

MARCOLIN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

CONTENTS

GENERAL INFORMATION..... 5

 COMPOSITION OF CORPORATE BODIES 6

 MARCOLIN GROUP STRUCTURE 7

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 9

 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 10

 CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED
 CONDENSATED STATEMENT OF COMPREHENSIVE INCOME..... 11

 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 12

 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS..... 13

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS 14**

GENERAL INFORMATION

COMPOSITION OF CORPORATE BODIES

Board of Directors ¹

Vittorio Levi	Chairman
Fabrizio Curci	Chief Executive Officer and General Manager
Antonio Abete	Director
Michele Cibetti ⁴	Director
Jacopo Forloni	Director
Cirillo Coffen Marcolin	Director
Emilio Macellari	Director
Frédéric Jaques Mari Stévenin	Director
Raffaele Roberto Vitale	Director
Severine de Wulf	Director
Cristiano Agogliati	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

Control and Risk Committee ²

Cirillo Coffen Marcolin	Chairman
Jacopo Forloni	Supervisor
Vittorio Levi	Supervisor

Supervisory Body ²

Federico Ormesani	Chairman
David Reali	Supervisor
Gabriele Crisci	Supervisor

Independent Auditors ³

PricewaterhouseCoopers SpA

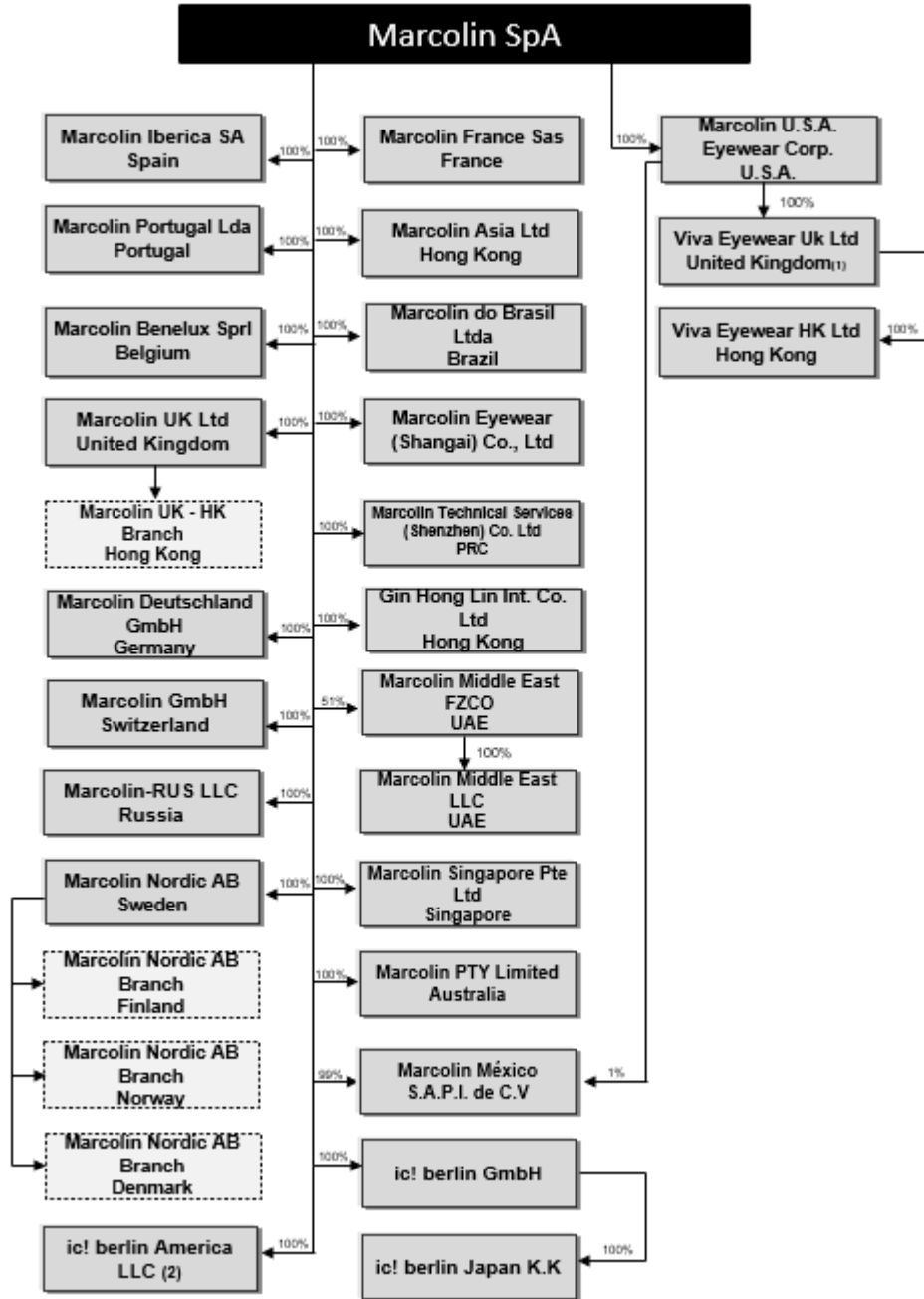
1) Term of office ends on the date of the General Meeting called to approve the financial statements as of 31 December 2024 (pursuant to the General Meeting resolution of 28 April 2022).

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

3) Term of office: 2022 - 2024 (pursuant to the General Meeting resolution of 28 April 2022).

4) Mr. Simone Cavalieri resigned from the role of Director. The Board of Directors co-opted Mr. Michele Cibetti to replace him pursuant to the Board of Directors resolution on 10 June 2024.

MARCOLIN GROUP STRUCTURE



1) Company in liquidation.

2) In June 2024 Marcolin SpA purchased from ic! berlin GmbH the american subsidiary ic! berlin America LLC as part of the activities related to the following merger of the latter into Marcolin USA Eyewear Corp. with effective date 1 of July 2024. This operation is part of the integration plan following the recent acquisition of ic! berlin Group.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro/000)</i>	Notes	06/30/2024	31/12/2023 Restated
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	1	46,843	45,583
Intangible assets	1	294,001	295,502
Goodwill	1	312,056	308,959
Investments in subsidiaries and associates		31	27
Deferred tax assets	1	59,481	59,172
Other non-current assets	1	917	887
Non-current financial assets	1; 6	-	23
Total non-current assets		713,328	710,151
CURRENT ASSETS			
Inventories	2	92,918	95,802
Trade receivables	2	95,162	81,312
Other current assets	2	26,824	23,856
Current financial assets	2; 6	(0)	136
Cash and cash equivalents	2; 6	60,378	56,519
Total current assets		275,282	257,625
TOTAL ASSETS		988,611	967,777
EQUITY			
	3		
Share capital		35,902	35,902
Additional paid-in capital		170,304	170,304
Legal reserve		7,180	7,180
Other reserves		118,249	114,329
Retained earnings (losses)		(8,414)	(16,815)
Profit (loss) for the period		11,509	8,910
Group equity		334,730	319,810
Non controlling interests		0	0
TOTAL EQUITY		334,730	319,810
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	4; 6	410,494	408,793
Non-current funds	4	9,524	8,429
Deferred tax liabilities	4	15,128	13,744
Other non-current liabilities	4	6,417	6,534
Total non-current liabilities		441,564	437,500
CURRENT LIABILITIES			
Trade payables	5	133,362	131,588
Current financial liabilities	5; 6	18,819	22,459
Current funds	5	20,779	20,615
Tax liabilities	5	12,602	8,856
Other current liabilities	5	26,755	26,950
Total current liabilities		212,317	210,468
TOTAL LIABILITIES		653,881	647,968
TOTAL LIABILITIES AND EQUITY		988,611	967,777

**CONDENSED CONSOLIDATED INCOME STATEMENT AND
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

<i>(euro/000)</i>	Notes	06/30/2024	%	06/30/2023	%
Net Revenues	7	297,639	100.0%	308,679	100.0%
Cost of sales	8	(107,194)	(36.0)%	(116,588)	(37.8)%
GROSS PROFIT		190,444	64.0%	192,091	62.2%
Distribution and marketing expenses	9	(131,566)	(44.2)%	(132,977)	(43.1)%
General and administrative expenses	10	(22,392)	(7.5)%	(21,837)	(7.1)%
Other operating income/(expenses)	11	175	0.1%	1,382	0.4%
OPERATING INCOME - EBIT		36,661	12.3%	38,659	12.5%
Financial income	13	2,441	0.8%	4,698	1.5%
Financial costs	13	(18,685)	(6.3)%	(18,297)	(5.9)%
PROFIT (LOSS) BEFORE TAXES		20,419	6.9%	25,060	8.1%
Income tax expense	14	(8,247)	(2.8)%	(9,527)	(3.1)%
NET PROFIT (LOSS) FOR THE PERIOD		12,172	4.1%	15,533	5.0%
Profit (loss) attributable to:					
- Owners of the parent		11,509	3.9%	14,520	4.7%
- Non-controlling interests		663	0.2%	1,013	0.3%

<i>(euro/000)</i>	06/30/2024	06/30/2023
NET PROFIT (LOSS) FOR THE PERIOD	12,172	15,533
<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	3,988	(1,821)
Change in exchange rate difference on quasi equity loan	-	(119)
TOTAL OTHER ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	3,988	(1,940)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	16,159	13,593
Risultato complessivo attribuibile:		
- owners of the parent	15,429	12,469
- non-controlling interests	731	1,124

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, 2022	35,902	170,304	7,180	46,108	8,434	(875)	190	(11,265)	(7,825)	248,153	2,901	251,052
Allocation of 2022 result	-	-	-	-	-	-	-	(7,825)	7,825	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(1,108)	(1,108)
Shareholders Capital increase	-	-	-	75,000	-	-	-	-	-	75,000	-	75,000
Non-controlling interests' put-call options	-	-	-	-	-	(4,453)	-	-	-	(4,453)	-	(4,453)
- Period result	-	-	-	-	-	-	-	-	11,159	11,159	1,013	12,172
- Other components of comprehensive income	-	-	-	-	(1,932)	(119)	-	-	-	(2,051)	111	(1,940)
Total comprehensive income	-	-	-	-	(1,932)	(119)	-	-	11,159	9,108	1,124	10,232
June 30, 2023	35,902	170,304	7,180	121,108	6,502	(5,447)	190	(19,090)	11,159	327,808	2,917	330,723
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
Restatement of initial balances after the completion of PPA for icl berlin Group acquisition	-	-	-	-	-	-	-	48	-	-	-	48
Allocation of 2023 result	-	-	-	-	-	-	-	8,862	(8,862)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(1,239)	-	-	-	(1,239)
- Period result	-	-	-	-	-	-	-	-	11,509	11,509	663	12,172
- Other components of comprehensive income	-	-	-	-	3,920	-	-	-	-	3,920	68	3,988
Total comprehensive income	-	-	-	-	3,920	-	-	-	11,509	15,429	731	16,159
Non-controlling interests' put-call options	-	-	-	-	-	-	-	731	-	731	(731)	-
June 30, 2024	35,902	170,304	7,180	121,108	8,026	(11,071)	186	(8,414)	11,509	335,922	0	334,729

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(euro/000)</i>	06/30/2024	06/30/2023
OPERATING ACTIVITIES		
<i>Profit (loss) for the period</i>	12,172	15,533
Depreciation and amortization	12,969	11,633
Provisions	6,340	8,466
Income tax expense	8,247	9,527
Accrued interest expense	16,244	13,599
Adjustments to other non-cash items	(20)	(26)
<i>Cash generated by operations</i>	<i>55,951</i>	<i>58,732</i>
(Increase)/decrease in trade receivables	(14,208)	(21,559)
(Increase)/decrease in inventories	(1,857)	(2,241)
(Decrease)/increase in trade payables	2,890	(20,988)
<i>Cash generated by change in operating working capital</i>	<i>(13,176)</i>	<i>(44,788)</i>
(Increase) decrease in other assets	(5,199)	(4,552)
(Decrease)/increase in other liabilities	(520)	536
(Use) of current and non-current provisions	(967)	(122)
(Decrease)/increase in current tax liabilities	724	967
<i>Other elements in working capital</i>	<i>(5,960)</i>	<i>(3,171)</i>
Income taxes paid	(1,543)	(3,278)
Interest received	353	434
Interest paid	(13,633)	(11,845)
<i>Total cash generated by change in other items of net working capital</i>	<i>(20,784)</i>	<i>(17,861)</i>
<i>Net cash from /(used in) net working capital</i>	<i>(33,959)</i>	<i>(62,649)</i>
Net cash from /(used in) operating activities	21,992	(3,917)
INVESTING ACTIVITIES		
(Purchase) of property, plant and equipment	(2,779)	(2,593)
Disposal of property, plant and equipment	19	26
(Investments) in intangible assets	(2,912)	(233,674)
Net cash from /(used in) investing activities	(5,672)	(236,240)
FINANCING ACTIVITIES		
<i>Financial Assets</i>		
- Repayments	-	-
<i>Financial Loans from banks</i>		
- Proceeds from borrowings	-	15,000
- Repayments of borrowings	(4,400)	(338)
Principal elements of lease payments	(3,145)	(3,403)
Other current and non current financial liabilities	(3,865)	(2,503)
Dividends paid to minorities	(1,239)	(1,108)
Shareholders capital increase	-	75,000
Net cash from /(used in) financing activities	(12,649)	82,648
Net increase/(decrease) in cash and cash equivalents	3,670	(157,510)
Effect of foreign exchange rate changes	189	(955)
Cash and cash equivalents at beginning of year	56,519	225,995
Cash and cash equivalents at June 30, 2024	60,378	67,530

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.

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.

During 2023, Marcolin was further strengthened through a number of extraordinary actions such as (i) a perpetual long-term license agreement with The Estée Lauder Companies (“ELC”) for TOM FORD eyewear signed on 28 April 2023, which constitutes a significant extension of the licence agreement with TOM FORD, (ii) the acquisition of the German company ic! berlin GmbH completed on 7 November 2023, (iii) the acquisition of the full control of the Mexican subsidiary on 5 July 2023, through the purchase of the residual shares previously held by a local Mexican shareholder with whom a joint venture arrangement was in place.

The year 2023 and the beginning of 2024 have been very relevant for the Group in terms of brands portfolio. Important license agreements have been renewed, such as Emilio Pucci, Zegna, Max&Co., GCDS, Harley Davidson and Skechers and new license agreements have been signed with MCM and the most recent ones with Christian Louboutin and K-Way®.

In 2023, Marcolin sold around 13 million glasses worldwide, achieving Net Revenues of 558 million euro, with a total of 2,000 employees, plus 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. It 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 and Sport Max, MCM and Christian Louboutin and in the Diffusion sector with Guess, Marciano by Guess, Gant, Harley Davidson, Max&Co, Skechers, BMW, GCDS, Timberland, Kenneth Cole and other brands specifically dedicated to the US market. The sports segment is represented by adidas Badge of Sport and adidas Originals. Lastly, in addition to the well-established WEB EYEWEAR brand, ic! berlin became a proprietary brand following the acquisition on 7 November 2023 of the Group ic! berlin.

In addition to the important projects developed as described above, the Group was committed to the continuous development of the APAC Region, a high-potential market which plays a strategic role considering the specific nature of the products offered and the propensity in Asian countries to purchase medium-high range products.

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. Working capital management is now an integral part of the corporate culture, expressed in actions such as the containment of expenses, an economic assessment over investments, improvements in the efficiency of internal production capacity and careful monitoring of cash collection and agreements with suppliers.

Group's main source of financing as at June 30, 2024 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, drawn for 5 million euro as at June 30, 2024. Besides, in order to partially finance the acquisition of ic! berlin GmbH, Marcolin SpA signed, prior to the acquisition, a new credit facility for an aggregate amount of 30 million euro, consisting of two credit lines, one medium/long-term amortizing loan facility for 12 million euro, with a grace period until June 30, 2024 and maturing on June 30, 2026; and a medium/long-term bullet loan facility for 18 million euro to be repaid at the maturity date of 30 September 2026. As of June 30, 2024 the residual capital amount after the first repayment is 27.6 million euro.

The global economic situation determines a strong attention, especially due to the high degree of uncertainty in the medium term deriving from the persistence of ongoing conflicts. 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 six months ended June 30, 2024 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, 2023.

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 six months ended June 30, 2024 are consistent with those used to prepare the annual consolidated financial statements as of December 31, 2023, 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, 2023.

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, 2024

The following new standards and amendments became effective on January 1, 2024:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective and Non-current Liabilities with Covenants (issued on 23 January 2020, 15 July 2020 and 31 October 2022 respectively).

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

The above amendments had no impact on the Group.

New accounting standards and interpretations approved by the European Union and effective for periods after June 30, 2024

At the date of preparation of the condensed consolidation interim financial statements, any new standards and amendments became effective after June 30, 2024.

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

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023);

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

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 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, 2023.

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 six months ended June 30, 2024 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%	
ic! Berlin Group	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%	

During 2024, the only change to the consolidation area refers to the completion, on 19 January 2024, of the liquidation process of Shanghai Ginlin Optics Co. Ltd PRC, a wholly owned subsidiary of Gin Hong Lin International Co. Ltd. The company was a non-operating entity since 2021.

Exchange rates

The following table lists the exchange rates used for currency translation (the closing and average exchange rates refer to June 30, 2024 and January-to-June 2023, respectively):

Currency	Symbol	Closing exchange rate			Average exchange rate		
		06/30/2024	06/30/2023	Change	2024	2023	Change
Dirham Emirati Arabi	AED	3.931	3.991	(1.5)%	3.971	3.969	0.1%
Australian Dollar	AUD	1.608	1.640	(1.9)%	1.642	1.599	2.7%
Brasilian Real	BRL	5.892	5.279	11.6%	5.492	5.483	0.2%
Swiss Franc	CHF	0.963	0.979	(1.6)%	0.962	0.986	(2.4)%
Renminbi	CNY	7.775	7.898	(1.6)%	7.801	7.489	4.2%
Danish Krone	DKK	7.458	7.447	0.1%	7.458	7.446	0.2%
English Pound	GBP	0.846	0.858	(1.4)%	0.855	0.876	(2.5)%
Hong Kong Dollar	HKD	8.359	8.516	(1.8)%	8.454	8.471	(0.2)%
Mexican Pesos	MXN	19.565	18.561	5.4%	18.509	19.646	(5.8)%
Norwegian krone	NOK	11.397	11.704	(2.6)%	11.493	11.320	1.5%
Ruble	RUB	92.418	95.105	(2.8)%	97.978	83.121	17.9%
Swedish Krone	SEK	11.360	11.806	(3.8)%	11.391	11.333	0.5%
USA Dollar	USD	1.071	1.087	(1.5)%	1.081	1.081	0.1%

ANALYSIS OF INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RESTATEMENT OF 31 DECEMBER 2023 FINANCIAL POSITION

During 2024 the Group completed the purchase price allocation (“PPA”) process related to the acquisitions of ic! berlin Group.

As required by IFRS 3 “Business combinations”, in the consolidated financial statements as of 31 December 2023 the Group determined the fair values of the assets acquired and liabilities assumed on a provisional basis; along 2024 it completed the PPA exercise and restated the comparative financial and other information for the year 2023 in order to reflect the adjustments posted with reference to the provisional period.

(euro/000)	Notes	31/12/2023	Restatement	31/12/2023 Restated
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1	45,583		45,583
Intangible assets	1	270,870	24,632	295,502
Goodwill	1	325,317	(16,358)	308,959
Investments in subsidiaries and associates		27		27
Deferred tax assets	1	58,603	569	59,172
Other non-current assets	1	887		887
Non-current financial assets	1;6	23		23
Total non-current assets		701,309	8,843	710,151
CURRENT ASSETS				
Inventories	2	96,277	(474)	95,802
Trade receivables	2	81,312		81,312
Other current assets	2	23,663	194	23,856
Current financial assets	2;6	136		136
Cash and cash equivalents	2;6	56,519		56,519
Total current assets		257,906	(281)	257,625
TOTAL ASSETS		959,216	8,561	967,777
EQUITY				
	3			
Share capital		35,902		35,902
Additional paid-in capital		170,304		170,304
Legal reserve		7,180		7,180
Other reserves		114,329		114,329
Retained earnings (losses)		(16,815)		(16,815)
Profit (loss) for the period		8,862	48	8,910
Group equity		319,762	48	319,810
Non controlling interests		0		0
TOTAL EQUITY		319,762	48	319,810
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current financial liabilities	4;6	408,793	-	408,793
Non-current funds	4	8,429	-	8,429
Deferred tax liabilities	4	6,072	7,672	13,744
Other non-current liabilities	4	6,534	-	6,534
Total non-current liabilities		429,828	7,672	437,500
CURRENT LIABILITIES				
Trade payables	5	131,588		131,588
Current financial liabilities	5;6	22,459		22,459
Current funds	5	19,772	842	20,615
Tax liabilities	5	8,856	-	8,856
Other current liabilities	5	26,950		26,950
Total current liabilities		209,626	842	210,468
TOTAL LIABILITIES		639,454	8,514	647,968
TOTAL LIABILITIES AND EQUITY		959,216	8,562	967,777

1. Non-current assets

The composition of non-current assets is shown below:

Non-current assets (euro/000)	06/30/2024	12/31/2023 Restated	Increase/decrease	
			euro	%
Property, plant and equipment	46,843	45,583	1,260	2.8%
Intangible assets	294,001	295,502	(1,501)	(0.5)%
Goodwill	312,056	308,959	3,098	1.0%
Deferred tax assets	59,481	59,172	309	0.5%
Other non-current assets	917	887	30	3.4%
Non-current financial assets	-	23	(23)	(100.0)%
Total non-current assets	713,328	710,151	3,177	0.4%

Net value of non-current assets increased by euro 3,177 thousand from December 31, 2023.

Property, plant and equipment increased by euro 1.260, mainly due to the signing of two lease agreements for the new showroom in New York and the new office in London, accounted for in accordance with IFRS16, net of the depreciation of the period.

Net value of the Right of Use booked in Property, plant and equipment, in accordance with IFRS16, is euro 15,535 thousand. The depreciation of right of use recognized as of June 30, 2024 in the income statement is euro 3,214 thousand.

Goodwill increase by euro 3,098 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, given no trigger events occurred since December 31, 2023.

Deferred tax assets increase by euro 309 thousand is mainly due to the recognition of deferred taxation on the estimated income tax expenses computation based on for the interim results as at June 30, 2024.

2. Current assets

The composition of current assets is shown below:

Current assets (euro/000)	06/30/2024	12/31/2023 Restated	Increase/decrease	
			euro	%
Inventories	92,918	95,802	(2,884)	(3.0)%
Trade receivables	95,162	81,312	13,850	17.0%
Other current assets	26,824	23,856	2,968	12.4%
Current financial assets	()	136	(136)	(100.0)%
Cash and bank balances	60,378	56,519	3,859	6.8%
Total current assets	275,282	257,625	17,657	6.9%

Total value of current assets increased by euro 17,657 thousand from December 31, 2023, mainly as a result of the combined effect of the changes listed below.

Inventories decrease compared to December 31, 2023 is mainly due to management actions started on previous years to gain efficiency on inventory levels, through innovation on sales and demand planning processes. DOI index keeps reducing.

The increase in Trade receivables compared to December 31, 2023 is largely affected by business seasonality on the trend of sales. Overall, DSO index keeps maintaining great 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 credit 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 June 30, 2024, the share capital was wholly owned by Tofane SA.

Share premium reserve is euro 170,304 thousand as of June 30, 2024. 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 8,026 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 -19,298 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)	06/30/2024	12/31/2023 Restated	Increase/decrease	
			euro	%
Non-current financial liabilities	410,494	408,793	1,701	0.4%
Non-current funds	9,524	8,429	1,095	13.0%
Deferred tax liabilities	15,128	13,744	1,384	100.0%
Other non-current liabilities	6,417	6,534	(117)	(1.8)%
Total non-current liabilities	441,564	437,500	4,064	0.9%

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 25 million euro loan granted by the shareholder Tofane SA, including accrued interests at the balance sheet date for 6.0 million euro;
- iii) the amount of non-current financial lease liabilities recognized in accordance with IFRS16 for euro 10,653 thousand;
- iv) the component classified on non-current financial liabilities of the financial loan drawn to partially finance the acquisition of the icl Berlin, for a total amount of euro 22,800 thousand.

5. Current liabilities

Current liabilities are set forth below:

Current liabilities (euro/000)	06/30/2024	12/31/2023 Restated	Increase/decrease	
			euro	%
Trade payables	133,362	131,588	1,774	1.3%
Current financial liabilities	18,819	22,459	(3,640)	(16.2)%
Current funds	20,779	20,615	165	0.8%
Tax liabilities and others	39,357	35,807	3,550	9.9%
Total current liabilities	212,317	210,468	1,849	0.9%

Trade payables as of June 30, 2024 amounted to euro 133,362 thousand aligned with volume of purchases to support current and future expected sales. The balance benefits from 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.

Current financial liabilities mainly include i) euro 9,703 thousand short-term borrowings from banks (which includes a) the current portion, for 4,800 thousand euro of the loan taken out in 2023 to finance the acquisition of icl berlin and b) the drawdown of the super senior revolving (ssRCF) line for 5.0 million euro as at June 30, 2024), ii) euro 6,246 thousand current lease liability accounted in accordance with IFRS16, iii) accrued Bond interests for euro 2,870 thousand, whose next payment is due by mid-November 2024.

Current funds amounted as of June 30, 2024 to euro 20,779 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 FY2023 tax computation, the accrued corporate income tax liabilities accounted based on the estimated tax expenses for the interim results as at June 30, 2024, 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 June 30, 2024 is set forth below in comparison with December 31, 2023:

Net financial debt (euro/000)	06/30/2024	12/31/2023	Increase / Decrease	
			euro	%
Cash and cash equivalents	60,378	56,519	3,859	6.8%
Current and non-current financial assets	(0)	159	(159)	(100.0)%
Current financial liabilities	(14,019)	(17,659)	3,640	-21%
Current portion of non-current financial liabilities	(4,800)	(4,800)	-	0%
Non-current financial liabilities	(410,494)	(408,793)	(1,701)	0.4%
Net financial position	(368,935)	(374,574)	5,639	(1.5)%
Loan from parent company Tofane SA	31,025	30,279	746	2.5%
Net financial position Adjusted	(337,910)	(344,295)	6,385	(1.9)%

Reported net financial debt is euro 368,935 thousand, compared to euro 374,574 thousand as at December 31, 2023.

Main components of the Group's financial debt are:

- the bond notes for a notional amount of euro 350 million;
- the 25 million euro loan granted by the shareholder Tofane SA and accrued interests for 6.0 million euro;
- the *Super Senior Revolving Facility* for a maximum amount of euro 46.2 million euro, drawn for 5.0 million euro as at June 30, 2024;
- the euro 27.6 million residual outstanding portion 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

First Half 2024 Condensed Consolidated Income Statement includes the results of the consolidation of ic! Berlin Group, not included on the comparative figures as of June 30, 2023 given the acquisition occurred in November 2023. As a consequence, some expenses line-item trend could, overall not significantly, be impacted by such effect, mainly in terms of differences compared to previous year or in terms of incidence on net revenues.

Group's interim Condensed Consolidated Income Statement as of June 30, 2024 is summarized below compared to the results as of June 30, 2023.

Consolidated income statement (euro/000)	06/30/2024		06/30/2023	
	euro	% of net revenues	euro	% of net revenues
Net revenues	297,639	100.0%	308,679	100%
Gross profit	190,444	64.0%	192,091	62.2%
Ebitda	49,973	16.8%	50,698	16.4%
Operating income - Ebit	36,661	12.3%	38,659	12.5%
Financial income and costs	(16,244)	(5.5)%	(13,599)	(4.4)%
Profit before taxes	20,419	6.9%	25,060	8.1%
Net profit/(loss) for the period	12,172	4.1%	15,533	5.0%

First Half 2024 Net Revenues are euro 297,639 thousand, compared to euro 308,679 thousand for the six months of 2023.

Despite a slight decrease on Net Revenues, Reported Ebitda margin percentage on revenues increased by 40 basis points to Euro 49,973 thousand, compared to 50,698 thousand for the six months of 2023.

Adjusted Ebitda (excluding extraordinary transactions) is euro 52,707 thousand (17.7% of Net Revenues), compared to euro 51,239 thousand (16.6% of Net Revenues) on June 30, 2023.

Adjusted Ebitda and Ebit are shown in the table below:

Economic indicator - Adjusted (euro/000)	06/30/2024		06/30/2023	
	euro	% of net revenues	euro	% of net revenues
Ebitda Adjusted	52,707	17.7%	51,239	16.6%
Ebit Adjusted	39,395	13.2%	39,200	12.7%

7. Net Revenues

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

Net Revenues by geographical area (euro/000)	06/30/2024		06/30/2023		Increase (decrease)	
	Net Revenues	% on total	Net Revenues	% on total	Euro	%
EMEA	149,580	50.3%	154,607	50.1%	(5,026)	(3.3)%
Americas	106,639	35.8%	117,445	38.0%	(10,806)	(9.2)%
Rest of World	15,546	5.2%	13,291	4.3%	2,255	17.0%
Asia	25,874	8.7%	23,337	7.6%	2,537	10.9%
Total	297,639	100.0%	308,679	100.0%	(11,040)	(3.6)%

First Half 2024 Net Revenues are euro 297,639 thousand and show a decrease of euro 11,040 thousand (-3.6% at current exchange rate, -3.4% at constant exchange rate) compared to the same period of 2023.

For comparative purposes, excluding the positive effect of 2024 new brands and the negative effect of discontinued brands, Net Revenues increase is +0.6% (+0.8% applying constant exchange rates).

EMEA Net Revenues amounted to 149,580 thousand euro, showing a decrease of -3.3% compared to the previous period (-2.9% at constant exchange rates). For comparative purposes, excluding the positive effect of 2024 new brands and the negative effect of discontinued brands, Net Revenues increase is +2.1%.

Americas ended the First Half 2024 with a decrease of -9.2% compared to previous period (-9.2% at constant exchange rates). Such a trend is mainly driven by a slight cooling down of customer sell-out for diffusion brands on Key Account and Retail channel. For comparative purposes, excluding the positive effect of 2024 new brands and the negative effect of discontinued brands, Net Revenues decrease is -4.7%.

Net Revenues in Asia kept maintaining the significant ramp up momentum experienced during the last couple of years, leveraging the recent reorganization of the entire APAC Region. First Half 2024 is +10.9% at current exchange rates and +11.6% at constant exchange rates compared to 2023. Growth is mainly attributable to APAC Distributor channels and China, benefitting from the expansion of the direct channel sales through the wholly owned subsidiary (following the takeover of the joint venture at the end of 2020).

Rest of World Net Revenues amounted to 15,546 thousand euro, showing an increase of +17% compared to the previous period. Rest of world is a 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)	06/30/2024	% on net revenues	06/30/2023	% on net revenues
Product cost	95,835	32.2%	106,503	34.5%
Cost of personnel	7,300	2.5%	6,202	2.0%
Amortization, depreciation and writedowns	2,132	0.7%	1,853	0.6%
Other production cost	1,927	0.6%	2,029	0.7%
Total	107,194	36.0%	116,588	37.8%

Cost of sales amounted to euro 107,194 thousand for the six months ended June 30, 2024, with a decrease of euro 9,393 thousand, or 8.1%, from euro 116,588 thousand for the six months ended June 30, 2023.

Cost of sales as a percentage of Net Revenues is 36.0% for the six months ended June 30, 2024 compared to 37.8% for the six months ended June 30, 2023. Such improvement is a direct consequence of a positive brand and channel mix, together with efficiency in production, procurement, and supply chain.

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 <i>(euro/000)</i>	06/30/2024	% on net revenues	06/30/2023	% on net revenues
Cost of personnel	32,445	10.9%	30,705	9.9%
Commissions	15,857	5.3%	16,467	5.3%
Amortization	8,870	3.0%	8,447	2.7%
Royalties	34,070	11.4%	34,775	11.3%
Advertising and PR	25,027	8.4%	26,871	8.7%
Other costs	15,297	5.1%	15,712	5.1%
Total	131,566	44.2%	132,977	43.1%

Distribution and marketing expenses amounted to euro 131,566 thousand for the six months ended June 30, 2024, showing a decrease of euro 1,411 thousand or -1.1% from euro 132,977 thousand for six months ended June 30, 2023.

Commissions expenses amounted to euro 15,857 thousand in 2024, showing a decrease of 0.6% from the euro 16,467 thousand for the six months ended June 30, 2023.

Royalties amounted to euro 34,070 thousand (as a percentage of Net Revenues is 11.4% compared to 11.3% of 2023).

Advertising and PR expenses in 2024 amounted to euro 25,027 thousand, a decrease of euro 1,844 thousand, or 6.9%, from the euro 26,871 thousand in the same period of 2023. As a percentage of Net Revenues, Advertising and PR expenses in 2024 is 8.4%, compared to 8.7% of 2023. 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 2024, other costs amounted to euro 15,297 thousand, a decrease of euro 415 thousands, or 1.1%, from the euro 15,712 thousand in the same period of 2023. As a percentage of Net Revenues, they are 5.1%, same percentage of the Firts Half 2023.

10. General and administrative expenses

The general and administrative expenses are set forth below:

General and administrative expenses <i>(euro/000)</i>	06/30/2024	% on net revenues	06/30/2023	% on net revenues
Cost of personnel	9,824	3.3%	8,780	2.8%
Amortization and writedowns	2,310	0.8%	1,740	0.6%
Other costs	10,258	3.4%	11,318	3.7%
Total	22,392	7.5%	21,837	7.1%

General and administrative expenses amounted to euro 22,392 thousand for the six months ended June 30, 2024, compared to euro 21,837 thousand the six months ended June 30, 2023. As a percentage of Net Revenues, in 2024 general and administrative expenses is 7.5%, compared to 7.1% for 2023.

11. Other operating income and expenses

Other operating income and expenses amounted to a net euro 175 thousand income for the six months ended June 30, 2024. The amount mainly refers to 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 16,244 thousand expenses for the six months ended June 30, 2024 compared to euro 13,599 thousand expenses for the six months ended June 30, 2023. With reference to Financial Expenses, the main component refers to the interest expenses on the euro 350 million bond for a total amount of 6.3 million euro as of June 30, 2024. The slight increase of Financial expenses compared to previous year is mainly due to the interests on the new 30 million euro term loan facility arranged on October 2023 and accrued interests on the drawn portion of ssRCF.

Foreign currency management contributed to a net loss of 0.6 million euro compared to a net loss of euro 0.2 million on previous year.

13. Income tax expense

The estimated income tax expense amounted to euro 8,247 thousand for the six months ended June 30, 2024, compared to euro 9,527 thousand for the six months ended June 30, 2023.

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 June 30, 2024 and the date of approval of the interim condensed consolidated financial statements as of June 30, 2024, 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 2024 there were no significant non-recurring events and/or transactions.

Atypical and unusual transactions

In the first six months of 2024 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 June 30, 2024 are shown below, as required by IAS 24:

Company <i>(euro/000)</i>	Expenses	Revenues	Payables	Receivables	Type
Other related parties					
Pai Partners Sas	-	-	50	-	Related party
Family Marcolin	206	-	31	-	Related party
Tofane SA	746	843	31,025	1,528	Consolidating
Total	952	843	31,105	1,528	

The same table is set forth as of June 30, 2023:

Company <i>(euro/000)</i>	Expenses	Revenues	Payables	Receivables	Type
Other related parties					
Pai Partners Sas	-	-	50	-	Related party
Family Marcolin	207	-	31	-	Related party
3 Cime S.p.A.	744	-	29,523	6,641	Consolidating
Total	951	-	29,603	6,641	

Milan, July 30, 2024

For the Board of Directors
C.E.O.
Fabrizio Curci

