

MARCOLIN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

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GENERAL INFORMATION

COMPOSITION OF CORPORATE BOARDS

Board of Directors ¹

Vittorio Levi	Chairman
Fabrizio Curci	Chief Executive Officer and General Manager
Antonio Abete	Director
Cristiano Agogliati	Director
Michele Cibetti	Director
Cirillo Coffen Marcolin	Director
Severine de Wulf	Director
Jacopo Forloni	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Raffaele Roberto Vitale	Director

Board of Statutory Auditors ¹

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

Financial Reporting Officer

Alessandro Matteini

Internal Audit Committee ²

Cirillo Coffen Marcolin	Chairman
Michele Cibetti	Supervisor
Vittorio Levi	Supervisor

Supervisory Body ²

Federico Ormesani	Chairman
David Reali	Supervisor
Gabriele Crisci	Supervisor

Independent Auditors ³

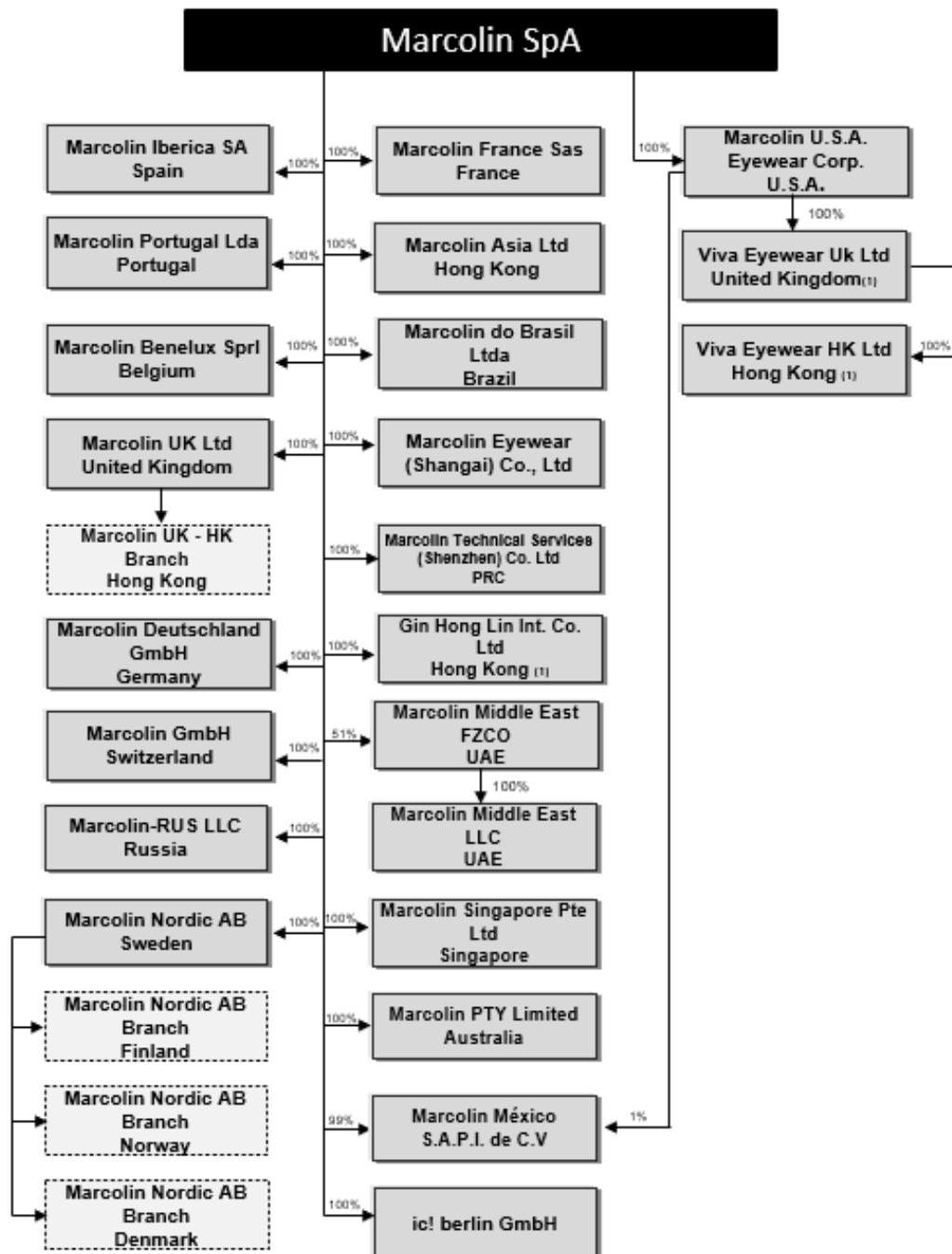
PricewaterhouseCoopers SpA

1) Term of office ends on the date of the General Meeting called to approve the financial statements as of 31 December 2027 (pursuant to the General Meeting resolution of 7 April 2025).

2) Pursuant to the Board of Directors' appointment of 7 April 2025.

3) Term of office: 2025 - 2027 (pursuant to the General Meeting resolution of 7 April 2025).

MARCOLIN GROUP STRUCTURE



1) Company in liquidation.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro/000)</i>	Notes	03/31/2025	12/31/2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	45,836	47,180
Intangible assets	1	290,276	291,988
Goodwill	1	311,138	315,068
Deferred tax assets	1	59,939	60,462
Other non-current assets	1	1,141	1,045
Non-current financial assets	1; 6	-	-
Total non-current assets		708,330	715,743
CURRENT ASSETS			
Inventories	2	98,038	89,649
Trade receivables	2	95,956	79,430
Other current assets	2	27,147	24,712
Current financial assets	2; 6	2	1
Cash and cash equivalents	2; 6	59,342	68,892
Total current assets		280,485	262,684
TOTAL ASSETS		988,815	978,427
EQUITY			
	3		
Share capital		35,902	35,902
Additional paid-in capital		170,304	170,304
Legal reserve		7,180	7,180
Other reserves		115,899	121,226
Retained earnings (losses)		(864)	(8,424)
Profit (loss) for the period		5,969	7,446
Group equity		334,391	333,633
TOTAL EQUITY		334,391	333,633
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	4; 6	405,842	405,213
Non-current funds	4	6,708	6,996
Deferred tax liabilities	4	17,478	16,604
Other non-current liabilities	4	6,503	6,505
Total non-current liabilities		436,531	435,318
CURRENT LIABILITIES			
Trade payables	5	138,335	139,876
Current financial liabilities	5; 6	19,169	13,816
Current funds	5	22,767	22,512
Tax liabilities	5	13,246	7,238
Other current liabilities	5	24,377	26,034
Total current liabilities		217,894	209,476
TOTAL LIABILITIES		654,424	644,794
TOTAL LIABILITIES AND EQUITY		988,815	978,427

CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(euro/000)</i>	Notes	03/31/2025	%	03/31/2024	%
Net Revenues	7	147,324	100.0%	145,633	100.0%
Cost of sales	8	(53,724)	(36.5)%	(51,773)	(35.6)%
GROSS PROFIT		93,600	63.5%	93,859	64.4%
Distribution and marketing expenses	9	(62,983)	(42.8)%	(63,361)	(43.5)%
General and administrative expenses	10	(11,632)	(7.9)%	(11,392)	(7.8)%
Other operating income/(expenses)	11	(1,496)	(1.0)%	9	0.0%
OPERATING INCOME - EBIT		17,489	11.9%	19,115	13.1%
Financial income	13	3,280	2.2%	1,954	1.3%
Financial costs	13	(10,624)	(7.2)%	(9,531)	(6.5)%
PROFIT (LOSS) BEFORE TAXES		10,144	6.9%	11,539	7.9%
Income tax expense	14	(3,986)	(2.7)%	(4,262)	(2.9)%
NET PROFIT (LOSS) FOR THE PERIOD		6,158	4.2%	7,277	5.0%
Profit (loss) attributable to:					
- Owners of the parent		5,969	4.1%	6,803	4.7%
- Non-controlling interests		189	0.1%	474	0.3%

<i>(euro/000)</i>	03/31/2025	03/31/2024
NET PROFIT (LOSS) FOR THE PERIOD	6,158	7,277
<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	-	-
TOTAL OTHER ITEMS THAT WILL NOT SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	-	-
<i>Other items that will be subsequently reclassified to profit or loss:</i>		
Change in foreign currency translation reserve	(5,401)	3,285
Change in exchange rate difference on quasi equity loan	-	-
TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	(5,401)	3,285
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	758	10,562
Risultato complessivo attribuibile:		
- owners of the parent	644	10,035
- non-controlling interests	114	527

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Legal Reserve	Other reserves				Retained earnings/ (losses)	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					
<i>(euro'000)</i>												
December 31, 2023	35,902	170,304	7,180	121,108	4,106	(11,071)	186	(16,815)	8,862	319,762	0	319,762
Allocation of 2023 result	-	-	-	-	-	-	-	8,862	(8,862)	-	-	-
- Period result	-	-	-	-	-	-	-	-	6,803	6,803	474	7,277
- Other components of comprehensive income	-	-	-	-	3,232	-	-	-	-	3,232	53	3,285
Total comprehensive income	-	-	-	-	3,232	-	-	-	6,803	10,035	527	10,562
Non-controlling interests' put-call options	-	-	-	-	-	-	-	527	-	527	(527)	-
March 31, 2024	35,902	170,304	7,180	121,108	7,338	(11,071)	186	(7,426)	6,803	330,325	0	330,324
December 31, 2024	35,902	170,304	7,180	121,108	11,017	(11,071)	172	(8,424)	7,446	334,825	0	333,633
Allocation of 2024 result	-	-	-	-	-	-	-	7,446	(7,446)	-	-	-
- Period result	-	-	-	-	-	-	-	-	5,969	5,969	189	6,158
- Other components of comprehensive income	-	-	-	-	(5,326)	-	-	-	-	(5,326)	(75)	(5,401)
Total comprehensive income	-	-	-	-	(5,326)	-	-	-	5,969	644	114	758
Non-controlling interests' put-call options	-	-	-	-	-	-	-	114	-	114	(114)	-
March 31, 2025	35,902	170,304	7,180	121,108	5,691	(11,071)	172	(864)	5,969	335,583	0	334,391

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(euro/000)</i>	03/31/2025	03/31/2024
OPERATING ACTIVITIES		
<i>Profit (loss) for the period</i>	6.158	7.277
Depreciation and amortization	6.021	6.371
Provisions	4.568	5.456
Income tax expense	3.986	4.204
Accrued interest expense	7.344	7.577
Adjustments to other non-cash items	(1)	(7)
<i>Cash generated by operations</i>	28.077	30.879
(Increase)/decrease in trade receivables	(17.125)	(13.875)
(Increase)/decrease in inventories	(12.744)	(9.291)
(Decrease)/increase in trade payables	1.394	989
<i>Cash generated by change in operating working capital</i>	(28.475)	(22.177)
(Increase) decrease in other assets	(4.557)	(4.776)
(Decrease)/increase in other liabilities	(1.247)	642
(Use) of current and non-current provisions	(172)	(240)
(Decrease)/increase in current tax liabilities	2.160	967
<i>Other elements in working capital</i>	(3.817)	(3.409)
Income taxes paid	(53)	(198)
Interest received	85	133
Interest paid	(610)	(1.097)
<i>Total cash generated by change in other items of net working capital</i>	(4.396)	(4.571)
<i>Net cash from /(used in) net working capital</i>	(32.871)	(26.748)
Net cash from /(used in) operating activities	(4.794)	4.131
INVESTING ACTIVITIES		
(Purchase) of property, plant and equipment	(1.365)	(1.400)
Disposal of property, plant and equipment	1	5
(Investments) in intangible assets	(1.232)	(1.201)
Net cash from /(used in) investing activities	(2.596)	(2.596)
FINANCING ACTIVITIES		
<i>Financial Assets</i>		
- Repayments	-	-
<i>Financial Loans from banks</i>		
- Proceeds from borrowings	-	-
- Repayments of borrowings	-	-
Principal elements of lease payments	(1.975)	(1.628)
Other current and non current financial liabilities	(279)	(2.698)
Dividends paid to minorities	-	-
Shareholders capital increase	-	-
Net cash from /(used in) financing activities	(2.254)	(4.325)
Net increase/(decrease) in cash and cash equivalents	(9.644)	(2.790)
Effect of foreign exchange rate changes	97	505
Cash and cash equivalents at beginning of year	68.892	56.519
Cash and cash equivalents at March 31, 2025	59.342	54.235

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 details and first-rate distribution.

In 2024, Marcolin Group sold around 12 million glasses worldwide, achieving Net Revenues of 546 million euro, with a total of 1,978 employees, together with an extensive network of independent agents present in a network of direct subsidiaries and other distribution partners, reaching over 125 different countries. 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.

Today, Marcolin has a strong portfolio of licensed brands, balanced between Luxury and Diffusion sectors, for both men and women, with a good balance between eyeglasses 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, Zegna, Emilio Pucci, Max Mara, Sport Max, MCM, Christian Louboutin and in the Diffusion sector with the brands Guess, Marciano by Guess, Gant, Harley Davidson, Max&Co, Skechers, BMW, GCDS, Timberland, Kenneth Cole, K-Way®, Abercrombie & Fitch Co. and other brands specifically dedicated to the US market. The sports segment is represented by adidas Badge of Sport and adidas Originals. Finally, within the portfolio of proprietary brands, the well-established WEB EYEWEAR brand was joined at the end of 2023 by ic! Berlin, following the acquisition of the Group owning the brand on 7 November 2023.

Thanks to the key acquisition of Viva Group in 2013 and the signing of new partnership agreements over the years (among others with LVMH, which concluded successfully at the end of 2021), Marcolin has become an eyewear Group with a strong global presence in terms of brand portfolio, products, geographic presence and market channels.

Over the past two years, 2023 and 2024, the Group has further strengthened its position through some extraordinary initiatives, including:

- (i) the signing of a perpetual licensing agreement with The Estée Lauder Companies (“ELC”) for TOM FORD eyewear signed on 28 April 2023. This represented a significant extension of the existing licence agreement with TOM FORD, allowing the Marcolin Group to pursue new strategies and projects aimed at further developing the brand within the eyewear sector;
- (ii) the acquisition of full control of the Mexican branch on 5 July 2023, through the purchase of the residual shares previously held by the local Mexican shareholder with whom there was a joint venture agreement. The integration of the branch's information systems was completed during 2024;
- (iii) the acquisition of the German company ic! berlin GmbH completed on 7 November 2023. Post-acquisition integration began at that time and continued throughout 2024. As of 31 December 2024, commercial integration was completed and a new General Manager was appointed. These efforts aim to strengthen the organisation and processes of ic! berlin within the Group, and to expand its customer base in Asia and the United States by leveraging the brand's reputation for high-quality, non-conformist eyewear, designed and manufactured in Berlin;
- (iv) the signing of new license agreements with MCM, Christian Louboutin, K-Way®, and Abercrombie & Fitch Co. (for the Abercrombie, Abercrombie Kids and Hollister brands);
- (v) the renewal and extension of important license agreements for existing portfolio brands such as Emilio Pucci at the end of 2023, Zegna, Max&Co, GCDS, Harley-Davidson and Skechers during 2024 and Max Mara at the beginning of 2025.

The important reorganisations already undertaken in previous years continued, both at the level of the Parent Company and the affiliates, with the aim of strengthening the management team as part of the actions pursued to achieve the Group's new strategic objectives aimed at developing skills to boost industrial and commercial efficiency, including through the digitalisation of processes. In this context, it is worth highlighting the designation at the beginning of 2025 of Marco D'Acunzo as CEO of North America to develop oversight of the Group's North American market and consolidate a strategic area for Marcolin.

On the financial side, the Group pursued its projects aimed at improving the efficiency and management of working capital, with a focus on all its main components such as trade receivables, trade payables and inventory levels and quality, with direct positive effects on cash flows. Economic-financial stringency is now an integral part of the corporate culture, expressed and taking shape in actions such as the containment and efficiency of expenses,

economic assessment and support of the investments considered most strategic, improvements in the efficiency of internal production capacity and careful monitoring of net working capital.

Group's main source of financing as at March 31, 2025 is the non-subordinated, non-convertible, secured senior bond loan, issued in May 2021 in the amount of 350 million euro, together with a super senior revolving line of 46 million euro, undrawn as at March 31, 2025. The acquisition of ic! berlin GmbH was financed through a combination of available funds and a new loan for a total of 30 million euro, with the repayment plan started during the 2024 financial year. The outstanding debt is 25.2 million as at March 31, 2025.

The global economic climate demands great attention, particularly due to the high degree of uncertainty in the short and medium term, stemming from both ongoing conflicts and escalating trade tensions between the European Union, China and the United States. In this complex and uncertain macroeconomic scenario, the Group is determined to pursue its short and medium term strategies by continuing the measures taken in recent years in terms of commercial policy, industrial efficiency and prudent cost management.

ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

Basis of operation

These interim condensed consolidated financial statements for the three months ended March 31, 2025 have been prepared on a going concern basis following IAS 34 “*Interim Financial Reporting*” which governs interim financial reporting. 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, 2024.

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 cash flows, and the notes thereto.

Accounting policies

The accounting policies adopted for the preparation of the interim condensed consolidation financial statements for the three months ended March 31, 2025 are consistent with those used to prepare the annual consolidated financial statements as of December 31, 2024, 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 of December 31, 2024.

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, 2025

The following new standards and amendments became effective on January 1, 2025:

The above amendments had no impact on the Group.

New accounting standards and interpretations approved by the European Union and effective for periods after March 31, 2025

At the date of preparation of the condensed consolidation interim financial statements, any new standards and amendments became effective after March 31, 2025.

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

Annual Improvements Volume 11 (issued on 18 July 2024);

Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024);

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024);

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024);

Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions 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 uncertainty 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, 2024.

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 Revenues 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 vary from period to period, depending on the variability in the volumes and timing of sales of 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

Marcolin Group's interim condensed consolidated financial statements for the three months ended March 31, 2025 reflect the consolidated companies at that date, i.e. Marcolin SpA (the Parent Company), its foreign subsidiaries and the companies over which it exercises a dominant influence, whether directly or indirectly.

Companies list is set forth below:

Company	Currency	Share capital	Consolidation method	% ownership	
				Direct	Indirect
Marcolin Asia HK Ltd	HKD	1,539,785	Full consolidation	100.0%	
Marcolin Benelux Sprl	EUR	280,000	Full consolidation	100.0%	
Marcolin do Brasil Ltda	BRL	41,369,129	Full consolidation	100.0%	
Marcolin Deutschland GmbH	EUR	300,000	Full consolidation	100.0%	
iclBerlin GmbH	EUR	500,000	Full consolidation	100.0%	
Marcolin France Sas	EUR	1,054,452	Full consolidation	100.0%	
Marcolin GmbH	CHF	200,000	Full consolidation	100.0%	
Marcolin Iberica SA	EUR	487,481	Full consolidation	100.0%	
Marcolin Nordic AB	SEK	50,000	Full consolidation	100.0%	
Marcolin Portugal Lda	EUR	420,000	Full consolidation	100.0%	
Marcolin Technical Services (Shenzhen) Co. Ltd	CNY	1,000,000	Full consolidation	100.0%	
Marcolin UK Ltd	GBP	3,572,718	Full consolidation	100.0%	
Marcolin USA Eyewear Corp.	USD	121,472,262	Full consolidation	100.0%	
Marcolin Singapore Pte Ltd	SGD	100,000	Full consolidation	100.0%	
Marcolin PTY Limited	AUD	50,000	Full consolidation	100.0%	
Marcolin-RUS LLC	RUB	305,520	Full consolidation	100.0%	
Marcolin Middle East FZCO	AED	100,000	Full consolidation		51.0%
Marcolin México S.A.P.I. de C.V.	MXN	50,000	Full consolidation	100.0%	
Marcolin Eyewear (Shanghai) Co., Ltd.	CNY	103,000,000	Full consolidation	100.0%	
Gin Hong Lin Intenational Co Ltd	HKD	25,433,653	Full consolidation	100.0%	

No changes in the scope of consolidation since December 31, 2024.

Exchange rates

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to March 31, 2025 and January-to-March 2024, respectively):

Currency	Symbol	Closing exchange rate			Average exchange rate		
		03/31/2025	03/31/2024	Change	2025	2024	Change
Dirham Emirati Arabi	AED	3.972	3.970	0.0%	3.865	3.988	(3.1)%
Australian Dollar	AUD	1.732	1.661	4.3%	1.677	1.651	1.6%
Brasilian Real	BRL	6.251	5.403	15.7%	6.165	5.375	14.7%
Swiss Franc	CHF	0.953	0.977	(2.4)%	0.946	0.949	(0.3)%
Renminbi	CNY	7.844	7.814	0.4%	7.655	7.805	(1.9)%
Danish Krone	DKK	7.461	7.458	0.0%	7.460	7.456	0.0%
English Pound	GBP	0.835	0.855	(2.3)%	0.836	0.856	(2.4)%
Hong Kong Dollar	HKD	8.413	8.459	(0.5)%	8.187	8.491	(3.6)%
Mexican Pesos	MXN	22.063	17.918	23.1%	21.499	18.449	16.5%
Nonwegian krone	NOK	11.413	11.699	(2.4)%	11.651	11.416	2.1%
Ruble	RUB	89.655	99.530	(9.9)%	97.350	98.498	(1.2)%
Swedish Krone	SEK	10.849	11.525	(5.9)%	11.235	11.279	(0.4)%
USA Dollar	USD	1.082	1.081	0.0%	1.052	1.086	(3.1)%

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)	03/31/2025	12/31/2024	Increase/decrease	
			euro	%
Property, plant and equipment	45,836	47,180	(1,345)	(2.8)%
Intangible assets	290,276	291,988	(1,712)	(0.6)%
Goodwill	311,138	315,068	(3,929)	(1.2)%
Deferred tax assets	59,939	60,462	(523)	(0.9)%
Other non-current assets	1,141	1,045	96	9.2%
Total non-current assets	708,330	715,770	(7,440)	(1.0)%

Net value of non-current assets decreased by euro 7,440 thousand from December 31, 2024.

Property, plant and equipment decrease mainly refers to depreciation effect. Net book value of the Right of Use booked in Property, plant and equipment, in accordance with IFRS16, is euro 13,883 thousand. The depreciation of right of use recognized as of March 31, 2025 in the income statement is euro 1,622 thousand. In the first quarter of 2025 Marcolin SpA purchased a new building adjoining the headquarter in Longarone in order to reorganize and increase the manufacturing capacity.

Intangible assets decrease by euro 1,712 thousand mainly refers to amortization effect which is higher than the new capitalizations.

Goodwill decrease by euro 3,929 thousand is only due to translation effect. Based on IAS 36 accounting principle (Impairment of assets), management evaluated Goodwill did not suffer any impairment losses compared to 31 December 2024.

Deferred tax assets decrease by euro 523 thousand is mainly due to the recognition of deferred taxation on the estimated income tax computation based on for the interim results as at March 31, 2025.

2. Current assets

The composition of current assets is shown below:

Current assets (euro/000)	03/31/2025	12/31/2024	Increase/decrease	
			euro	%
Inventories	98,038	89,649	8,389	9.4%
Trade receivables	95,956	79,430	16,526	20.8%
Other current assets	27,147	24,712	2,435	9.9%
Current financial assets	2	1	1	277.5%
Cash and bank balances	59,342	68,892	(9,550)	(13.9)%
Total current assets	280,485	262,684	17,801	6.8%

Total value of current assets increased by euro 17,801 thousand from December 31, 2024, mainly as a result of the combined effect of the changes listed below.

Inventories increase compared to December 31, 2024 is mainly due to seasonality effect (driven by an increase on purchases of goods for the launch of spring-summer collections). DOI index keeps maintaining a reducing trend.

The increase in Trade receivables compared to December 31, 2024 is largely affected by business seasonality on the trend of sales. Overall, DSO index keeps maintaining good level, thanks to a deep focus on cash collection. Trade receivables are shown net of the provision for doubtful debts.

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

“Cash and bank balances” movement over the period is presented into the “condensed 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 of March 31, 2025, the share capital was wholly owned by Tofane SA.

Share premium reserve is euro 170,304 thousand as of March 31, 2025. Shareholders deposit in share capital is euro 121,108 thousand.

Legal reserve of euro 7,180 thousand has reached the required threshold imposed by Italian Civil Code Article 2430.

Translation reserve of euro 5,691 thousand refers to the translation into euros of the financial statements of Group companies whose functional currency differs from the euro.

Other reserves of euro -11,762 thousand mainly include Retained losses from previous years and the recognition of the estimated value of the put/call options on minorities' interests.

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)	03/31/2025	12/31/2024	Increase/decrease	
			euro	%
Non-current financial liabilities	405,842	405,213	629	0.2%
Non-current funds	6,708	6,996	(288)	(4.1)%
Deferred tax liabilities	17,478	16,604	874	100.0%
Other non-current liabilities	6,503	6,505	(2)	(0.0)%
Total non-current liabilities	436,531	435,318	1,213	0.3%

Non-current financial liabilities mainly include:

- i) the non-convertible, non-subordinated senior bond loan issued on 27 May 2021 for a nominal amount of 350 million euro, at a fixed rate of 6.125%, with maturity date November 2026;
- ii) the 22.7 million euro loan granted by the shareholder Tofane SA of originally 25 million euro, partially repaid at the end of December 2024 and including accrued interests at the balance sheet date for 6.1 million euro;
- iii) the amount of non-current financial lease liabilities recognized in accordance with IFRS16 for euro 9,200 thousand;
- iv) the non-current portion of the financial loan drawn to partially finance the acquisition of the ic! berlin, for a total amount of euro 20,400 thousand.

5. Current liabilities

Current liabilities are set forth below:

Current liabilities (euro/000)	03/31/2025	12/31/2024	Increase/decrease	
			euro	%
Trade payables	138,335	139,876	(1,542)	(1.1)%
Current financial liabilities	19,169	13,816	5,353	38.7%
Current funds	22,767	22,512	255	1.1%
Tax liabilities and others	37,623	33,271	4,352	13.1%
Total current liabilities	217,894	209,476	8,418	4.0%

Trade payables as of March 31, 2025 amounted to euro 138,335 thousand substantially aligned with December 31, 2024. The Group keeps pursuing a tight policy in the choice of suppliers and payment terms negotiations, together with a corporate culture spread throughout all departments aimed at an efficient management of operating working capital. Actual payables level is aligned with volume of purchases to support current and future expected sales.

Current financial liabilities mainly include i) euro 5,216 thousand short-term borrowings from banks (which includes the current portion, for 4,800 thousand euro of the loan taken out in 2023 to finance the acquisition of ic! berlin), ii) euro 5,857 thousand current lease liability accounted in accordance with IFRS16, iii) Other financial payables

of 8,095 thousand euro, the increase compared to December 31, 2024 is related to the accrued interest payable on the Bond for 8,087 thousand euro.

Current funds amounted as of March 31, 2025 to euro 22,767 million and they are mainly made up of returns provision and product warranty provision.

Tax liabilities and others mainly include corporate income tax liabilities referred to FY2024 tax computation, the accrued corporate income tax liabilities accounted based on the estimated tax expenses for the interim results as at March 31, 2025, VAT credit amounts and employees' liabilities such as wages, vacations and bonuses not yet paid.

6. Net financial position

The net financial debt as of March 31, 2025 is set forth below in comparison with December 31, 2024:

Net financial debt (euro/000)	03/31/2025	12/31/2024	Increase / Decrease	
			euro	%
Cash and cash equivalents	59,342	68,892	(9,550)	(13.9)%
Current and non-current financial assets	2	1	1	277.5%
Current financial liabilities	(14,369)	(9,016)	(5,353)	59%
Current portion of non-current financial liabilities	(4,800)	(4,800)	-	0%
Non-current financial liabilities	(405,842)	(405,213)	(629)	0.2%
Net financial position	(365,667)	(350,136)	(15,530)	4.4%
Loan from parent company Tofane SA	29,127	28,791	335	1.2%
Net financial position Adjusted	(336,540)	(321,345)	(15,195)	4.7%

Reported net financial debt is euro 365,667 thousand, compared to euro 350,136 thousand as at December 31, 2024.

Main components of the Group's financial debt are:

- the bond notes for a notional amount of euro 350 million;
- the 22.7 million euro loan granted by the shareholder Tofane SA of originally 25 million euro, partially repaid at the end of December 2024 and including accrued interests at the balance sheet date for 6.1 million euro;
- the *Super Senior Revolving Facility* for a maximum amount of euro 46.2 million euro, fully undrawn as at March 31, 2025;
- the euro 25.2 million residual outstanding capital amount of the original 30 million euro term loan facility arranged in October 2023 to finance the acquisition of ic! berlin.

ANALYSIS OF CONDENSED CONSOLIDATED INCOME STATEMENT

Group's interim Condensed Consolidated Income Statement as of March 31, 2025 is summarized below compared to the results as of March 31, 2024.

(euro/000)	03/31/2025		03/31/2024	
	euro	% of net revenues	euro	% of net revenues
Net revenues	147,324	100.0%	145,633	100.0%
Gross profit	93,600	63.5%	93,859	64.4%
Ebitda	24,137	16.4%	25,748	17.7%
Operating income - Ebit	17,489	11.9%	19,115	13.1%
Financial income and costs	(7,344)	(5.0)%	(7,577)	(5.2)%
(Loss)/Profit before taxes	10,144	6.9%	11,539	7.9%
Net (loss)/profit for the period	6,158	4.2%	7,277	5.0%

First quarter Net Revenues are euro 147,324 thousand, compared to euro 145,633 thousand for the three months of 2024.

The March 2025 Reported Ebitda is euro 24,137 thousand, compared to 25,748 thousand for the three months of 2024.

Adjusted Ebitda (excluding extraordinary transactions) is euro 26,276 thousand (17.8% of Net Revenues), compared to euro 25,687 thousand (17.6% of Net Revenues) on March 31, 2024.

Adjusted Ebitda and Ebit are shown in the table below:

Economic indicator - Adjusted (euro/000)	03/31/2025		03/31/2024	
	euro	% of net revenues	euro	% of net revenues
Ebitda Adjusted	26,276	17.8%	25,687	17.6%
Ebit Adjusted	19,628	13.3%	19,054	13.1%

7. Net Revenues

The following table sets forth the Net Revenues by geographical area (destination markets):

Net Revenues by geographical area (euro/000)	03/31/2025		03/31/2024		Increase (decrease)	
	Net Revenues	% on total	Net Revenues	% on total	Euro	%
EMEA	79,160	53.7%	73,122	50.2%	6,039	8.3%
Americas	50,087	34.0%	52,020	35.7%	(1,934)	(3.7)%
Asia	9,036	6.1%	13,040	9.0%	(4,005)	(30.7)%
Rest of World	9,041	6.1%	7,450	5.1%	1,591	21.4%
Total	147,324	100.0%	145,633	100.0%	1,691	1.2%

First quarter 2025 Net Revenues are euro 147,324 thousand and show an increase of euro 1,691 thousand (+1.2% at current exchange rate, +0.5% at constant exchange rate) compared to the same period of 2024.

For comparative purposes, excluding the positive effect of 2025 new brands and the negative effect of 2024 discontinued brands, Net Revenues increase is +2.1% (+1.3% at constant exchange rates).

EMEA Net Revenues amounted to 79,160 thousand euro, showing an increase of +8.3% compared to the previous period (+7.8% at constant exchange rates). For comparative purposes, excluding the positive effect of 2025 new brands and the negative effect of discontinued brands, Net Revenues increase is +8.1%. Growth in this area is mainly driven by Italy, France, and Germany direct channel.

Americas ended the First quarter 2025 with a decrease of -3.7% compared to previous period (-4.3% at constant exchange rates). For comparative purposes, excluding the positive effect of 2025 new brands and the negative effect of discontinued brands, Net Revenues decrease is -2.4%. This trend is mainly attributable to an overall complex macro-economic scenario in Latam, while US is overall stable compared to previous year.

Net Revenues in Asia during first quarter 2025 is -30.7% at current exchange rates and -32.5% at constant exchange rates compared to 2024. The temporary drop is attributable to a different time on sales to relevant APAC Distributors, especially in country such as Korea and Japan.

Rest of World Net Revenues amounted to 9,041 thousand euro, showing an increase of +21.4% compared to the previous period. Rest of world is a residual category mainly including emerging markets.

8. Cost of sales

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

Cost of Sales (euro/000)	03/31/2025	% on net revenues	03/31/2024	% on net revenues
Product cost	48,255	32.8%	45,059	30.9%
Cost of personnel	3,864	2.6%	3,667	2.5%
Amortization, depreciation and writedowns	1,000	0.7%	1,074	0.7%
Other production cost	605	0.4%	1,974	1.4%
Total	53,724	36.5%	51,773	35.6%

Cost of sales amounted to euro 53,724 thousand for the three months ended March 31, 2025, with an increase of euro 1,951 thousand, or 3.8%, from euro 51,773 thousand for the three months ended March 31, 2024.

Cost of sales as a percentage of Net Revenues is 36.5% for the three months ended March 31, 2025 compared to 35.6% for the three months ended March 31, 2024. The slight increase % of Cost of Sales on Net Revenues is mostly due to a different channel mix on sales compared to previous period and a marginal effect of US tariffs increase.

Other costs mainly refer to other purchasing expenses and consulting services.

9. Distribution and marketing expenses

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

Distribution and marketing expenses (euro/000)	03/31/2025	% on net revenues	03/31/2024	% on net revenues
Cost of personnel	17,075	11.6%	16,140	11.1%
Commissions	7,680	5.2%	7,974	5.5%
Amortization	4,120	2.8%	4,350	3.0%
Royalties	16,553	11.2%	16,441	11.3%
Advertising and PR	9,762	6.6%	10,819	7.4%
Other costs	7,792	5.3%	7,637	5.2%
Total	62,983	42.8%	63,361	43.5%

Distribution and marketing expenses amounted to euro 62,983 thousand for the three months ended March 31, 2025, showing a decrease of euro 378 thousand or –0.6% from euro 63,361 thousand for three months ended March 31, 2024.

Commissions expenses amounted to euro 7,680 thousand in 2025, showing a decrease of 3.7% from the euro 7,974 thousand for the three months ended March 31, 2024.

Royalties amounted to euro 16,553 thousand (as a percentage of Net Revenues is 11.2% showing a slight improvement compared to March 31, 2024).

Advertising and PR expenses in 2025 amounted to euro 9,762 thousand, a decrease of euro 1,057 thousand, or -9.8%, from the euro 10,819 thousand in the same period of 2024. As a percentage of Net Revenues, Advertising and PR expenses in 2025 is 6.6%, compared to 7.4% of 2024. Such a decrease is mainly due to a different timing on marketing activities compared to previous year.

“Other costs” mainly refers to freight-out expenses, business travels, rents and services. In 2025, other costs amounted to euro 7,792 thousand, an increase of euro 155 thousands, or 2.0%, from the euro 7,637 thousand in the same period of 2024. As a percentage of Net Revenues, they are 5.3%, in line with 2024.

10. General and administrative expenses

The general and administrative expenses are set forth below:

General and administrative expenses (euro/000)	03/31/2025	% on net revenues	03/31/2024	% on net revenues
Cost of personnel	4,854	3.3%	4,943	3.4%
Amortization and writedowns	1,528	1.0%	1,210	0.8%
Other costs	5,250	3.6%	5,239	3.6%
Total	11,632	7.9%	11,392	7.8%

General and administrative expenses amounted to euro 11,632 thousand for the three months ended March 31, 2025, compared to euro 11,392 thousand the three months ended March 31, 2024. As a percentage of Net Revenues, in 2025 general and administrative expenses is 7.9%, compared to 7.8% for 2024.

11. Other operating income and expenses

Other operating income and expenses amounted to a net euro 1.496 thousand expenses for the three months ended March 31, 2025. The amount mainly includes charges occurred along a contractual renegotiation with a licensor, other rebilling, compensation for damages and other minor non-operating expenses.

12. Financial income and costs

Net Financial Income and expenses amounted to a net euro 7,344 thousand expenses for the three months ended March 31, 2025 compared to euro 7,577 thousand expenses for the three months ended March 31, 2024. With reference to Financial Expenses, the main component refers to the interest expenses on the euro 350 million bond for a total amount of 5.3 million euro as of March 31, 2025. The decrease of financial expenses compared to previous period is mainly due to a lower interest levels on (i) the original euro 30 million term loan facility following the initial repayment of the amortized portion of it and (ii) the ssRCF, given it has not been drawn during 2025. Foreign currency management contributed to a net gain of 39 thousand euro compared to a net gain of euro 191 thousand euro on previous year.

13. Income tax expense

The estimated income tax expense amounted to euro 3,986 thousand for the three months ended March 31, 2025, compared to euro 4,262 thousand for the three months ended March 31, 2024.

Current and deferred income tax are calculated by applying the tax rates on reasonably estimated taxable base, determined in accordance with the tax regulations in force. Any tax loss has been recognized on deferred tax assets for subsidiaries with negative taxable base, to the extent that it is probable that future taxable profit will be available against which such tax losses can be utilized.

OTHER INFORMATIONS

SUBSEQUENT EVENTS

Between March 31, 2025 and the date of approval of the interim condensed consolidated financial statements as of March 31, 2025, no events occurred that could have material effects on the reported financial results in accordance with IAS 10.

The Group is evaluating the potential impacts of the US import tariffs and the implementation of measures to manage them.

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 three months of 2025 there were no significant non-recurring events and/or transactions.

Atypical and unusual transactions

In the first three months of 2025 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 performance or cash flows of Marcolin SpA and the Group.

Transactions with related parties

Intercompany and related-party transactions consist of trade or financial one and are conducted on an arm's length basis. The transactions and outstanding balances with respect to related parties as of March 31, 2025 are shown below, as required by IAS 24:

<i>(euro/000)</i>	Expenses	Revenues	Payables	Receivables	Type
Family Marcolin	103	-	31	-	Related party
Tofane SA	335	-	29,127	-	Consolidating
Total	438	-	29,207	-	

The same table is set forth as of March 31, 2024:

<i>(euro/000)</i>	Expenses	Revenues	Payables	Receivables	Type
Pai Partners Sas	-	-	50	-	Related party
Family Marcolin	103	-	31	-	Related party
Tofane SA	373	-	30,652	668	Consolidating
Total	476	-	30,732	668	

Milan, May 8, 2025

For the Board of Directors

C.E.O.

Fabrizio Curci

