

# MARCOLIN

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30<sup>TH</sup>, 2022



**CONTENTS**

**GENERAL INFORMATION**..... 5

CORPORATE BOARDS AND AUDITORS..... 7

MARCOLIN GROUP STRUCTURE ..... 8

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**..... 9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ..... 11

CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME..... 12

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 13

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ..... 14

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**..... 15



## GENERAL INFORMATION



## CORPORATE BOARDS AND AUDITORS

### **Board of Directors**<sup>1</sup>

Vittorio Levi	Chairman
Fabrizio Curci	C.E.O. and General Manager
Antonio Abete	Director
Simone Cavalieri	Director
Jacopo Forloni	Director
Cirillo Coffen Marcolin	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Raffaele Roberto Vitale	Director
Severine de Wulf	Director

### **Board of Statutory Auditors**<sup>1</sup>

David Reali	Chairman
Mario Cognigni	Standing Auditor
Diego Rivetti	Standing Auditor
Alessandro Maruffi	Alternate Auditor
Stefania Prandelli	Alternate Auditor

### **Internal Audit Committee**<sup>2</sup>

Vittorio Levi	Chairman
Jacopo Forloni	Supervisor
Cirillo Coffen Marcolin	Supervisor

### **Supervisory Body**<sup>2</sup>

Federico Ormesani	Chairman
David Reali	Supervisor
Gabriele Crisci	Supervisor

### **Independent Auditors**<sup>1,3</sup>

PricewaterhouseCoopers S.p.A.

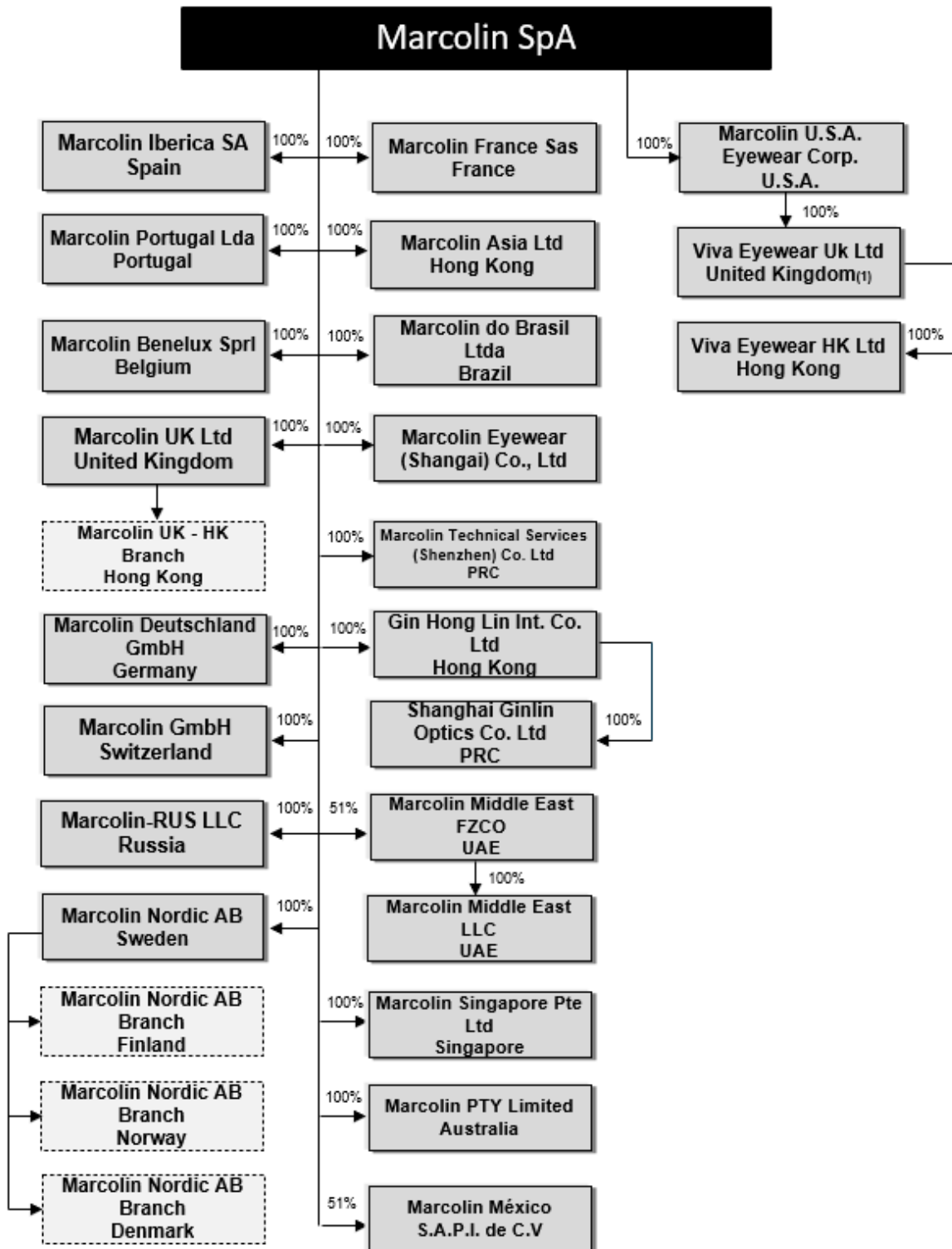
---

1) Term of office ends on the date of the General Meeting called to approve the annual financial statements for the year ended December 31, 2024 (pursuant to the Shareholders' Resolution of April 28, 2022).

2) Pursuant to the Board of Directors' appointment of April 28, 2022.

3) Term of engagement: 2022 - 2024 (pursuant to the Shareholders' Resolution of April 28, 2022).

## MARCOLIN GROUP STRUCTURE



1) Company undergoing liquidation;



**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro/000)</i>	Notes	06/30/2022	12/31/2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1	44,013	43,506
Intangible assets	1	45,063	44,577
Goodwill	1	296,140	287,720
Deferred tax assets	1	56,533	52,223
Other non-current assets	1	865	842
Non-current financial assets	1; 6	237	238
<b>Total non-current assets</b>		<b>442,851</b>	<b>429,106</b>
<b>CURRENT ASSETS</b>			
Inventories	2	116,832	103,307
Trade receivables	2	97,801	70,762
Other current assets	2	35,126	30,093
Current financial assets	2; 6	101	899
Cash and cash equivalents	2; 6	217,433	228,848
<b>Total current assets</b>		<b>467,293</b>	<b>433,909</b>
<b>TOTAL ASSETS</b>		<b>910,145</b>	<b>863,015</b>
<b>EQUITY</b>			
	3		
Share capital		35,903	35,903
Additional paid-in capital		170,304	170,304
Legal reserve		7,180	6,437
Other reserves		62,092	47,441
Retained earnings (losses)		(11,265)	(162,394)
Profit (loss) for the period		7,829	151,873
<b>Group equity</b>		<b>272,044</b>	<b>249,564</b>
Non controlling interests		1,875	1,463
<b>TOTAL EQUITY</b>		<b>273,919</b>	<b>251,025</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current financial liabilities	4; 6	385,116	383,220
Non-current funds	4	7,670	7,107
Deferred tax liabilities	4	6,530	4,728
Other non-current liabilities	4	770	752
<b>Total non-current liabilities</b>		<b>400,085</b>	<b>395,807</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	5	167,867	146,894
Current financial liabilities	5; 6	13,465	22,100
Current funds	5	19,966	18,298
Tax liabilities	5	9,689	6,815
Other current liabilities	5	25,154	22,075
<b>Total current liabilities</b>		<b>236,140</b>	<b>216,182</b>
<b>TOTAL LIABILITIES</b>		<b>636,225</b>	<b>611,989</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>910,145</b>	<b>863,015</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euro/000)	Notes	06/30/2022	%	06/30/2021	%
<b>Net Revenues</b>	7	<b>283,680</b>	<b>100.0%</b>	<b>237,172</b>	<b>100.0%</b>
Cost of sales	8	(112,823)	(39.8)%	(101,224)	(42.7)%
<b>GROSS PROFIT</b>		<b>170,857</b>	<b>60.2%</b>	<b>135,947</b>	<b>57.3%</b>
Distribution and marketing expenses	9	(125,615)	(44.3)%	(104,686)	(44.1)%
General and administrative expenses	10	(22,124)	(7.8)%	(18,467)	(7.8)%
Other operating income/(expenses)	11	455	0.2%	460	0.2%
<b>OPERATING INCOME - EBIT</b>		<b>23,573</b>	<b>8.3%</b>	<b>13,254</b>	<b>5.6%</b>
Profit/(loss) from associates	12	-	0.0%	(168)	(0.1)%
Financial income	13	9,906	3.5%	7,547	3.2%
Financial costs	13	(20,881)	(7.4)%	(17,560)	(7.4)%
<b>PROFIT (LOSS) BEFORE TAXES</b>		<b>12,597</b>	<b>4.4%</b>	<b>3,073</b>	<b>1.3%</b>
Income tax expense	14	(3,769)	(1.3)%	(1,643)	(0.7)%
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>8,829</b>	<b>3.1%</b>	<b>1,430</b>	<b>0.6%</b>
<b>Profit (loss) attributable to:</b>					
- Owners of the parent		7,829	2.8%	875	0.4%
- Non-controlling interests		998	0.4%	554	0.2%

(euro/000)	06/30/2022	06/30/2021
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>8,829</b>	<b>1,430</b>
<i>Other items that will not subsequently be reclassified to profit or loss:</i>		
Effect (actuarial gains/losses) on defined benefit plans, net of taxes	-	-
<b>TOTAL OTHER ITEMS THAT WILL NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>-</b>	<b>-</b>
<i>Other items that will be subsequently reclassified to profit or loss:</i>		
Change in foreign currency translation reserve	9,992	3,340
Change in exchange rate difference on quasi equity loan	4,755	1,706
<b>TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS</b>	<b>14,747</b>	<b>5,046</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>23,576</b>	<b>6,476</b>
<b>Risultato complessivo attribuibile:</b>		
- owners of the parent	22,481	5,834
- non-controlling interests	1,095	642

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(euro/000)</i>	Share capital	Additional paid-in capital	Legal Reserve	Other reserves					Profit (loss) for the period	Capital and reserves net total	Non-controlling interests in equity	Total equity
				S.holders deposit in s/capital	Translation reserve	Other	Actuarial gain / (loss) reserve	Retained earnings/ (losses)				
<b>December 31, 2020</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>(285)</b>	<b>(8,093)</b>	<b>(32)</b>	<b>(75,322)</b>	<b>(56,824)</b>	<b>118,195</b>	<b>1,100</b>	<b>119,295</b>
Allocation of 2020 result	-	-	-	-	-	-	-	(56,824)	56,824	-	-	-
Dividends distribution	-	-	-	-	-	-	-	-	-	-	(714)	(714)
Other movements	-	-	-	-	-	(154)	-	-	-	(154)	-	(154)
- Period result	-	-	-	-	-	-	-	-	875	875	555	1,430
- Other components of comprehensive incor	-	-	-	-	3,253	1,706	-	-	-	4,959	87	5,046
Total comprehensive income	-	-	-	-	3,253	1,706	-	-	875	5,834	642	6,476
<b>June 30, 2021</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>2,968</b>	<b>(6,540)</b>	<b>(32)</b>	<b>(132,146)</b>	<b>875</b>	<b>123,875</b>	<b>1,028</b>	<b>124,903</b>
<b>December 31, 2021</b>	<b>35,902</b>	<b>170,304</b>	<b>6,437</b>	<b>46,108</b>	<b>6,081</b>	<b>(4,684)</b>	<b>(64)</b>	<b>(162,394)</b>	<b>151,873</b>	<b>249,563</b>	<b>1,463</b>	<b>251,025</b>
Allocation of 2021 result	-	-	743	-	-	-	-	151,129	(151,873)	-	-	-
Dividends distribution	-	-	-	-	-	-	-	-	-	-	(682)	(682)
Other movements	-	-	-	-	-	-	-	-	-	-	-	-
- Period result	-	-	-	-	-	-	-	-	7,829	7,829	998	8,829
- Other components of comprehensive incor	-	-	-	-	9,896	4,755	-	-	-	14,651	96	14,747
Total comprehensive income	-	-	-	-	9,896	4,755	-	-	7,829	22,480	1,095	23,576
<b>June 30, 2022</b>	<b>35,902</b>	<b>170,304</b>	<b>7,180</b>	<b>46,108</b>	<b>15,977</b>	<b>71</b>	<b>(64)</b>	<b>(11,265)</b>	<b>7,829</b>	<b>272,043</b>	<b>1,875</b>	<b>273,919</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(euro/000)</i>	<b>06/30/2022</b>	<b>06/30/2021</b>
<b>OPERATING ACTIVITIES</b>		
<i>Profit (loss) for the period</i>	8,829	1,430
Depreciation and amortization	12,489	14,534
Provisions	6,051	5,661
Income tax expense	3,769	1,643
Accrued interest expense	10,975	10,012
Adjustments to other non-cash items	(9)	159
<i>Cash generated by operations</i>	<b>42,104</b>	<b>33,439</b>
<i>Cash generated by change in operating working capital</i>	<b>(18,588)</b>	<b>4,065</b>
(Increase) decrease in other assets	(1,112)	(4,321)
(Decrease)/increase in other liabilities	1,209	2,856
(Use) of current and non-current provisions	(28)	(442)
(Decrease)/increase in current tax liabilities	(463)	2,746
<i>Other elements in working capital</i>	<b>(394)</b>	<b>838</b>
Income taxes paid	(2,432)	(837)
Interest received	162	115
Interest paid	(11,590)	(7,955)
<i>Total cash generated by change in other items of net working capital</i>	<b>(14,255)</b>	<b>(7,839)</b>
<i>Net cash from /(used in) net working capital</i>	<b>(32,843)</b>	<b>(3,774)</b>
<b>Net cash from /(used in) operating activities</b>	<b>9,261</b>	<b>29,665</b>
<b>INVESTING ACTIVITIES</b>		
(Purchase) of property, plant and equipment	(2,571)	(3,609)
Disposal of property, plant and equipment	9	9
(Investments) in intangible assets	(4,508)	(3,109)
<b>Net cash from /(used in) investing activities</b>	<b>(7,070)</b>	<b>(6,709)</b>
<b>FINANCING ACTIVITIES</b>		
<i>Financial Assets</i>		
- (Proceeds)	-	(1,960)
- Repayments	700	703
<i>Financial Loans from banks</i>		
- Proceeds	744	350,000
- (Repayments)	(1,350)	(342,433)
Principal elements of lease payments	(2,610)	(2,368)
Other current and non current financial liabilities	(13,392)	(5,611)
Transactions with non-controlling interests	-	(3,634)
Dividends paid to minorities	(682)	(452)
<b>Net cash from /(used in) financing activities</b>	<b>(16,590)</b>	<b>(5,755)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(14,399)</b>	<b>17,201</b>
Effect of foreign exchange rate changes	2,984	260
<b>Cash and cash equivalents at beginning of year</b>	<b>228,848</b>	<b>52,363</b>
<b>Cash and cash equivalents at June 30, 2022</b>	<b>217,433</b>	<b>69,824</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### INTRODUCTION

Marcolin, a long-established company based in Longarone (Belluno) in the Italian eyewear district, is a designer, manufacturer and distributor of eyewear products. As a renowned leader in the global eyewear business, Marcolin stands out for its premium quality products, design skills, production capabilities, attention to detail and first-rate distribution.

Thanks to the important acquisition of the Viva Group in 2013 and to the stipulation over the years of new partnership agreements with other international businesses (including with partner LVMH, successfully concluded at the end of 2021), Marcolin Group has become a highly global eyewear business in terms of its brand portfolio, products, geographic presence and markets.

In 2021, Marcolin Group sold some 13 million pairs of glasses throughout the world, realizing sales of euro 455 million and employing some 1,847 individuals, in addition to using a widespread, well-structured network of independent agents.

As part of its ongoing project to develop in new markets, the Group completed the opening of a new subsidiary in Shanghai in July 2021. The Group has been present on the Chinese market for seven years through a joint venture with the Ginko Group, a long-standing player in the local eyewear market, a relationship that concluded at the end of 2020 with the acquisition of the remaining 50% of the company's shares. To further strengthen its commercial presence in China and as part of a broader strategy of corporate consolidation and direct presence in key markets around the world, Marcolin Shanghai will support local partners more closely, responding more effectively and quickly to consumer needs. The new location will lead to an increase in the company's organic growth in the market, while at the same time guaranteeing the production chain and offering products developed specifically for the Chinese market, thanks to in-depth expertise in fitting and design processes and close collaboration with the country's major customers. The new branch is located in the Jing'an District, a modern and upmarket commercial and financial district in the centre of Shanghai.

APAC is a very important region from a commercial point of view for the Group and Management is focusing several project in order to strengthen the growth in that geographical area.

First semester of 2022 was overall positive despite a backdrop of continued disruption from the health crisis, especially in APAC regions, marked by the dramatic events in Ukraine and turmoil at macroeconomic level such as cost inflation and interest rate increase. In this hard scenario the Group had a double-digit growth in 1H22 in terms of sales and a positive EBITDA level. Gross margin kept improving the solid performance experienced since last year thanks to a positive mix effect in terms of quality of sales (brands and channels), continuous production and procurement efficiency despite increase in global freight-in tariffs. Inflation on energy fees were still marginal based on Group production structure.

EBITDA benefitted from Gross Margin effect despite being partially impacted by freight-out price increase, investment on marketing side to boost sales and a comeback to a pre Covid-19 level on other cost categories. The positive USD FX effects on sales is offset at EBITDA level given a natural hedging structure of sales and expenses expressed in the foreign currency.

With reference to licence agreements, the year 2021 was characterised by the commercial launch of the collections of the Group's new brands whose licence agreements were signed at the end of 2019, shortly before the advent of the Covid-19 pandemic, which slowed down their commercial and promotional activities. 2021 therefore saw the emergence of brands such as Barton Perreira, Sportmax, Max&Co, Max Mara, adidas, Longines, Omega, BMW, BMW M and BMW M Motorsport and GCDS, which are confirming good performances along 2022.

On February 2022, Marcolin also signed a partnership between WEB Eyewear and Alfa Romeo F1 Team ORLEN. The new image of the WEB Eyewear brand will appear on the team's C42 cars, helmets, and suits of the team's drivers Valtteri Bottas and Guanyu Zhou and will be underlined, by the development of a capsule collection featuring a dynamic design and high-end details with sunglasses and optical frames born from a passion for sport and great technological research available in the second half of 2022.

On May 2022, Marcolin and TBL Licensing LLC announced the renewal of their licensing agreement for the design, manufacture and distribution of Timberland sunglasses and prescription frames. The partnership has been extended until 31 December 2026.

Today Marcolin has a strong *portfolio* of licensed brands balanced between the *Luxury* and *Diffusion* segments, in both men's and women's segments, with a good balance between prescription glasses and sunglasses.

The company is positioned in the *Luxury* sector with some of the most *glamorous brands* in the *fashion system*, including Tom Ford, Tod's, Ermenegildo Zegna, Pucci, Moncler, Barton Perreira, Omega, Longines, Bally, Max Mara and Sport Max, and in the *Diffusion* sector with the brands Guess, Guess by Marciano, Candie's, Gant, Harley Davidson, Swarovski, Max&Co, Skechers, BMW, GCDS, Timberland, and Kenneth Cole New York, as well as other brands specifically dedicated to the US market.

The sports segment is represented by adidas Badge of Sport and adidas Originals.

Proprietary brands include WEB Eyewear, Viva and the historic Marcolin.

Geographically, the Group is present in all major countries across the world through direct affiliates, partnership agreements and exclusive distribution agreements with major players of the industry.

\*\*\*\*\*



## ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

### Basis of operation

These interim condensed consolidated financial statements for six months ended June 30, 2022 have been prepared on a going concern basis following IAS 34 "*Interim Financial Reporting*" which governs interim financial reporting. In fact, the Directors verified the absence of any financial, business or other types of indicators that could signify issues about the Group's ability to meet its obligations in the foreseeable future, and specifically in the next 12 months.

IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter "IFRS"), given that the entity has prepared its financial statements compliant with IFRS for the previous fiscal year.

The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of and for the year ended December 31, 2021.

The interim condensed consolidated financial statements include the condensed consolidated statement of financial position, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of change in equity, the condensed consolidated statement of cash flows, and the notes thereto.

### Risks associated with the Covid-19 pandemic

Marcolin Group keeps taking all measures to ensure the health and safety of its employees as well as to protect its profitability and financial parameters. However, despite the initiatives undertaken, it cannot be excluded that the continuation of the Covid-19 pandemic, also in future years, may have a negative impact on the Group's results. Management has carefully assessed the impact of this uncertainty on the accounting estimates and therefore also on the recoverability of the company's main assets, including in the forward-looking scenarios the risk elements related to the potential impacts of the Covid-19 pandemic.

### Risks from geopolitical and macroeconomic environment

Marcolin Group has no significant exposure to the Russian and Eastern European markets as at June 30, 2022. Overall, the turnover generated in these territories does not exceed 2% of the total consolidated turnover. Transactions from headquarter to Marcolin Russia have been temporarily suspended. As of today, the subsidiary has sufficient inventory and cash to autonomously manage local sales and business for some months ahead.

Globally, inflation is hitting hard almost in all business sectors.

As far as Marcolin Group, impacts were mainly in freight in and freight out, while no significant impacts on price increase of raw materials and utilities.

This contest of economic instability has furthermore led to a depreciation of euro against the US dollar; historically the transaction expressed in US dollar by the Group are similar in terms of sales and expenses permitting a natural hedging of this currency at EBITDA level.

Management keeps monitoring all risks coming from this hard geopolitical and macroeconomic environment in order to mitigate any potential negative impact both in terms of marginality and cash flow side.

### Accounting policies

The accounting policies adopted for the preparation of the interim condensed consolidation financial statements for the three months ended June 30, 2022 are consistent with those used to prepare the annual consolidated financial statements as at December 31, 2021, except taxes on income which, in the interim periods, are accrued using tax rate that would be applicable to expected total annual profit or loss and except as regards the adoption of the new or revised IFRS or IFRIC as set out below.

The Group elected to use the following types of financial statements, which are envisaged by International Accounting Standard (IAS) 1:

- the income statement that classifies costs by their nature. In addition, it was decided to present two distinct documents: the income statement and the statement of comprehensive income;
- the statement of financial position that presents separately current assets, non-current assets, current

- liabilities, non-current liabilities, assets held for sale and liabilities associated with assets held for sale;
- the statement of changes in equity that presents items in individual columns with reconciliation of the opening and closing balances of each item forming equity;
- the cash flow statement using the indirect method, which presents the cash flows by operating, investing and financing activities for the period.

The same financial statement format was used to prepare the annual consolidated financial statements as at December 31, 2021.

Since the figures are reported in thousands of euro, slight differences may emerge due to rounding off.

### **New accounting standards and interpretations approved by the European Union and effective for periods beginning on or after January 1, 2022**

The following new standards and amendments became effective on January 1, 2022:

*Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020).*

### **New accounting standards and interpretations approved by the European Union and effective for periods after June 30, 2022**

The following new standards and amendments became effective after June 30, 2022:

*Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)*

*Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)*

*IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)*

### **New accounting standards and interpretations published by the IASB but not yet approved by the European Union**

At the date of preparation of the condensed consolidation interim financial statements, the following new standards and interpretations had been issued by IASB but not yet endorsed by the EU.

Description	Effective date of the standard
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	January 1, 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	January 1, 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	January 1, 2023

### **Estimates**

The preparation of interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made applying the Group's accounting policies and the key sources of estimation uncertainly were the same as those that applied to the annual consolidated financial statements of the Company as of and for the year ended December 31, 2021.

### **Seasonality of operations**

The operations of the Group are affected by seasonal consumer buying patterns. While sales of prescription frames do not experience any significant seasonal variation, sales of sunglasses are generally higher in February, March and April as retailers purchase new collections in anticipation of the increased consumer demand in the spring and summer months. Accordingly, our net sales recorded in the first half of any given year are generally

higher than in the second half, while our operating expenses are generally not subject to such seasonality. In addition, such seasonality may cause our working capital requirements to fluctuate from quarter to quarter, depending on the variability in the volumes and timing of sales and sunglasses.

## Financial risk management

In the ordinary courses of the business the Group is exposed to a variety of financial risks including market risks (currency risk and interest risk), credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all the information and notes on financial risk management required in the preparation of the annual consolidated financial statements.

## Consolidated companies

The Marcolin Group's interim condensed consolidated financial statements for the six months ended June 30, 2022 reflect the consolidated companies at that date, i.e. Marcolin S.p.A. (the Parent Company), its Italian and foreign subsidiaries and the companies over which it exercises a dominant influence, whether directly or indirectly.

The companies list is set forth below:

Company	Currency	Share capital	Equity	Net Result	Consolidation method	% ownership	
						Direct	Indirect
Marcolin Asia HK Ltd	HKD	1,539,785	5,561,118	1,138,395	Full consolidation	100.0%	
Marcolin Benelux Sprl	EUR	280,000	831,718	513,263	Full consolidation	100.0%	
Marcolin do Brasil Ltda	BRL	41,369,129	62,491,805	9,579,290	Full consolidation	100.0%	
Marcolin Deutschland Gmbh	EUR	300,000	2,905,521	1,018,996	Full consolidation	100.0%	
Marcolin France Sas	EUR	1,054,452	5,298,033	452,041	Full consolidation	100.0%	
Marcolin GmbH	CHF	200,000	159,541	(26,472)	Full consolidation	100.0%	
Marcolin Iberica SA	EUR	487,481	996,533	265,883	Full consolidation	100.0%	
Marcolin Nordic AB	SEK	50,000	7,879,097	4,398,517	Full consolidation	100.0%	
Marcolin Portugal Lda	EUR	420,000	347,417	103,809	Full consolidation	100.0%	
Marcolin Technical Services (Shenzhen) Co. Ltd	CNY	1,000,000	3,351,259	176,839	Full consolidation	100.0%	
Marcolin UK Ltd	GBP	3,572,718	6,365,568	1,082,409	Full consolidation	100.0%	
Marcolin USA Eyewear Corp.	USD	121,472,262	84,747,631	2,332,301	Full consolidation	100.0%	
Marcolin Singapore Pte Ltd	SGD	100,000	(2,797,351)	(688,582)	Full consolidation	100.0%	
Marcolin PTY Limited	AUD	50,000	85,341	226,609	Full consolidation	100.0%	
Marcolin-RUS LLC	RUB	305,520	315,488,389	21,332,677	Full consolidation	100.0%	
Marcolin Middle East FZCO	AED	100,000	12,855,455	5,990,754	Full consolidation	51.0%	
Marcolin México S.A.P.I. de C.V.	MXN	50,000	10,392,474	12,088,409	Full consolidation	51.0%	
Marcolin Eyewear (Shanghai) Co., Ltd.	CNY	3,000,000	(16,425,148)	(9,066,956)	Full consolidation	100.0%	
Gin Hong Lin Intenational Co Ltd	HKD	25,433,653	28,214,313	(1,085,612)	Full consolidation	100.0%	
Shanghai Ginlin Optics Co Ltd	CNY	22,045,100	14,991,969	1,485,087	Full consolidation		100.0%
Viva Eyewear Hong Kong Ltd	HKD	100	4,329,441	(63,944)	Full consolidation		100.0%
Viva Eyewear UK Ltd - in liquidation	GBP	-	862,523	(58,831)	Full consolidation		100.0%

No changes in the scope of consolidation since December 31, 2021.

## Italian tax consolidation

The Company acts as a consolidated entity in the group taxation regime under Presidential Decree 917, Article 117 *et seq.* of December 22, 1986 (Italian Tax Code or "TUIR"), which allows the determination of one single corporate income tax (IRES) tax base given by the algebraic sum of the taxable income and tax losses of each of the participating entities, together with the ultimate parent company, 3 Cime S.p.A., which acts as the consolidating entity.

Participation in the Italian tax consolidation regime enables each participant (including the Company) to optimize the financial management of IRES, for example by netting the taxable income and tax losses of each participant within the tax group.

Effective from 2017, Decree Law 193/2016, Article 7-quater introduced the automatic renewal of the options to participate in the aforementioned tax regime; accordingly, the three-year participation in the tax regime was renewed automatically in 2020.

Tax consolidation transactions are summarized below:

- in years with taxable income, the subsidiaries pay 3 Cime S.p.A. the additional tax due to the tax authorities.
- in the event of negative taxable income (tax loss), the Company receives from 3 Cime S.p.A. a payment corresponding to 100% of the tax savings realized, accounted for on an accrual basis;
- the amount is paid only when 3 Cime S.p.A. actually uses the tax loss brought to the consolidation;

- if 3 Cime S.p.A. and the Company do not renew the tax consolidation option, or if the requirements for continuance of tax consolidation should fail to be met before the end of the three-year period in which the option is exercised, tax loss carryforwards resulting from the tax return are split up proportionally among the companies that produced them.

## Exchange rates

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to June 30, 2022 and June 2022, respectively):

Currency	Symbol	Closing exchange rate			Average exchange rate		
		06/30/2022	06/30/2021	Change	2022	2021	Change
Dirham Emirati Arabi	AED	3.815	4.364	(12.6)%	4.015	4.427	(9.3)%
Australian Dollar	AUD	1.510	1.585	(4.8)%	1.520	1.563	(2.7)%
Brasilian Real	BRL	5.423	5.905	(8.2)%	5.556	6.490	(14.4)%
Canadian Dollar	CAD	1.343	1.472	(8.8)%	1.390	1.503	(7.5)%
Swiss Franc	CHF	0.996	1.098	(9.3)%	1.032	1.095	(5.7)%
Renminbi	CNY	6.962	7.674	(9.3)%	7.082	7.796	(9.2)%
Danish Krone	DKK	7.439	7.436	0.0%	7.440	7.437	0.0%
English Pound	GBP	0.858	0.858	0.0%	0.842	0.868	(3.0)%
Hong Kong Dollar	HKD	8.149	9.229	(11.7)%	8.556	9.355	(8.5)%
Japanese Yen	JPY	141.540	131.430	7.7%	134.307	129.868	3.4%
Mexican Pesos	MXN	20.964	23.578	(11.1)%	22.165	24.327	(8.9)%
Norwegian krone	NOK	10.349	10.172	1.7%	9.982	10.176	(1.9)%
Ruble	RUB	54.791	86.773	(36.9)%	83.373	89.550	(6.9)%
Swedish Krone	SEK	10.730	10.111	6.1%	10.480	10.131	3.4%
USA Dollar	USD	1.039	1.188	(12.6)%	1.093	1.205	(9.3)%

## ANALYSIS OF INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 1. Non-current assets

The composition of non-current assets is shown below:

Non-current assets (euro/000)	06/30/2022	12/31/2021	Increase/decrease	
			euro	%
Property, plant and equipment	44,013	43,506	508	1.2%
Intangible assets	45,063	44,577	486	1.1%
Goodwill	296,140	287,720	8,420	2.9%
Investments in subsidiaries and associates	-	-	-	0.0%
Deferred tax assets	56,533	52,223	4,310	8.3%
Other non-current assets	865	842	23	2.7%
Non-current financial assets	237	238	(1)	(0.4)%
<b>Total non-current assets</b>	<b>442,851</b>	<b>429,106</b>	<b>13,745</b>	<b>3.2%</b>

The net value of non-current assets increased by 13.745 million from December 31, 2021.

Intangible assets and Property plant and equipment increase mainly refers to new capitalizations (CRM implementation and new projects on supply chain automation and production efficiency), partially offset by amortization for the period.

The net value of the right of use booked in Property, plant and equipment, due to IFRS16 adoption, is euro 14.388 million. The depreciation of right of use recognized as of June 30, 2022 in the income statement is euro 2.854 million.

Goodwill increase by euro 8.420 million is only due to translation effect.

Deferred tax assets increase by euro 4.310 million is mostly due to translation effect.

Based on IAS 36 accounting principle (Impairment of assets), management evaluated Goodwill did not suffer any impairment losses, given no trigger events occurred since December 31, 2021, based on actual available information.

### 2. Current assets

The composition of current assets is shown below:

Current assets (euro/000)	06/30/2022	12/31/2021	Increase/decrease	
			euro	%
Inventories	116,832	103,307	13,526	13.1%
Trade receivables	97,801	70,762	27,039	38.2%
Other current assets	35,126	30,093	5,032	16.7%
Current financial assets	101	899	(798)	(88.7)%
Cash and bank balances	217,433	228,848	(11,415)	(5.0)%
<b>Total current assets</b>	<b>467,293</b>	<b>433,909</b>	<b>33,384</b>	<b>7.7%</b>

The total value of current assets increased by euro 33.384 million from December 31, 2021, mainly as a result of the combined effect of the changes listed below.

Inventories has increased by euro 13.526 million compared to December 31, 2021. Very good inventories management thanks to execution of key projects on supply chain side, such as new automation system and new sales and demand planning processes. Overall inventories show a better quality and lower level compared to the past.

The increase in Trade receivables compared to December 31, 2021 is largely affected by business seasonality, since usually first half experiences the highest sales level than other quarters of the year. DSO index keeps maintaining lowest level ever experienced.

Trade receivables are shown net of the provision for doubtful debts and returns.

Other current assets mainly include VAT credit amount, prepaid expenses and right to receive goods back accounted in accordance with IFRS15.

Finally, the increase in cash and bank balances has been reported in the Group's Consolidated Statement of Cash Flow.

### 3. Equity

The Parent Company's share capital is euro 35,902,749.82, fully paid up, divided into 61,458,375 ordinary shares with no indication of nominal value.

As at 30 June 2022, the share capital was 100% owned by the 3 Cime S.p.A. following the purchase and subsequent cancellation on 23 December 2021 of the shares previously held by the shareholder Vicuna Holding S.p.A., as part of the process of realising the investment in the joint venture with the LVMH Group Thélios S.p.A.

The share premium reserve was 170.304 million euro as at 31 December 2021, and the capital reserve account remained unchanged at 46.108 million euro.

The legal reserve of euro 7.180 million has reached the limit imposed by Italian Civil Code Article 2430.

The translation reserve of euro 15.997 million refers to the translation into euros of the financial statements of Group companies whose functional currency differs from the euro.

Other reserves are some euro -11.940 million and include euro 6.391 million foreign exchange difference on some intercompany loans granted by Marcolin S.p.A. to subsidiaries treated in accordance with IAS 21 as a quasi-equity loan.

The Condensed Consolidated Statement of Changes in Equity provides more detailed information.

### 4. Non-current liabilities

The composition of non-current liabilities is shown below:

Non-current liabilities (euro/000)	06/30/2022	12/31/2021	Increase/decrease	
			euro	%
Non-current financial liabilities	385,116	383,220	1,897	0.5%
Non-current funds	7,670	7,107	563	7.9%
Deferred tax liabilities	6,530	4,728	1,802	38.1%
Other non-current liabilities	770	752	17	2.3%
<b>Total non-current liabilities</b>	<b>400,085</b>	<b>395,807</b>	<b>4,279</b>	<b>1.1%</b>

Non-current financial liabilities mainly include:

- i) the value of the Senior Secured Notes taken out on 27 May 2021 for a nominal amount of 350 million euro, at a fixed rate of 6.125% and maturing in November 2026;
- ii) the value of the 25 million euro loan granted by the shareholder 3 Cime S.p.A. in 2020, including accrued interests since the inception date;
- iii) the amount of non-current financial lease liabilities recognized in accordance with IFRS16 for euro 10.044 million.

### 5. Current liabilities

Current liabilities are set forth below:

Current liabilities (euro/000)	06/30/2022	12/31/2021	Increase/decrease	
			euro	%
Trade payables	167,867	146,894	20,973	14.3%
Current financial liabilities	13,465	22,100	(8,635)	(39.1)%
Current funds	19,966	18,298	1,668	9.1%
Tax liabilities and others	34,842	28,890	5,952	20.6%
<b>Total current liabilities</b>	<b>236,140</b>	<b>216,182</b>	<b>19,957</b>	<b>9.2%</b>

Trade payables as at June 30, 2022 amounted to euro 167.867 million and show an increase of euro 20.973 million compared to December 2021. Such increase is aligned with scheduled purchases flow to support current and future expected sales. Trade payables also benefit of an improved DPO ratio thanks to 2020 and 2021 renegotiations with most suppliers.

Current financial liabilities primarily relate to bank overdraft and short-term financing. The decrease of euro 8.635 million compared to December 2021 is mainly due to repayment of short-term borrowings and commercial facilities reimbursement. Current financial liabilities mainly include the application of the new accounting standard IFRS16 for 5.531 million euro and accrued Bond interests for 2.761 million euro.

Current funds amounted as at June 30, 2022 to euro 19.966 million and show an increase of euro 1.668 million compared to December 2021. In accordance with IFRS 15, the returns provision and product warranty provision are recognised by reference to the future sales and/or qualitative returns expected to be received from customers based on the available contractual information and past statistics.

The increase in Tax liabilities and others are mainly due to interim current tax calculation effect and an increase on employees' liabilities such as vacations and bonuses not yet paid.

## 6. Net financial position

The net financial debt as at June 30, 2022 is set forth below in comparison with December 31, 2021:

Net financial debt (euro/000)	06/30/2022	12/31/2021	Increase / Decrease	
			euro	%
Cash and cash equivalents	217,433	228,848	(11,415)	(5.0)%
Current and non-current financial assets	338	1,137	(799)	(70.2)%
Current financial liabilities	(13,465)	(21,426)	7,962	-37%
Current portion of non-current financial liabilities	-	(674)	674	-100%
Non-current financial liabilities	(385,116)	(383,220)	(1,897)	0%
<b>Net financial position</b>	<b>(180,810)</b>	<b>(175,335)</b>	<b>(5,475)</b>	<b>3%</b>
Loan from parent company 3 Cime S.p.A.	28,023	27,279	744	2.7%
<b>Net financial position Adjusted</b>	<b>(152,787)</b>	<b>(148,056)</b>	<b>(4,731)</b>	<b>3.2%</b>

The reported net financial debt is euro 180.810 million, compared to euro 175.335 million at December 31, 2021. The adjusted net financial debt (excluding 3 Cime S.p.A. shareholder loan) is euro 152.787 million, compared to euro 148.056 million at December 31, 2021.

The main components of the Group's debt are the Senior Secured Notes for a notional amount of euro 350 million, 28 million euro (including accrued interests) for the loan granted in June 2020 by the shareholder 3 Cime S.p.A. as part of the activities aimed at providing financial support to the Group to support the critical issues arising from the Covid-19 pandemic, short and medium/long-term loans granted by various financial institutions. In addition, a *Super Senior Revolving Facility* for a maximum amount of 46.2 million euro was available and undrawn as at 30 June 2022.

\*\*\*\*\*

## ANALYSIS OF CONDENSED CONSOLIDATED INCOME STATEMENT

The Group's interim Condensed Consolidated Income Statement as at June 30, 2022 is summarized below against the results as at June 30, 2021.

The 2022 net sales to date are euro 283.680 million, compared to euro 237.172 million for the first half of 2021.

The June 2022 Reported Ebitda is euro 36.917 million, compared to 28.617 million for the first half of 2021.

Consolidated income statement (euro/000)	06/30/2022		06/30/2021	
	euro	% of net revenues	euro	% of net revenues
Net revenues	283,680	100.0%	237,172	100%
Gross profit	170,857	60.2%	135,947	57.3%
Ebitda	36,917	13.0%	28,617	12%
Operating income - Ebit	23,573	8.3%	13,254	5.6%
Financial income and costs	(10,975)	(3.9)%	(10,012)	(4.2)%
Profit before taxes	12,597	4.4%	3,073	1.3%
Net profit/(loss) for the period	8,829	3.1%	1,430	0.6%

Excluding the effects of extraordinary transactions, the June 2022 Adjusted Ebitda is euro 40.549 million (14.3% of net sales), against the June 2021 Adjusted Ebitda of euro 33.352 million (14.1% of net sales).

Economic indicator - Adjusted (euro/000)	06/30/2022		06/30/2021	
	euro	% of net revenues	euro	% of net revenues
Ebitda Adjusted	40,549	14.3%	33,352	14.1%
Ebit Adjusted	27,205	9.6%	17,989	7.6%

## 7. Net Revenues

The following table sets forth the net revenues by geographical area (destination markets):

Net Revenues by geographical area (euro/000)	06/30/2022		06/30/2021		Increase (decrease)	
	Net Revenues	% on total	Net Revenues	% on total	Euro	%
Europe	132.939	46,9%	113.202	47,7%	19.737	17,4%
Americas	117.908	41,6%	99.267	41,9%	18.641	18,8%
Asia	10.355	3,7%	9.833	4,1%	522	5,3%
Rest of World	22.478	7,9%	14.870	6,3%	7.608	51,2%
<b>Total</b>	<b>283.680</b>	<b>100,0%</b>	<b>237.172</b>	<b>100,0%</b>	<b>46.509</b>	<b>19,6%</b>

In the first half of 2022 net sales are euro 283.680 million and increase of euro 46.509 million (19.6%) in comparison to the same period of 2021. At constant exchange rates net sales are euro 269.929 million, with an increase of euro 32.757 million (+13.8%) compared to previous period.

### Europe

Revenues in Italy slightly decreased compared to the same period of 2021, mainly driven by temporary effect on sales to customers.

Rest of Europe market shows very positive results, strong performances for luxury brands (led by Tom Ford) and for diffusion brands (led by Guess). Compared to the same period of 2021, best performer regions are Spain, Germany and Benelux. Good performance also for Distributor and Key Account Channels.

### Americas

In the Americas area, net sales show an increase compared to the same period of 2021 at current exchange rates for some 18.8% (at constant exchange rate would be 7.3%). In particular, North America shows an increase of 15,4% compared to the same period of last year (at constant exchange rate would be 4,7%), very good performance for the US Optical channel, US Retail Department Stores. Latin America reached a positive



performance with +40.3% increase on Net Sales compared to previous year at current exchange rate (at constant exchange rate would be 24.1%).

#### Asia

The Asian Far East market shows an increase in net sales of some 5.3% at current exchange rates. The performance is mainly driven by Korea, while China and Hong Kong area sales are still impacted by Covid-19 governments restrictions.

#### Rest of World

From a geographical standpoint, the “Rest of the World” includes the Middle East, the Mediterranean area and Africa. During first six months of 2022 net sales amount to euro 22.5 million and show an increase of some 51.2% compared with the same period of the previous year. The positive performance is mainly driven by the recovery of sales in our JV Middle East.

## 8. Cost of sales

The following table shows a detailed breakdown of the cost of sales:

<b>Cost of Sales</b> (euro/000)	<b>06/30/2022</b>	<b>% on net revenues</b>	<b>06/30/2021</b>	<b>% on net revenues</b>
Product cost	102,568	36.2%	91,018	38.4%
Cost of personnel	5,910	2.1%	6,442	2.7%
Amortization, depreciation and writedowns	1,754	0.6%	1,841	0.8%
Other production cost	2,591	0.9%	1,924	0.8%
<b>Total</b>	<b>112,823</b>	<b>39.8%</b>	<b>101,224</b>	<b>42.7%</b>

Cost of sales amounted to euro 112.823 million for the six months ended June 30, 2022, an increase of euro 11.6 million, or 11.5%, from euro 101,224 million for the six months ended June 30, 2021.

The cost of sales as a percentage of net revenues is 40% for the six months ended June 30, 2022 compared to 43% the six months ended June 30, 2021.

Gross Margin overall confirms the solid performance experienced in FY21 thanks to a positive mix effect in terms of quality of sales (brands and channels), continuous production and procurement efficiency despite increase in global freight-in tariffs. Inflation on energy fees still marginal.

Other costs mainly refer to other purchasing charges and business consulting services.

## 9. Distribution and marketing expenses

Below is the detailed breakdown of the distribution and marketing expenses:

<b>Distribution and marketing expenses</b> (euro/000)	<b>06/30/2022</b>	<b>% on net revenues</b>	<b>06/30/2021</b>	<b>% on net revenues</b>
Cost of personnel	29,578	10.4%	26,729	11.3%
Commissions	16,906	6.0%	15,023	6.3%
Amortization	9,377	3.3%	10,462	4.4%
Royalties	33,188	11.7%	28,055	11.8%
Advertising and PR	21,327	7.5%	12,537	5.3%
Other costs	15,240	5.4%	11,882	5.0%
<b>Total</b>	<b>125,615</b>	<b>44.3%</b>	<b>104,686</b>	<b>44.1%</b>

The distribution and marketing expenses amounted to euro 125.615 million for the six months ended June 30, 2022, an increase of euro 21 million or 20% from euro 104.686 million for six months ended June 30, 2021.

Commissions expenses amounted to euro 16.906 million in 2022, an increase of 12.5% from the euro 15.023 million for the six months ended June 30, 2021.

In 2022 Royalties amounted to euro 33.188 million. In 2022 Royalties as a percentage of net revenues is 11.7% on net revenues compared to 11.8% during 2021.

Advertising and PR expenses in 2022 amounted to euro 21.327 million, an increase of euro 8.790 million, or 70.1%, from the euro 12.537 million in the same period of 2021. As a percentage of net revenues, Advertising and PR expenses in 2022 is 7.5%, compared to 5.3% of 2021. The increase is mainly due to investments on marketing side to boost sales.

The “other costs” refer mainly to freight-out expenses, business travel, rent and services. In 2022, other costs amounted to euro 15.240 million, an increase of euro 3.358 million, or 28.3%, from the euro 11.882 million in the same period of 2021. As a percentage of net revenues, they are 5.4%, compared to 5.0% for the six months ended June 30, 2021.

## 10. General and administrative expenses

The general and administrative expenses are set forth below:

<b>General and administrative expenses</b> <i>(euro/000)</i>	<b>06/30/2022</b>	<b>% on net</b> <b>revenues</b>	<b>06/30/2021</b>	<b>% on net</b> <b>revenues</b>
Cost of personnel	9,361	3.3%	7,763	3.3%
Writedowns of receivables	855	0.3%	829	0.3%
Amortization and writedowns	2,213	0.8%	3,060	1.3%
Other costs	10,550	3.7%	7,643	3.2%
<b>Total</b>	<b>22,124</b>	<b>7.8%</b>	<b>18,467</b>	<b>7.8%</b>

General and administrative expenses amounted to euro 22.124 million for the six months ended June 30, 2022, compared to euro 18.467 million the six months ended June 30, 2021. As a percentage of net revenues, in 2022 general and administrative expenses is 7.8%, aligned with 2021 incidence.

## 11. Other operating income and expenses

The total amount of other operating income and expenses amounted to a net euro 0.454 million revenues for the six months ended June 30, 2022. The amount mainly refers to other rebilling, compensation for damages and other minor non-operating expenses.

## 12. Share of profits/(losses) of associates

As of June 30, 2022 the amount is zero following the divestment from the Joint Venture Thélios S.p.A. occurred in December 2021. The amount of euro -0.168 million from previous year was referred to the effect of consolidation using the equity method of the associate entity Thélios S.p.A. and its subsidiaries.

## 13. Financial income and costs

Net Financial Income and expenses amounted to a net euro 10.975 million expenses for the six months ended June 30, 2022 compared to euro 10.012 million expenses for the six months ended June 30, 2021.

The main components are the financial interest expenses related to the euro 350 million bond for a total amount of 10.7 million euro. Foreign currency management, which is also a component of the balance of financial income and expenses, contributed to a net income amounts of 2.4 million euro. The increase of total net financial interest expenses compared to previous year is mainly due to the higher interest rate of the actual Bond compared to the old one.

## 14. Income tax expense

The estimated income tax expense amounted to euro -3.769 million for the six months ended June 30, 2022, compared to the euro -1.643 million the six months ended June 30, 2021.

Current and deferred income tax are calculated by applying the tax rates on reasonably estimated taxable income, determined in accordance with the tax regulations in force. Income tax expense has been calculated on a prudential basis, considering the tax effect on subsidiaries with taxable net income while not considering the deferred tax asset over some entities with taxable net losses and new startup companies.

## OTHER INFORMATIONS

### SUBSEQUENT EVENTS

Between June 30, 2022 and the date of approval of the interim condensed consolidated financial statements as of June 30, 2022, no events occurred that could have material effects on the reported financial results in accordance with IAS 10.

### DISCLOSURE OF ATYPICAL, UNUSUAL AND RELATED-PARTY TRANSACTIONS

The information with respect to atypical and unusual transactions, and transactions with related parties, is provided below.

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

In the first six months of 2022 there were no significant non-recurring events and/or transactions.

#### *Atypical and unusual transactions*

In the first six months of 2022 there were no atypical and/or unusual transactions, including with other Group companies, nor any transactions outside the scope of the ordinary business activity that could have significantly impacted the financial position, financial performances or cash flows of Marcolin S.p.A. and the Group.

#### *Transactions with related parties*

In addition to the transactions between the consolidated companies, during the period transactions took place with equity-accounted associates and other related parties.

Intercompany and related-party transactions are of a trade nature and are conducted on an arm's length basis.

The transactions and outstanding balances with respect to related parties as at June 30, 2022 are shown below, as required by IAS 24. As previously noted, Marcolin Group figures reflect the participation in the Italian tax consolidation regime with the Parent Company 3Cime SpA.

<b>Company</b> <i>(euro/000)</i>	<b>Expenses</b>	<b>Revenues</b>	<b>Payables</b>	<b>Receivables</b>	<b>Type</b>
<b>Other related parties</b>					
Pai Partners Sas	30	-	155	-	Related party
Family Marcolin	206	-	31	0	Related party
3 Cime S.p.A.	744	-	28,023	7,696	Consolidating
<b>Total</b>	<b>980</b>	<b>-</b>	<b>28,208</b>	<b>7,696</b>	

The same table is set forth as at June 30, 2021:

<b>Company</b> <i>(euro/000)</i>	<b>Expenses</b>	<b>Revenues</b>	<b>Payables</b>	<b>Receivables</b>	<b>Type</b>
<b>Other related parties</b>					
Pai Partners Sas	30	-	139	-	Related party
Family Marcolin	331	-	120	0	Related party
3 Cime S.p.A.	744	-	26,523	11,135	Consolidating
Thélios Group	2,347	336	1,910	11,905	Associates
<b>Total</b>	<b>3,452</b>	<b>336</b>	<b>28,692</b>	<b>23,041</b>	

Milan, July 28, 2022

For the Board of Directors

C.E.O.  
*Fabrizio Curci*





