

AIEFFE GROUP APPROVES 2022 RESULTS

Significant growth in Consolidated Revenues and slight growth in consolidated EBITDA compared to 2021

San Giovanni in Marignano, March 15, 2023. 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 – has approved today the draft of the financial statements of the parent company Aeffe S.p.A. and the consolidated financial statements for the year ended at 31 December 2022.

- **CONSOLIDATED REVENUES equal to EUR 352 million, compared to EUR 325 million in 2021, with an increase of 8.4%** at current exchange rates (7.7% at constant exchange rates).
- **EBITDA of EUR 36 million (10.1% of revenues)**, compared with EUR 35 million in 2021, up by 0.6%.
- **NET LOSS of EUR 9 million** compared with a net profit of EUR 12 million in 2021 which included non-recurring tax benefits of 9.5 million euros.
- **FINANCIAL DEBT including the IFRS 16 effect equal to EUR 232 million**, up compared to the debt of EUR 169 million at the end of December 2021.

FINANCIAL DEBT net of the IFRS 16 effect equal to EUR 127 million at December 31, 2022, (EUR 93 million at December 31, 2021).

Massimo Ferretti, Executive Chairman of Aeffe Spa, commented: *"We positively evaluate 2022 results and we are particularly satisfied with the investments implemented, including the finalization of the Moschino direct distribution project in China, confident that the choices made will be reflected in a progression of both revenues and profitability in the medium term. With attention to the evolution of the market context and the related contingencies, the Group is still committed to strengthening the development plans of the proprietary brands both at a commercial level and in terms of optimization of the corporate and organizational structure"*.

CONSOLIDATED REVENUES

In the year 2022 Aeffe Group achieved revenues of 352 million euros, compared to 324.6 million euros in 2021 (+8.4% at current exchange rates and +7.7% at constant exchange rates). Against a backdrop of generalized growth in all geographies (with the exception of the Far East) and in particular in the retail channel, the Group recorded a strong acceleration both in Italy (+17.0%) and in the Rest of Europe (+59.3%).

- **REVENUES of the prêt-à-porter division amounted to 231.8 million euros**, gross of the eliminations between the two divisions, recording an increase of 5.3% at current exchange rates compared to 2021 (+4.2% at constant exchange rates).
- **REVENUES of the footwear and leather goods division amounted to 163.6 million euros**, gross of the eliminations between the two divisions, with an increase by 16.9%, both at constant and current exchange rates compared to 2021.

ANALYSIS OF TURNOVER BY DISTRIBUTION CHANNEL

<i>(In thousands of Euro)</i>	FY 22	FY 21	% Change	% Change*
Wholesale	248,588	238,805	4.1%	3.4%
Retail	88,505	72,164	22.6%	21.5%
Royalties	14,913	13,623	9.5%	9.5%
Total	352,006	324,592	8.4%	7.7%

(*) At constant exchange rates.

In 2022, the Group recorded marked growth in particular in the RETAIL channel, reporting a progression of 21.5% compared to 2021. In particular, the finalization of the direct distribution management project for Moschino in China with the opening of 23 retail boutiques, substantially changing the methods of selling and approaching the local market. The related benefits deriving from the project have only partially been recorded on Retail Revenues starting from the second half of 2022, despite restrictions adopted on site to contain the spread of Covid-19 infections.

The WHOLESAL channel also shows good growth (+3.4%) despite the operation carried out by Moschino in China for the reorganization of distribution.

Double-digit growth in all markets in which operates, with very strong increases in Europe, Asia, Rest of the World and America.

- **Revenues of the WHOLESAL CHANNEL**, which represents 70.6% of turnover (248.6 million euros), **recorded growth of 3.4%** 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 25.1% of Group sales (88.5 million euros), **showed an increase of 21.5%** at constant exchange rates compared to the previous year.
- **ROYALTIES INCOMES**, which represent 4.2% of consolidated turnover (14.9 million euros), **grew by 9.5%** compared to 2021.

ANALYSIS OF TURNOVER BY GEOGRAPHICAL AREA

<i>(In thousands of Euro)</i>	FY 22	FY 21	% Change	% Change*
Italy	144,569	132,138	9.4%	9.4%
Europe (Italy excluded)	117,826	105,535	11.6%	11.6%
Asia & RoW	65,038	65,369	(0.5%)	(1.3%)
America	24,573	21,550	14.0%	5.6%
Total	352,006	324,592	8.4%	7.7%

(*) At constant exchange rates.

Despite the complex scenario linked to the evolution of the conflict in Ukraine, in 2022 the Group recorded significant growth in all the markets in which it operates with the exception of the Far East (where the Covid-19 emergency persisted), with significant increases in main reference markets of the Group, including Italy, Europe, and America.

- **Sales on the ITALY market**, representing 41.1% of turnover, **increased by 9.4% to 144.6 million euros** compared to 2021 thanks to a significant recovery achieved by the retail channel (+17.0% compared to 2021). The wholesale channel also recorded a 6.0% increase.
- **Sales in EUROPE**, with an incidence on turnover of 33.4%, **reported an increase of 11.6% to 117.8 million euros** compared to 2021, driven by the significant acceleration of the retail channel, which showed an increase of 59.3% compared to last year.

- **In ASIA and in the REST OF THE WORLD, the Group achieved revenues of 65.0 million euros**, with an incidence on turnover of 18.5%, **down by 1.3%** compared to 2021. This decrease was mainly generated by the reorganization of the wholesale channel following the Group's takeover of the direct management of the Chinese market, without the associated potential benefits in terms of retail revenues due to the persistence of local restrictions due for the health emergency.
- **Sales in AMERICA**, with an incidence on turnover of 7.0%, **recorded growth of 5.6% to 24.6 million euros**. The increase is directly attributable to the excellent result achieved by the wholesale channel (+34.1% year-on-year).

ANALYSIS OF OPERATING RESULTS AND NET RESULT

- **In 2022, the consolidated EBITDA was positive for EUR 36 million** (with an incidence of 10.1% on turnover), recording an increase of 0.6% compared to the 2021 EBITDA of 35 million (with a 10.9% incidence on turnover), despite the difficulties on the Chinese market related to the local health emergency which had a negative impact on the second semester both on sales volumes and on expected margins, contributing to an increase in costs both variables and fixed.
 - **The EBITDA of the prêt-à-porter division was EUR 15 million in 2022** (6.5% of turnover), compared with EUR 23 million in 2021 (10% of sales), heavily penalized by the performance of the Chinese market.
 - **The EBITDA of the footwear and leatherwear division was EUR 21 million in 2022** (12.6% of sales), compared with EUR 12 million in 2021 (9% of turnover).
- **Consolidated EBIT was positive for EUR 1.2 million.**
- **Net LOSS for the year is equal to EUR 9 million compared to a PROFIT for the year equal to 12 million in 2021** which included non-recurring tax benefits for EUR 9.5 million (Adjusted profit 2021 equal to EUR 2.5 million).

FINANCIAL POSITION OF THE GROUP

- The Group's statement of financial position as at 31 December 2022 shows a SHAREHOLDERS' EQUITY of EUR 110 million (120 million as at 31 December 2021) and a FINANCIAL DEBT of a negative EUR 127 million net of the IFRS16 effect (negative for EUR 93 million at 31 December 2021).
- With regard to 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.
- As at December 31, 2022, NET WORKING CAPITAL amounted to 113 million (32% of revenues) compared to 80 million as at December 31, 2021 (24.6% of revenues). The increase in the ratio of net working capital to revenues is mainly attributable to the increase in inventories deriving from the completion of the China operation.
- INVESTMENTS realized in 2022, amounting to EUR 9 million, mainly refer to works on third party assets, the opening of new stores and outlets as well as purchases of software.

SIGNIFICANT SUBSEQUENT EVENTS

No significant events have taken place after the year end.

PROPOSAL BY THE BOARD OF DIRECTORS TO APPROVE THE DRAFT SEPARATE FINANCIAL STATEMENTS OF AEFPE SPA FOR 2022 AND ALLOCATE THE RESULTS FOR THE YEAR THEN ENDED

The Board of Directors also approved the 2022 draft separate financial statements of Aeffe S.p.A., the Parent Company. The Board of Directors will recommend the Shareholders' Meeting, called for 27th April 2023, to use the share premium reserve to cover the loss for the year of EUR 5,334,728.

CONSOLIDATED NON-FINANCIAL STATEMENT FOR 2022

The Board of Directors of Aeffe S.p.A., meeting today, examined and approved the preliminary results of the Consolidated Non-Financial Statement for 2022, prepared as an integral part of the consolidated financial statements for the year, as envisaged in Decree 254/2016.

COMMENTS ON THE PRINCIPAL ECONOMIC-FINANCIAL DATA OF AEFPE S.P.A.

- The **SALES REVENUES** of Aeffe S.p.A. amounted to **EUR 165 million** a strong increase compared to the 114 million euros of 2021 (+44.2%).
- **EBITDA for 2022 is positive and equal to EUR 12 million**, a clear increase compared to the 2021 figure in which there was a negative ebitda of EUR 0.3 million. This change is mainly attributable to the increase in sales volumes.
- **EBIT for 2022 is negative EUR 1 million**, a strong improvement compared to the same figure of the previous year equal to negative EUR 17 million. Write-downs made concerned the equity investments in the Italian subsidiary Aeffe Retail s.p.a. and in the foreign subsidiaries Aeffe UK and Aeffe France.
- In 2022 **NET FINANCIAL CHARGES amounted to EUR 2.5 million**, a sharp increase compared to the 2021 figure of EUR 1.2 million; the increase is mainly due to the increase in interest rates (Euribor).
- **PRE-TAX LOSS 2022 is equal to EUR 4 million**, an improvement compared to the figure of the previous year equal to EUR 18 million.
- **The NET LOSS amounted to EUR 5 million**, an improvement compared to that of EUR 16 million in 2021 mainly deriving from the increase in sales volumes and EBITDA.
- **The NET FINANCIAL POSITION at December 31, 2022, net of the effects associated with IFRS16, was negative for EUR 118 million**, an improvement compared to the same figure for 2021 of EUR 121 million.
- **SHAREHOLDERS' EQUITY amounts to EUR 125 million**, compared to EUR 117 million in December 2021.

It should be noted that, following the approval on 28 June 2022 by the Board of Directors of the merger by incorporation into Aeffe S.p.A. of the 100% subsidiary Velmar S.p.A. and following the deed of merger whose accounting and tax effects were backdated to 1 January 2022, the year 2022 financial statements incorporate the effects of this transaction, while the year 2021 and the related comparative data refer to the situation of the company Aeffe S.p.A. as at 31 December 2021, pre-merger situation.

In the financial statements of Aeffe S.p.A. all economic and equity details deriving from the merger operation will be provided.

Aeffe S.p.A. Revenues increased of EUR 33 million as a result of the merger.

Aeffe S.p.A. Ebitda of Aeffe S.p.A. increased of EUR 6 million as a result of the merger.

Aeffe S.p.A. shareholders' equity increased of EUR 16 million as a result of the merger.

OTHER RESOLUTIONS

Corporate Governance

The Company's Board of Directors has assessed the existence of the independence requirements, pursuant to the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF and by art. 3 of the Corporate Governance Code, in the hands of the non-executive directors, Dr. Daniela Saitta, Avv. Francesca Pace, dott. Marco Francesco Mazzù and Dr. Bettina Campedelli, and, on the basis of the declarations provided by the interested parties and the information available to the company, resolved to consider them to exist. . In relation to the non-executive director dott. Roberto Lugano, it has been assessed that he is independent pursuant to the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF but not pursuant to the Corporate Governance Code and is therefore considered non-executive. The Board of Directors of Aeffe S.p.A. approved the Corporate Governance and Ownership Structure Report and the Remuneration Report, which will be made available within the legal deadlines at the registered office, on the website www.aeffe.com and on the authorized storage website www.emarketstorage.com.

Convocation of the Shareholders' Meeting

The Board of Directors of Aeffe S.p.A. resolved to convene the Shareholders' Meeting for 27 April 2023, in a single call and to be held exclusively by means of telecommunication and participation in the meeting by those entitled exclusively through the representative designated by the Company, to discuss and resolve ((i) on the approval of the financial statements of Aeffe S.p.A. closed on 31 December 2022 and related and consequent resolutions (ii) on the company's remuneration policy (iii) on the appointment of the corporate bodies for the three-year period 2023-2025 and the attribution of the fees to directors without special powers and to members of the board of statutory auditors; (iv) on the proposal to authorize the purchase and disposal of treasury shares. The documentation relating to the items on the agenda will be made available to the public in the terms and in the manner established by current legislation.

Other information

The following consolidated schedules of Aeffe S.p.A. are attached: Income Statement, Balance Sheet and Cash Flow Statement.

The 2022 data reported in this communication has not yet been verified by the auditing firm.

The Presentation of Financial Results for the year ended 31st December 2022 is available at the following address: www.aeffe.com

The consolidated financial statements, the draft separate financial statements as of 31st December 2022 and the respective reports on operations will be made available to the public, by the legal deadlines, at the registered office, on the website www.aeffe.com and on the website of the authorized repository www.emarketstorage.com.

"The Executive responsible for preparing the Company's accounting documentation, Matteo Scarpellini, 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".

Contatti:

Investor Relations

AEFFE Spa

Matteo Scarpellini

Investor.relations@aeffe.com

+39 0541 965211

Press Relations

Barabino & Partners

Marina Riva

M.Riva@barabino.it

+39 02 72023535

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)

<i>(In thousands of Euro)</i>	FY 22	%	FY 21	%	Change %
Revenues from sales and services	352,006	100.0%	324,592	100.0%	8.4%
Other revenues and income	11,566	3.3%	8,521	2.6%	35.7%
Total Revenues	363,572	103.3%	333,113	102.6%	9.1%
Changes in inventory	24,645	7.0%	(17,640)	(5.4%)	(239.7%)
Costs of raw materials, cons. and goods for resale	(159,820)	(45.4%)	(114,386)	(35.2%)	39.7%
Costs of services	(110,819)	(31.5%)	(93,183)	(28.7%)	18.9%
Costs for use of third parties assets	(5,681)	(1.6%)	(5,730)	(1.8%)	(0.8%)
Labour costs	(69,862)	(19.8%)	(63,136)	(19.5%)	10.7%
Other operating expenses	(6,478)	(1.8%)	(3,694)	(1.1%)	75.4%
<i>Total operating costs</i>	<i>(328,015)</i>	<i>(93.2%)</i>	<i>(297,768)</i>	<i>(91.7%)</i>	<i>10.2%</i>
EBITDA	35,556	10.1%	35,345	10.9%	0.6%
Total Amortization and Write-downs	(34,336)	(9.8%)	(26,176)	(8.1%)	31.2%
EBIT	1,220	0.3%	9,169	2.8%	(86.7%)
Total Financial Income /(expenses)	(5,016)	(1.4%)	(2,850)	(0.9%)	76.0%
Profit/(loss) before taxes	(3,796)	(1.1%)	6,318	1.9%	(160.1%)
Taxes	(5,260)	(1.5%)	5,808	1.8%	(190.6%)
Net Profit/(loss)	(9,056)	(2.6%)	12,126	3.7%	(174.7%)
Profit attributable to minority shareholders	12	0.0%			#DIV/0!
Net Profit/(loss) for the Group	(9,044)	(2.6%)	12,126	3.7%	(174.6%)

(*) *EBITDA* – Earnings before interest, taxes, depreciation and amortization - represented by the operating profit before provisions, depreciation and amortization. *EBITDA* as defined above is a parameter used by the management of the Group to monitor and assess its operating performance; however it is not identified as an accounting measure in the context of ITA GAAP or IFRS and, as such, is not checked by the auditing firm.

RECLASSIFIED CONSOLIDATED BALANCE SHEET (*)

<i>(In thousands of Euro)</i>	31 December 2022	31 December 2021
Trade receivables	62,851	50,034
Stock and inventories	116,710	91,407
Trade payables	(88,596)	(78,690)
Operating net working capital	90,964	62,751
Other receivables	46,106	39,150
Other liabilities	(24,057)	(22,052)
Net working capital	113,013	79,848
Tangible fixed assets	61,251	58,771
Intangible fixed assets	66,021	68,866
Right-of-use assets	110,567	85,962
Investments	39	30
Other long term receivables	200	1,566
Fixed assets	238,078	215,195
Post employment benefits	(3,551)	(4,479)
Long term provisions	(2,371)	(1,758)
Other long term liabilities	(1,635)	(1,120)
Deferred tax assets	13,895	15,164
Deferred tax liabilities	(15,799)	(13,945)
NET CAPITAL INVESTED	341,629	288,905
Capital issued	24,606	24,917
Other reserves	109,460	110,438
Profits/(Losses) carried-forward	(15,208)	(27,321)
Profit/(Loss) for the period	(9,044)	12,126
Group Shareholders' equity	109,815	120,160
Minority interests	(9)	
Shareholders' equity	109,805	120,160
Short term financial receivables	-	(2,914)
Liquid assets	(21,658)	(31,307)
Long term financial payables	70,444	90,697
Short term financial payables	78,131	36,595
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	126,918	93,072
Short term lease liabilities	16,073	13,321
Long term lease liabilities	88,833	62,352
NET FINANCIAL POSITION	231,823	168,745
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	341,629	288,905

(*) *The reclassified balance sheet reflects the aggregations used by management to evaluate the financial performance of the Group. These are parameters generally adopted in financial communications that are directly traceable to the reported data; however, they are not identified as accounting measurements in the context of IFRS and, as such, are not checked by the auditing firm.*

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of Euro)

	FY 22	FY 21
OPENING BALANCE	31,307	39,828
Profit before taxes	(3,796)	6,318
Amortizations, provisions and depreciations	34,336	26,176
Accruals (availments) of long term provisions and post employment benefits	(314)	(207)
Taxes	(2,199)	(1,447)
Financial incomes and financial charges	5,016	2,850
Change in operating assets and liabilities	(34,584)	14,964
NET CASH FLOW FROM OPERATING ASSETS	(1,541)	48,654
Increase / (decrease) in intangible fixed assets	(1,372)	(396)
Increase / (decrease) in tangible fixed assets	(7,465)	(1,927)
Increase / (decrease) in right-of-use assets	(47,742)	(1,678)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(9)	102
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(56,588)	(3,899)
Changes in shareholders'equity	(1,299)	(70,722)
Proceeds / (repayment) of financial payments	21,283	32,005
Proceeds / (repayment) of lease payments	29,233	(12,535)
Increase / (decrease) financial receivables	4,279	826
Financial incomes and financial charges	(5,016)	(2,850)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	48,480	(53,276)
CLOSING BALANCE	21,658	31,307

RECLASSIFIED INCOME STATEMENT OF AEFTE SPA (*) (**)

<i>(In thousands of Euro)</i>	FY 22	%	FY 21	%	Var.%
Revenues from sales and services	164,666	100.0%	114,173	100.0%	44.2%
Other revenues and income	10,147	6.2%	7,767	6.8%	30.6%
Total Revenues	174,813	106.2%	121,940	106.8%	43.4%
Changes in inventory	(255)	(0.2%)	(1,551)	(1.4%)	(83.6%)
Costs of raw materials, cons. and goods for resale	(65,187)	(39.6%)	(47,111)	(41.3%)	38.4%
Costs of services	(49,588)	(30.1%)	(35,866)	(31.4%)	38.3%
Costs for use of third parties assets	(15,443)	(9.4%)	(8,375)	(7.3%)	84.4%
Labour costs	(30,288)	(18.4%)	(28,112)	(24.6%)	7.7%
Other operating expenses	(1,765)	(1.1%)	(1,253)	(1.1%)	40.9%
<i>Total operating costs</i>	<i>(162,525)</i>	<i>(98.7%)</i>	<i>(122,268)</i>	<i>(107.1%)</i>	<i>32.9%</i>
EBITDA	12,288	7.5%	(328)	(0.3%)	(3,848.2%)
Total Amortization and Write-downs	(13,591)	(8.3%)	(16,786)	(14.7%)	(19.0%)
EBIT	(1,303)	(0.8%)	(17,113)	(15.0%)	(92.4%)
Total Financial Income /(expenses)	(2,472)	(1.5%)	(1,200)	(1.1%)	106.0%
Profit/(loss) before taxes	(3,775)	(2.3%)	(18,314)	(16.0%)	(79.4%)
Taxes	(1,560)	(0.9%)	2,393	2.1%	(165.2%)
Net Profit/(loss)	(5,335)	(3.2%)	(15,920)	(13.9%)	(66.5%)

(*) EBITDA is represented by the operating profit before provisions, depreciation and amortization. EBITDA as defined above is a parameter used by the management of the Company to monitor and assess its operating performance; however it is not identified as an accounting measure in the context of ITA GAAP or IFRS and, as such, is not checked by the auditing firm.

(**) It should be noted that, following the approval on 28 June 2022 by the Board of Directors of the merger by incorporation into Aeffe S.p.A. of the 100% subsidiary Velmar S.p.A. and following the deed of merger whose accounting and tax effects were backdated to 1 January 2022, the year 2022 incorporates the effects of this transaction in the financial statements while the year 2021 and the related comparative data refer to the situation of the company Aeffe S.p.A. as at 31 December 2021, pre-merger situation.

In the financial statements of Aeffe S.p.A. all economic and equity details deriving from the merger operation will be provided.

RECLASSIFIED BALANCE SHEET OF AEFPE SPA (*) ()**

<i>(In thousands of Euro)</i>	31.12.2022	31.12.2021
Trade receivables	78,011	37,216
Stock and inventories	34,043	29,328
Trade payables	(100,421)	(71,146)
Operating net working capital	11,632	(4,602)
Other receivables	22,302	17,716
Other liabilities	(8,995)	(9,517)
Net working capital	24,939	3,597
Tangible fixed assets	40,897	41,817
Intangible fixed assets	3,377	3,286
Right-of-use assets	7,999	12,012
Investments	187,236	202,299
Other long term receivables	559	978
Fixed assets	240,068	260,392
Post employment benefits	(2,570)	(3,077)
Long term provisions	(4,281)	(5,506)
Other long term liabilities	(198)	(207)
Deferred tax assets	1,750	2,757
Deferred tax liabilities	(6,839)	(6,801)
NET CAPITAL INVESTED	252,867	251,155
Capital issued	24,606	24,917
Other reserves	103,599	105,238
Profits/(Losses) carried-forward	2,375	2,348
Profit/(Loss) for the period	(5,335)	(15,920)
Shareholders' equity	125,246	116,583
Liquid assets	(5,762)	(3,992)
Long term financial payables	76,167	100,049
Short term financial payables	47,590	24,684
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	117,995	120,741
Short term lease liabilities	2,231	1,794
Long term lease liabilities	7,395	12,036
NET FINANCIAL POSITION	127,622	134,571
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	252,867	251,155

(*) The reclassified balance sheet reflects the aggregations used by management to evaluate the financial performance of the Company. These are parameters generally adopted in financial communications that are directly traceable to the reported data; however, they are not identified as accounting measurements in the context of IFRS and, as such, are not checked by the auditing firm.

(**) It should be noted that, following the approval on 28 June 2022 by the Board of Directors of the merger by incorporation into Aeffe S.p.A. of the 100% subsidiary Velmar S.p.A. and following the deed of merger whose accounting and tax effects were backdated to 1 January 2022, the year 2022 incorporates the effects of this transaction in the financial statements while the year 2021 and the related comparative data refer to the situation of the company Aeffe S.p.A. as at 31 December 2021, pre-merger situation. In the financial statements of Aeffe S.p.A. all economic and equity details deriving from the merger operation will be provided.

CASH FLOW STATEMENT OF AEFJE SPA (*)

<i>(In thousands of Euro)</i>	31.12.2022	31.12.2021
OPENING BALANCE	3,992	6,240
Profit before taxes	(3,775)	(18,314)
Amortizations, provisions and depreciations	13,591	16,786
Accruals (availments) of long term provisions and post employment benefits	(2,945)	1,597
Taxes	(458)	4,121
Financial incomes and financial charges	2,472	1,200
Change in operating assets and liabilities	(22,856)	18,478
NET CASH FLOW FROM OPERATING ASSETS	(13,971)	23,868
Increase / (decrease) in intangible fixed assets	(657)	(351)
Increase / (decrease) in tangible fixed assets	(368)	(682)
Increase / (decrease) in right-of-use assets	1,745	(745)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	8,257	(76,009)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	8,977	(77,787)
Changes in shareholders'equity	13,997	(1,134)
Proceeds / (repayment) of financial payments	(976)	53,749
Proceeds / (repayment) of lease payments	(4,204)	(1,112)
Increase / (decrease) financial receivables	419	1,368
Financial incomes and financial charges	(2,472)	(1,200)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	6,764	51,671
CLOSING BALANCE	5,762	3,992

(*) It should be noted that, following the approval on 28 June 2022 by the Board of Directors of the merger by incorporation into Aeffe S.p.A. of the 100% subsidiary Velmar S.p.A. and following the deed of merger whose accounting and tax effects were backdated to 1 January 2022, the year 2022 incorporates the effects of this transaction in the financial statements while the year 2021 and the related comparative data refer to the situation of the company Aeffe S.p.A. as at 31 December 2021, pre-merger situation.

In the financial statements of Aeffe S.p.A. all economic and equity details deriving from the merger operation will be provided.

The liquid assets of Aeffe S.p.A., as a result of the merger, increased by EUR 734 thousand.