attributable to the excellent result achieved by the wholesale channel (+71.4% year-on-year).

ANALYSIS OF OPERATING RESULTS AND NET PROFIT

- **In the first semester of 2022, consolidated EBITDA was positive for 20.9 million Euros** (with an incidence of 12% on turnover), registering an increase of 4% compared to the EBITDA of the first semester 2021 equal to 20.1 million Euros (with an incidence of 13% on turnover). The project in China affected the result for Q2 2022 by penalising Ebitda due to higher costs incurred.
- **Consolidated EBIT is positive for 6.9 million Euros** compared to 7.6 million Euros in 2021 with a decrease of 0.7 million Euros.
- **Consolidated NET PROFIT amounted to 2.9 million Euros** compared to the net profit of 13.3 million Euros in 2021, which was affected by extraordinary tax benefits related to revaluation and realignments implemented as per Article 110 of Decree-Law 104/2020 ("Decreto Agosto").

FINANCIAL POSITION OF THE GROUP

- The balance sheet and financial position of the Group at June 30, 2022 shows a **NET EQUITY of 122 million Euros** (120.1 million Euros at December 31, 2021) and a **DEBT of 105.7 million Euros** net of the IFRS 16 effect (45.2 million Euros as at June 30, 2021).
- Please note that during 2021 Aeffe Group has finalized two extraordinary transactions for a total consideration of 70.2 million Euros, that regards the acquisition of the 30% minority stake in Moschino S.p.A., for a consideration of 66.6 million Euros, and the early acquisition of the license for the production and marketing of the "Love Moschino" women's clothing collections for a consideration of 3.6 million Euros. Net of these extraordinary effects, the **NET FINANCIAL POSITION would have been equal to EUR 35.5 million** (an improvement of EUR 9.7 million compared to 30 June 2021).
- As of June 30, 2022, the **NET WORKING CAPITAL** amounted to **81.9 million Euros** (23.7% of revenues on an annual basis) compared to the 84.2 million Euros of June 30 2021 (27.6% of revenues on an annual basis).
- **INVESTMENTS** made in the first semester of 2022, equal to **4.3 million Euros**, mainly refer to works on third party assets and purchases for software.

Income Statement, Balance Sheet and Cash Flow Statement are attached below. It is specified that financial data included in the Consolidated Interim Report of this press release have not been audited by the Auditors' company.

Please note that the Interim Consolidated Financial Statements and the Results Presentation at June 30 2022 are available at the following link: <http://www.aeffe.com/aeffeHome.asp?pattern=11&lang=ita>, as well as on the authorized storage site www.emarketstorage.com.

"The Executive responsible for preparing the Company's accounting documentation, Simone Badioli, confirms pursuant to art.154-bis, para. 2, TUF that the accounting disclosures contained in this communication agree with the related corporate documents, legal books and accounting entries".

OTHER RESOLUTIONS

Appointment of the Financial Reporting Manager and Investor Relator

The Board of Directors appointed Mr. Matteo Scarpellini, the Group's Chief Financial Officer, to the position of Manager in charge of preparing the Company's accounting and corporate documents, previously held, pro tempore, by the Chief Executive Officer Mr. Simone Badioli, and also appointed Mr. Scarpellini as the Company's Investor Relator, a role previously held ad interim by Mr. Giancarlo Galeone.

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CONSOLIDATED INCOME STATEMENT (1)

<i>(In thousands of Euro)</i>	1H 22	%	1H 21	%	Change %
Revenues from sales and services	176,506	100.0%	155,020	100.0%	13.9%
Other revenues and income	4,249	2.4%	3,430	2.2%	23.9%
Total Revenues	180,756	102.4%	158,450	102.2%	14.1%
<i>Total operating costs</i>	<i>(159,874)</i>	<i>(90.6%)</i>	<i>(138,368)</i>	<i>(89.3%)</i>	<i>15.5%</i>
EBITDA	20,882	11.8%	20,082	13.0%	4.0%
Total Amortization and Write-downs	(13,919)	(7.9%)	(12,445)	(8.0%)	11.8%
EBIT	6,962	3.9%	7,636	4.9%	(8.8%)
Total Financial Income /(expenses)	(1,300)	(0.7%)	(1,335)	(0.9%)	(2.6%)
Profit/(loss) before taxes	5,662	3.2%	6,302	4.1%	(10.2%)
Taxes	(2,795)	(1.6%)	11,125	7.2%	(125.1%)
Net Profit/(loss)	2,867	1.6%	17,427	11.2%	(83.6%)
Profit attributable to minority shareholders			(4,141)	(2.7%)	(100.0%)
Net Profit/(loss) for the Group	2,867	1.6%	13,286	8.6%	(78.4%)

(1) L'EBITDA – Earnings before interests, taxes, depreciation and amortization - è rappresentato dal risultato operativo al lordo degli accantonamenti ed ammortamenti. L'EBITDA così definito è una misura utilizzata dal Management del Gruppo per monitorare e valutare l'andamento operativo dello stesso e non è identificato come misura contabile nell'ambito sia dei Principi Contabili Italiani sia degli IFRS e, pertanto, non è oggetto di verifica da parte della Società di revisione.

CONSOLIDATED BALANCE SHEET (2)

<i>(In thousands of Euro)</i>	30 June 2022	31 December 2021	30 June 2021
Trade receivables	58,208	50,034	49,217
Stock and inventories	116,320	91,407	103,267
Trade payables	(92,599)	(78,690)	(68,247)
Operating net working capital	81,929	62,751	84,237
Other receivables	45,375	39,150	36,937
Other liabilities	(32,415)	(22,052)	(22,123)
Net working capital	94,890	79,848	99,050
Tangible fixed assets	60,024	58,771	60,186
Intangible fixed assets	67,605	68,866	70,678
Right-of-use assets	86,162	85,962	93,034
Investments	30	30	30
Other long term receivables	2,413	1,566	2,132
Fixed assets	216,234	215,195	226,061
Post employment benefits	(4,152)	(4,479)	(4,531)
Long term provisions	(2,055)	(1,758)	(1,579)
Other long term liabilities	(470)	(1,120)	(1,164)
Deferred tax assets	14,466	15,164	20,763
Deferred tax liabilities	(14,018)	(13,945)	(15,069)
NET CAPITAL INVESTED	304,894	288,905	323,532
Capital issued	24,697	24,917	24,950
Other reserves	93,666	110,438	110,535
Profits/(Losses) carried-forward	725	(27,321)	12,905
Profit/(Loss) for the period	2,867	12,126	13,286
Group share capital and reserves	121,955	120,160	161,676
Minority interests			34,644
Shareholders' equity	121,955	120,160	196,320
Short term financial receivables	(3,177)	(2,914)	(2,777)
Liquid assets	(22,970)	(31,307)	(42,577)
Long term financial payables	80,689	90,697	50,355
Long term financial receivables			
Short term financial payables	51,059	36,595	40,189
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	105,601	93,072	45,190
Short term lease liabilities	14,406	13,321	13,151
Long term lease liabilities	62,932	62,352	68,871
NET FINANCIAL POSITION	182,939	168,745	127,212
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	304,894	288,905	323,532

(2) The reclassified equity and financial analysis highlights aggregations used by Management to assess the Group's equity and financial performance. These are measures generally adopted in the practice of financial communication, directly referable to the data of the financial statements but however not identified as accounting measures under IFRS and, therefore, not subject to verification by the independent auditors.

CONSOLIDATED CASH FLOW

(In thousands of Euro)

	1H 22	FY 21	1H 21
OPENING BALANCE	31,307	39,828	39,828
Profit before taxes	5,662	6,318	6,302
Amortizations, provisions and depreciations	13,920	26,176	12,445
Accruals (availments) of long term provisions and post employment benefits	(30)	(207)	(335)
Taxes	(2,475)	(1,447)	(927)
Financial incomes and financial charges	1,300	2,850	1,335
Change in operating assets and liabilities	(16,261)	14,964	(3,030)
NET CASH FLOW FROM OPERATING ASSETS	2,116	48,654	15,790
Increase / (decrease) in intangible fixed assets	(750)	(396)	(308)
Increase / (decrease) in tangible fixed assets	(3,535)	(1,927)	(702)
Increase / (decrease) in right-of-use assets	(8,827)	(1,678)	(401)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)		102	101
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(13,112)	(3,899)	(1,310)
Other changes in reserves and profit carried-forward to shareholders'equity	(1,051)	(70,722)	137
Proceeds / (repayment) of financial payments	4,455	32,005	(4,744)
Proceeds / (repayment) of lease payments	1,666	(12,535)	(6,185)
Increase / (decrease) financial receivables	(1,111)	826	396
Financial incomes and financial charges	(1,300)	(2,850)	(1,335)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	2,659	(53,276)	(11,731)
CLOSING BALANCE	22,970	31,307	42,577