



AEFFE

INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2022

Disclaimer

This Interim consolidated financial statement at 31 March 2022 has been translated into English solely for the convenience of the International reader. In the event of conflict or inconsistency between the terms used in the Italian Version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

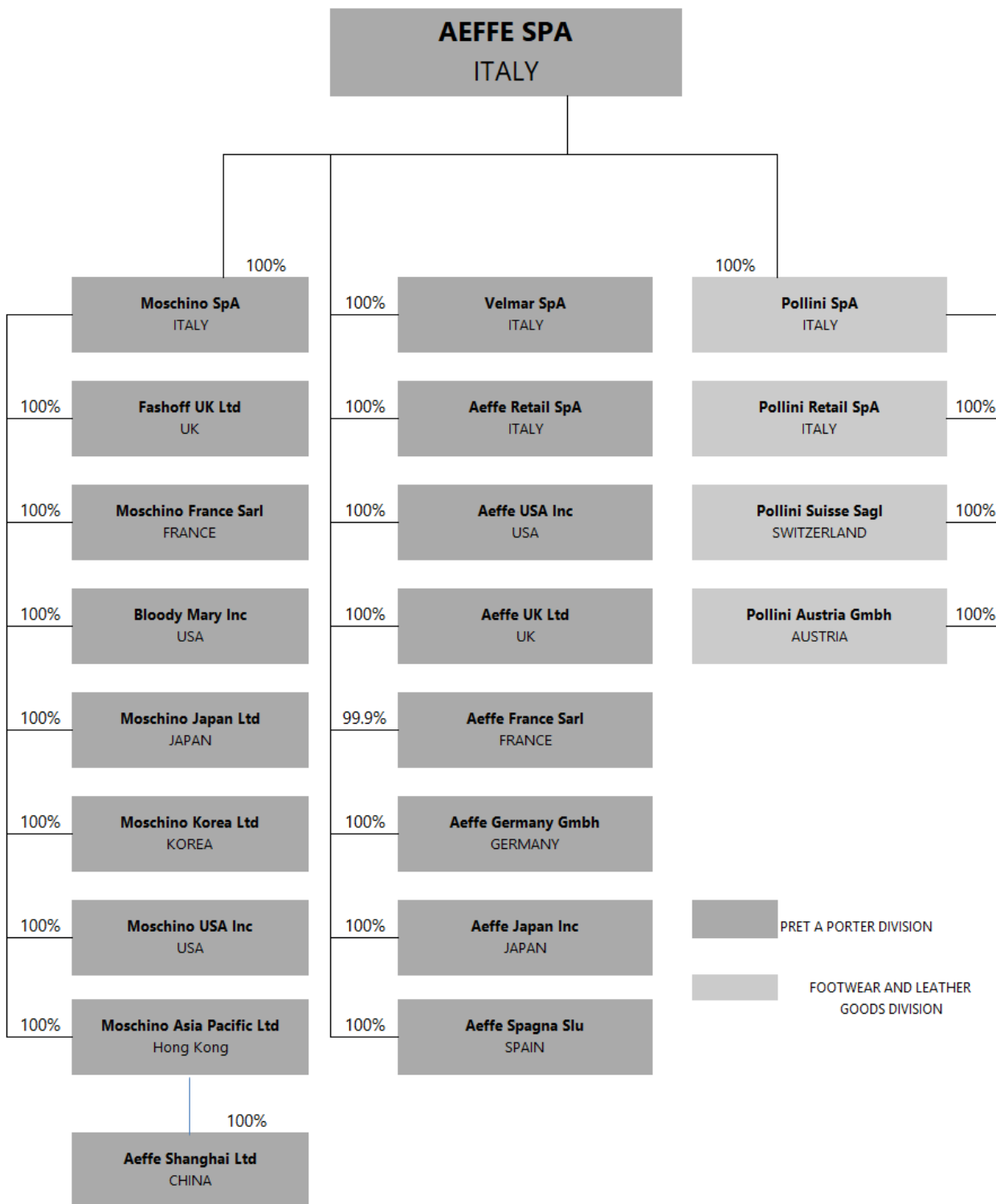
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Corporate boards of the Parent Company

| | |
|---|---|
| Board of Directors | <p>Chairman Massimo Ferretti – Member of Executive Committee</p> |
| | <p>Deputy Chairman Alberta Ferretti</p> |
| | <p>Chief Executive Officer Simone Badioli – Member of Executive Committee</p> |
| Board of Statutory | <p>Directors Giancarlo Galeone – Member of Executive Committee Roberto Lugano Bettina Campedelli Francesca Pace Marco Francesco Mazzù Daniela Saitta</p> |
| | <p>President Stefano Morri</p> |
| | <p>Statutory Auditors Fernando Ciotti Carla Trotti</p> |
| | <p>Alternate Auditors Nevio Dalla Valle Daniela Elvira Bruno</p> |
| | <p>President Daniela Saitta</p> |
| Board of Compensation Committee | <p>Members Roberto Lugano Marco Francesco Mazzù</p> |
| | <p>President Bettina Campedelli</p> |
| Board of Risk and Sustainability Control Committee | <p>Members Roberto Lugano Daniela Saitta</p> |
| | <p>President Bettina Campedelli</p> |

Organisation chart



Brands portfolio

AEFFE SPA

Ready To Wear - Accessories

ALBERTA FERRETTI



MOSCHINO



PHILOSOPHY

DI
LORENZO SERAFINI



BOUTIQUE
MOSCHINO



POLLINI SPA

Footwear - Leather Goods

POLLINI

MOSCHINO.

LOVE
MOSCHINO

MOSCHINO SPA

Licences - Retail - Design

MOSCHINO.

BOUTIQUE
MOSCHINO

LOVE
MOSCHINO

VELMAR SPA

Beachwear - Underwear - Lingerie

MOSCHINO.



CHIARA FERRAGNI

Headquarters

AEFFE

Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy

MOSCHINO

Via San Gregorio, 28
20124 - Milan
Italy

POLLINI

Via Erbosa 1° tratto, 92
47030 - Gatteo (FC)
Italy

VELMAR

Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy



Showrooms

MILAN

(FERRETTI – PHILOSOPHY – POLLINI)

Via Donizetti, 48

20122 - Milan

Italy

MILAN

(MOSCHINO)

Via San Gregorio, 28

20124 - Milan

Italy

LONDON

(FERRETTI – PHILOSOPHY – MOSCHINO)

28-29 Conduit Street

W1S 2YB - London

UK

PARIS

(FERRETTI – PHILOSOPHY – MOSCHINO)

43, Rue du Faubourg Saint Honoré

75008 - Paris

France

NEW YORK

(GROUP)

30 West 56th Street

10019 - New York

USA



Main flagshipstore locations under direct management

ALBERTA FERRETTI

Milan
Rome
Paris
London

POLLINI

Milan
Venice
Bolzano
Varese

SPAZIO A

Florence
Venice

MOSCHINO

Milan
Rome
Capri
Paris
London
New York
Seoul
Pusan
Daegu



Main economic-financial data

| | | I Q | I Q |
|---------------------------------------|-----------------------------|-------|-------|
| | | 2022 | 2021 |
| Total revenues | (Values in millions of EUR) | 103.5 | 81.8 |
| Gross operating margin (EBITDA) | (Values in millions of EUR) | 20.4 | 14.1 |
| Net operating profit/(loss) (EBIT) | (Values in millions of EUR) | 14.2 | 7.7 |
| Profit/(loss) before taxes | (Values in millions of EUR) | 13.3 | 6.9 |
| Net profit/(loss) for the Group | (Values in millions of EUR) | 8.9 | 3.8 |
| Basic earnings per share | (Values in units of EUR) | 0.090 | 0.038 |
| Cash Flow (net result + depreciation) | (Values in millions of EUR) | 15.1 | 10.4 |
| Cash Flow/total revenues | Ratio | 14.6 | 12.7 |

| | | 31 March | 31 December | 31 March | 31 December |
|---|-----------------------------|----------|-------------|----------|-------------|
| | | 2022 | 2021 | 2021 | 2020 |
| Net capital invested | (Values in millions of EUR) | 301.2 | 288.9 | 326.5 | 319.7 |
| Net financial indebtedness | (Values in millions of EUR) | 172.2 | 168.7 | 142.7 | 141.0 |
| Group net equity | (Values in millions of EUR) | 129.0 | 120.2 | 152.8 | 148.2 |
| Group net equity per share | (Values in units of EUR) | 1.2 | 1.1 | 1.4 | 1.4 |
| Current assets/Current liabilities | Ratio | 1.9 | 1.8 | 2.3 | 2.1 |
| Current assets less invent./Current liabilities (ACID Test) | Ratio | 1.0 | 0.9 | 1.0 | 0.9 |
| Net financial indebtedness/Net equity | Ratio | 1.3 | 1.4 | 0.8 | 0.8 |

Financial statements

Income statement at 31 March

| (Values in units of EUR) | Notes | I Q | % on | I Q | % on | Change | % |
|---|------------|--------------------|---------------|-------------------|---------------|-------------------|---------------|
| | | 2022 | revenues | 2021 | revenues | | |
| REVENUES FROM SALES AND SERVICES | (1) | 101,560,821 | 100.0% | 80,091,477 | 100.0% | 21,469,344 | 26.8% |
| Other revenues and income | | 1,962,043 | 1.9% | 1,659,836 | 2.1% | 302,207 | 18.2% |
| TOTAL REVENUES | | 103,522,864 | 101.9% | 81,751,313 | 102.1% | 21,771,551 | 26.6% |
| Changes in inventory | | 1,071,317 | 1.1% | (1,851,538) | (2.3%) | 2,922,855 | (157.9%) |
| Costs of raw materials, cons. and goods for resale | | (36,203,886) | (35.6%) | (25,918,043) | (32.4%) | (10,285,843) | 39.7% |
| Costs of services | | (27,327,498) | (26.9%) | (23,082,150) | (28.8%) | (4,245,348) | 18.4% |
| Costs for use of third parties assets | | (2,052,700) | (2.0%) | (708,217) | (0.9%) | (1,344,483) | 189.8% |
| Labour costs | | (17,256,850) | (17.0%) | (15,091,903) | (18.8%) | (2,164,947) | 14.3% |
| Other operating expenses | | (1,310,274) | (1.3%) | (1,030,255) | (1.3%) | (280,019) | 27.2% |
| Total Operating Costs | | (83,079,891) | (81.8%) | (67,682,106) | (84.5%) | (15,397,785) | 22.8% |
| GROSS OPERATING MARGIN (EBITDA) | (2) | 20,442,973 | 20.1% | 14,069,207 | 17.6% | 6,373,766 | 45.3% |
| Amortisation of intangible fixed assets | | (990,784) | (1.0%) | (1,043,921) | (1.3%) | 53,137 | (5.1%) |
| Depreciation of tangible fixed assets | | (1,048,383) | (1.0%) | (1,086,831) | (1.4%) | 38,448 | (3.5%) |
| Depreciation of right-of-use assets | | (4,160,427) | (4.1%) | (4,087,424) | (5.1%) | (73,003) | 1.8% |
| Revaluations / (write-downs) and provisions | | (71,171) | (0.1%) | (160,220) | (0.2%) | 89,049 | (55.6%) |
| Total Amortisation, write-downs and provisions | | (6,270,765) | (6.2%) | (6,378,396) | (8.0%) | 107,631 | (1.7%) |
| NET OPERATING PROFIT / LOSS (EBIT) | | 14,172,208 | 14.0% | 7,690,811 | 9.6% | 6,481,397 | 84.3% |
| Financial income | | 225,486 | 0.2% | 297,184 | 0.4% | (71,698) | (24.1%) |
| Financial expenses | | (640,058) | (0.6%) | (402,283) | (0.5%) | (237,775) | 59.1% |
| Financial expenses on right-of-use asset | | (475,493) | (0.5%) | (648,681) | (0.8%) | 173,188 | (26.7%) |
| Total Financial Income/(expenses) | | (890,065) | (0.9%) | (753,780) | (0.9%) | (136,285) | 18.1% |
| PROFIT / LOSS BEFORE TAXES | | 13,282,143 | 13.1% | 6,937,031 | 8.7% | 6,345,112 | 91.5% |
| Total Income Taxes | | (4,339,148) | (4.3%) | (2,769,145) | (3.5%) | (1,570,003) | 56.7% |
| NET PROFIT / LOSS | (3) | 8,942,995 | 8.8% | 4,167,886 | 5.2% | 4,775,109 | 114.6% |
| (Profit) / loss attributable to minority shareholders | | - | 0.0% | (409,596) | (0.5%) | 409,596 | (100.0%) |
| NET PROFIT / LOSS FOR THE GROUP | | 8,942,995 | 8.8% | 3,758,290 | 4.7% | 5,184,705 | 138.0% |

Reclassified balance sheet

| (Values in units of EUR) | Notes | 31 March 2022 | 31 December 2021 | 31 March 2021 |
|--|------------|--------------------|---------------------|--------------------|
| Trade receivables | | 71,933,419 | 50,034,112 | 53,812,638 |
| Stocks and inventories | | 93,981,768 | 91,406,571 | 107,644,127 |
| Trade payables | | (81,893,102) | (78,690,149) | (64,159,059) |
| Operating net working capital | | 84,022,085 | 62,750,534 | 97,297,706 |
| Other short term receivables | | 31,558,066 | 32,513,758 | 28,470,990 |
| Tax receivables | | 6,451,471 | 6,636,204 | 7,613,042 |
| Derivative assets | | 136,268 | - | 54,819 |
| Other short term liabilities | | (18,331,161) | (17,582,148) | (18,704,574) |
| Tax payables | | (5,162,728) | (4,447,875) | (3,812,692) |
| Derivative liabilities | | - | (22,223) | - |
| Net working capital | (4) | 98,674,001 | 79,848,250 | 110,919,291 |
| Tangible fixed assets | | 58,328,862 | 58,770,962 | 60,905,874 |
| Intangible fixed assets | | 67,911,027 | 68,866,417 | 71,583,534 |
| Right-of-use assets | | 81,911,421 | 85,961,940 | 96,929,722 |
| Other fixed assets | | 30,069 | 30,069 | 131,558 |
| Equity investments | | 1,393,661 | 1,565,654 | 2,450,963 |
| Fixed assets | (5) | 209,575,040 | 215,195,042 | 232,001,651 |
| Post employment benefits | | (4,328,150) | (4,478,746) | (4,671,524) |
| Provisions | | (1,926,051) | (1,758,142) | (1,560,138) |
| Assets available for sale | | - | - | - |
| Long term not financial liabilities | | (1,019,124) | (1,120,371) | (1,702,508) |
| Deferred tax assets | | 14,330,371 | 15,164,461 | 19,866,466 |
| Deferred tax liabilities | | (14,126,213) | (13,945,178) | (28,375,662) |
| NET CAPITAL INVESTED | | 301,179,874 | 288,905,316 | 326,477,576 |
| Share capital | | 24,859,261 | 24,917,359 | 25,018,866 |
| Other reserves | | 94,439,364 | 110,437,855 | 111,165,404 |
| Profits / (Losses) carried-forward | | 725,475 | (27,320,768) | 12,905,406 |
| Profit / (Loss) of the period | | 8,942,995 | 12,126,006 | 3,758,290 |
| Group interest in shareholders' equity | | 128,967,095 | 120,160,452 | 152,847,966 |
| Minority interests in shareholders' equity | | - | - | 30,933,621 |
| Total shareholders' equity | (6) | 128,967,095 | 120,160,452 | 183,781,587 |
| Short term financial receivables | | (2,972,705) | (2,913,650) | (682,303) |
| Cash | | (29,908,799) | (31,306,566) | (32,380,483) |
| Long term financial liabilities | | 86,001,243 | 90,697,332 | 39,309,484 |
| Long term financial receivables | | - | - | (2,132,196) |
| Short term financial liabilities | | 46,897,485 | 36,595,368 | 53,206,541 |
| NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS | | 100,017,224 | 93,072,484 | 57,321,043 |
| Short term lease liabilities | | 12,229,168 | 13,320,667 | 13,074,120 |
| Long term lease liabilities | | 59,966,387 | 62,351,713 | 72,300,826 |
| NET FINANCIAL POSITION | (7) | 172,212,779 | 168,744,864 | 142,695,989 |
| SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS | | 301,179,874 | 288,905,316 | 326,477,576 |

Cash flow

| (Values in thousands of EUR) | I Q 2022 | F Y 2021 | I Q 2021 |
|--|-----------------|------------------|-----------------|
| Opening balance | 31,307 | 39,828 | 39,828 |
| Profit before taxes | 13,282 | 6,318 | 6,937 |
| Amortisation / write-downs | 6,271 | 26,176 | 6,378 |
| Accrual (+)/availment (-) of long term provisions and post employment benefits | 17 | (207) | (212) |
| Paid income taxes | (2,609) | (1,447) | (930) |
| Financial income (-) and financial charges (+) | 890 | 2,850 | 754 |
| Change in operating assets and liabilities | (19,712) | 14,964 | (13,896) |
| Cash flow (absorbed) / generated by operating activity | (1,861) | 48,654 | (969) |
| Increase (-)/ decrease (+) in intangible fixed assets | (35) | (396) | (138) |
| Increase (-)/ decrease (+) in tangible fixed assets | (607) | (1,927) | (335) |
| Increase (-)/ decrease (+) in right-of-use assets | (110) | (1,678) | (545) |
| Investments and write-downs (-)/ Disinvestments and revaluations (+) | - | 102 | - |
| Cash flow (absorbed) / generated by investing activity | (752) | (3,899) | (1,018) |
| Other variations shareholders' equity | (137) | (70,722) | 857 |
| Dividends paid | - | - | - |
| Proceeds (+)/ repayments (-) of financial payments | 5,606 | 32,005 | (2,772) |
| Proceeds (+)/ repayment (-) of lease payments | (3,477) | (12,535) | (2,832) |
| Increase (-)/ decrease (+) in long term financial receivables | 113 | 826 | 40 |
| Financial income (+) and financial charges (-) | (890) | (2,850) | (754) |
| Cash flow (absorbed) / generated by financing activity | 1,215 | (53,276) | (5,461) |
| Closing balance | 29,909 | 31,307 | 32,380 |

Changes in shareholders' equity

(Values in thousands of EUR)

| | Share capital | Share premium reserve | Cash flow hedge reserve | Other reserves | Fair Value reserve | IAS reserve | Reassessment of defined benefit plans reserve | Translation reserve | Profits/(losses) carried forward | Net profit/(loss) for the Group | Group interest in shareholders' equity | Minority interests in shareholders' equity | Total shareholders' equity |
|--|---------------|-----------------------|-------------------------|----------------|--------------------|-------------|---|---------------------|----------------------------------|---------------------------------|--|--|----------------------------|
| BALANCES AT 31 December 2021 | 24,917 | 69,334 | (16) | 28,610 | 7,901 | 7,607 | (1,466) | (1,532) | (27,321) | 12,126 | 120,160 | - | 120,160 |
| Allocation of 2021 profit / (loss) | - | - | - | (15,920) | - | - | - | - | 28,046 | (12,126) | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Treasury stock (buy-back)/ sale | (58) | (397) | - | - | - | - | - | - | - | - | (455) | - | (455) |
| Total comprehensive income / (loss) of 1Q 2022 | - | - | 114 | - | - | - | - | 205 | - | 8,943 | 9,262 | - | 9,262 |
| Other changes | - | - | - | - | - | - | - | - | - | - | - | - | - |
| BALANCES AT 31 March 2022 | 24,859 | 68,937 | 98 | 12,690 | 7,901 | 7,607 | (1,466) | (1,327) | 725 | 8,943 | 128,967 | - | 128,967 |

(Values in thousands of EUR)

| | Share capital | Share premium reserve | Cash flow hedge reserve | Other reserves | Fair Value reserve | IAS reserve | Reassessment of defined benefit plans reserve | Translation reserve | Profits/(losses) carried forward | Net profit/(loss) for the Group | Group interest in shareholders' equity | Minority interests in shareholders' equity | Total shareholders' equity |
|--|---------------|-----------------------|-------------------------|----------------|--------------------|-------------|---|---------------------|----------------------------------|---------------------------------|--|--|----------------------------|
| BALANCES AT 31 December 2020 | 25,044 | 70,144 | (252) | 49,756 | 7,901 | 7,607 | (1,343) | (2,502) | 13,274 | (21,397) | 148,232 | 30,524 | 178,756 |
| Allocation of 2020 profit / (loss) | - | - | - | (21,028) | - | - | - | - | (369) | 21,397 | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Treasury stock (buy-back)/ sale | (25) | (77) | - | - | - | - | - | - | - | - | (102) | - | (102) |
| Total comprehensive income / (loss) of 1Q 2021 | - | - | 291 | - | - | - | - | 669 | - | 3,758 | 4,718 | 410 | 5,128 |
| Other changes | - | - | - | - | - | - | - | - | - | - | - | - | - |
| BALANCES AT 31 March 2021 | 25,019 | 70,067 | 39 | 28,728 | 7,901 | 7,607 | (1,343) | (1,833) | 12,905 | 3,758 | 152,848 | 30,934 | 183,782 |

Interim management report

In the first quarter of 2022, consolidated revenues amount to EUR 101,561 thousand compared to EUR 80,091 thousand in the first quarter 2021, with a 26.8% increase at current exchange rates (+26.5% at constant exchange rates).

In the first quarter of 2022, consolidated EBITDA was positive for EUR 20,443 thousand (with an incidence of 20.1% on turnover), registering an increase of 45.3% compared to the EBITDA of the first quarter 2021 equal to EUR 14,069 thousand (with an incidence of 17.6% on turnover). The margin increased more than proportionally with respect to the increase in revenues, thanks to the combined effect of a higher percentage incidence of full-price sales, both in the wholesale and retail channel, and the lower incidence of fixed costs which, albeit increasing compared to in the first quarter of 2021, they have a lower percentage incidence compared to turnover.

Looking at the balance sheet as of 31st March 2022, financial debt, IFRS 16 effect included, amounts to EUR 172,213 thousand compared to EUR 168,745 thousand as of 31st December 2021, with a EUR 3,468 thousand worsening mainly attributable mainly attributable to the seasonal effect on net working capital.

At 31st March 2022 operating net working capital amounts to EUR 84,022 thousand (24.3% of LTM sales) compared to EUR 97,298 thousand at 31st March 2021 (35.6% of LTM sales). The better incidence on total revenues compared to 1Q21 is mainly attributable to lower inventories.

Explanatory notes

Income statement

1. Revenues from sales and services

First quarter 2022 vs 2021

In the first quarter of 2022, consolidated revenues amount to EUR 101,561 thousand compared to EUR 80,091 thousand in the first quarter 2021, with a 26.8% increase at current exchange rates (+26.5% at constant exchange rates).

The following table details the revenues by geographical area for the first quarters of 2022 and 2021.

| (Values in thousands of EUR) | I Q | | I Q | | Change | |
|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
| | 2022 | % | 2021 | % | Δ | % |
| Italy | 42,750 | 42.1% | 34,314 | 42.8% | 8,436 | 24.6% |
| Europe (Italy excluded) | 31,587 | 31.1% | 22,937 | 28.6% | 8,650 | 37.7% |
| Asia and Rest of the World | 17,595 | 17.3% | 17,817 | 22.2% | (222) | (1.2%) |
| America | 9,629 | 9.5% | 5,023 | 6.4% | 4,606 | 91.7% |
| United States | 101,561 | 100.0% | 80,091 | 100.0% | 21,470 | 26.8% |

Sales on the ITALY market increased by 24.6% to EUR 42,750 thousand compared to 2021 thanks to the excellent results achieved by the wholesale channel. The retail channel also recorded a 68% increase compared to the first quarter of 2021. In 2022, sales in EUROPE, with an incidence on turnover of 31.1%, reported an increase of 37.7%, mainly due to the positive trend of the UK and Germany, in the wholesale channel. Retail recovered compared to the first quarter of 2021 with a percentage change of 116%. In ASIA and in the REST OF THE WORLD, the Group achieved revenues of EUR 17,595 thousand, with an incidence on turnover of 17.3%, down by 1.2% at current exchange rates compared to the same period of 2021. In particular, Greater China discounts the effects of sales in the last season (spring summer 2022) before the Group takes over the direct management of the market. At current exchange rates, sales in AMERICA, with an incidence on turnover of 9.5%, recorded growth of 91.7%, thanks to the excellent performance of both the wholesale channel and the retail channel.

The following table details the revenues by brand for the first quarters of 2022 and 2021.

| (Values in thousands of EUR) | I Q | | I Q | | Change | |
|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
| | 2022 | % | 2021 | % | Δ | % |
| Alberta Ferretti | 7,002 | 6.9% | 4,284 | 5.3% | 2,718 | 63.4% |
| Philosophy | 5,128 | 5.0% | 4,309 | 5.4% | 819 | 19.0% |
| Moschino | 78,995 | 77.8% | 65,351 | 81.6% | 13,644 | 20.9% |
| Pollini | 8,460 | 8.3% | 5,897 | 7.4% | 2,563 | 43.5% |
| Other | 1,976 | 2.0% | 250 | 0.3% | 1,726 | 690.0% |
| Total | 101,561 | 100.0% | 80,091 | 100.0% | 21,470 | 26.8% |

In the first quarter of 2022, Alberta Ferretti brand increases by 63.4%, generating 6.9% of consolidated sales, while Philosophy brand increase by 19.0%, generating 5.0% of consolidated sales.

In the same period, Moschino brand sales increase by 20.9% contributing to 77.8% of consolidated sales.

Pollini brand increases by 43.5%, generating 8.3% of consolidated sales, while the other brands sales increase by 690% contributing to 2.0% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2022 and 2021.

| (Values in thousands of EUR) | I Q | | I Q | | Change | |
|------------------------------|----------------|---------------|---------------|---------------|---------------|--------------|
| | 2022 | % | 2021 | % | Δ | % |
| Wholesale | 78,038 | 76.8% | 64,979 | 81.1% | 13,059 | 20.1% |
| Retail | 19,548 | 19.2% | 12,124 | 15.1% | 7,424 | 61.2% |
| Royalties | 3,975 | 4.0% | 2,988 | 3.8% | 987 | 33.0% |
| Total | 101,561 | 100.0% | 80,091 | 100.0% | 21,470 | 26.8% |

The wholesale channel, contributing to 76.8% of consolidated sales, recorded a 20.1% increase at current exchange rates.

The sales of directly-operated stores (DOS), including direct online (retail channel), equal to 19.2% of Group sales, showed an increase of 61.2% at current exchange rates compared to the corresponding period of the previous year. The e-commerce sales considered separately, however, recorded a positive trend in the quarter after two years of strong growth, with double-digit growth.

Royalty incomes increased by 33.0% compared to Q1 2021 and represented 4.0% of consolidated sales.

2. Gross Operating Margin (EBITDA)

First quarter 2022 vs 2021

In the first quarter of 2022, consolidated EBITDA was positive for EUR 20,443 thousand (with an incidence of 20.1% on turnover), registering an increase of 45.3% compared to the EBITDA of the first quarter 2021 equal to EUR 14,069 thousand (with an incidence of 17.6% on turnover). The margin increased more than proportionally with respect to the increase in revenues, thanks to the combined effect of a higher percentage incidence of full-price sales, both in the wholesale and retail channel, and the lower incidence of fixed costs which, albeit increasing compared to in the first quarter of 2021, they have a lower percentage incidence compared to turnover.

In Q1 2022 Ebitda of the prêt-à-porter division amounted to EUR 12,870 thousand (representing 19.0% of sales), compared to EUR 8,459 thousand in Q1 2021 (16.4% of sales), posting a EUR 4,411 thousand increase.

Ebitda of the footwear and leather goods division amounted to EUR 7,573 thousand (16.4% of sales) compared to a EUR 5,610 thousand in Q1 2021 (15.6% of sales), with a EUR 1,963 thousand increase due to the sales growth.

Consolidated Ebit was equal to EUR 14,172 thousand, compared to EUR 7,691 thousand in Q1 2021, with a EUR 6,481 thousand increase.

3. Net result

First quarter 2022 vs 2021

In the first quarter 2022 the Group has posted a net profit of EUR 8,943 thousand compared to a net profit of EUR 4,168 thousand in the first quarter 2021, recording a 4,775 thousand increase.

Segment information

Economic performance by Divisions

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

First quarter 2022 vs 2021

The following tables indicate the main economic data for the first quarter of 2022 and 2021 of the *Prêt-à porter* and Footwear and leather goods Divisions.

| (Values in thousands of EUR) | Prêt-à porter Division | Footwear and leather goods Division | Elimination of intercompany transactions | Total |
|---|------------------------|-------------------------------------|--|----------------|
| I Q 2022 | | | | |
| SECTOR REVENUES | 67,719 | 46,262 | (12,420) | 101,561 |
| Intercompany revenues | (4,440) | (7,980) | 12,420 | - |
| Revenues with third parties | 63,279 | 38,282 | - | 101,561 |
| Gross operating margin (EBITDA) | 12,870 | 7,573 | - | 20,443 |
| Amortisation | (5,033) | (1,167) | - | (6,200) |
| Other non monetary items: | | | | |
| Write-downs | (1) | (70) | - | (71) |
| Net operating profit / loss (EBIT) | 7,836 | 6,336 | - | 14,172 |
| Financial income | 97 | 138 | (10) | 225 |
| Financial expenses | (847) | (278) | 10 | (1,115) |
| Profit / loss before taxes | 7,086 | 6,196 | - | 13,282 |
| Income taxes | (2,515) | (1,824) | - | (4,339) |
| Net profit / loss | 4,571 | 4,372 | - | 8,943 |

| (Values in thousands of EUR) | Prêt-à porter Division | Footwear and leather goods Division | Elimination of intercompany transactions | Total |
|---|------------------------|-------------------------------------|--|---------------|
| I Q 2021 | | | | |
| SECTOR REVENUES | 52,721 | 35,900 | (8,530) | 80,091 |
| Intercompany revenues | (3,154) | (5,376) | 8,530 | - |
| Revenues with third parties | 49,567 | 30,524 | - | 80,091 |
| Gross operating margin (EBITDA) | 8,459 | 5,610 | - | 14,069 |
| Amortisation | (5,104) | (1,114) | - | (6,218) |
| Other non monetary items: | | | | |
| Write-downs | (100) | (60) | - | (160) |
| Net operating profit / loss (EBIT) | 3,255 | 4,436 | - | 7,691 |
| Financial income | 100 | 218 | (21) | 297 |
| Financial expenses | (888) | (184) | 21 | (1,051) |
| Profit / loss before taxes | 2,467 | 4,470 | - | 6,937 |
| Income taxes | (1,258) | (1,511) | - | (2,769) |
| Net profit / loss | 1,209 | 2,959 | - | 4,168 |

Prêt-à porter Division

In the first three months of 2022, revenues of the prêt-à-porter division increase by 28.4%, from EUR 52,721 thousand at 31 March 2021 to EUR 67.719 thousand.

EBITDA of the *prêt-à-porter* division is EUR 12,870 thousand in the first quarter of 2022 (representing 19.0% of sales) compared to EUR 8,459 thousand in the first quarter of 2021 (representing 16.0% of sales), recording an increase of EUR 4,411 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 28.9% from EUR 35,900 thousand in the first quarter of 2021 to EUR 46,262 thousand in the first quarter of 2022.

EBITDA of the footwear and leather goods division is positive for EUR 7,573 thousand (representing 16.4% of sales), showing a 35.0% growth compared to EUR 5,610 thousand in the first quarter 2021 (representing 15.6% of sales), with a EUR 1,963 thousand increase.

Balance sheet

4. Net working capital

At 31st March 2022 operating net working capital amounts to EUR 84,022 thousand (24.3% of LTM sales) compared to EUR 97,298 thousand at 31st March 2021 (35.6% of LTM sales). The better incidence on total revenues compared to 1Q21 is mainly attributable to lower inventories.

5. Fixed assets

The change in fixed assets, that decreases from EUR 215,195 thousand at 31st December 2021 to EUR 209,575 thousand at 31st March 2022, is mainly attributable to the amortization of the period. Capex in Q1 2022 amount to EUR 642 thousand and are mostly related to refurbishment and IT technologies.

6. Shareholders' equity

The balance sheet shows a shareholder's equity that changes from EUR 120,160 thousand at 31st December 2021 to EUR 128,967 thousand at 31st March 2022.

Changes in shareholders' equity are presented in tables at page 13.

7. Net financial position

Looking at the balance sheet as of 31st March 2022, financial debt, IFRS 16 effect included, amounts to EUR 172,213 thousand compared to EUR 168,745 thousand as of 31st December 2021, with a EUR 3,468 thousand worsening mainly attributable mainly attributable to the seasonal effect on net working capital.

The financial debt net of IFRS 16 effect at 31st March 2022 amounts to EUR 100,017 thousand, worsening compared to EUR 93,072 thousand at 31st March 2021, always attributable to the increase of working capital.

Other information

Earnings per share

Reference earnings

The calculation of basic and dilutive earnings per share is based on the following elements:

| (Values in thousands of EUR) | I Q 2022 | I Q 2021 |
|--|---------------|----------------|
| From continuing and discontinued activities | | |
| From continuing activities | | |
| Earnings for determining basic earnings per share | 8,943 | 3,758 |
| Earnings for determining earnings per share | 8,943 | 3,758 |
| Dilutive effects | - | - |
| Earnings for determining dilutive earnings per share | 8,943 | 3,758 |
| From continuing and discontinued activities | | |
| Earnings for the period | 8,943 | 3,758 |
| Earnings from discontinued operations | - | - |
| Earnings for determining basic earnings per share | 8,943 | 3,758 |
| Dilutive effects | - | - |
| Earnings for determining dilutive earnings per share | 8,943 | 3,758 |
| Number of reference share | | |
| Average number of shares for determining earnings per share | 99,437 | 100,075 |
| Share options | - | - |
| Average number of shares for determining diluted earnings per | 99,437 | 100,075 |

Basic earnings per share

Group net earnings attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 8,943 thousand (March 2021: EUR 3,758 thousand).

Dilutive earnings per share

The calculation of diluted earnings per share for the period January - March 2022, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

Significant events subsequent the balance sheet date

After the 31 March 2022 no significant events regarding the Group's activities have to be reported.

Outlook

The first quarter of 2022 confirmed the trends of the 2021 financial year with a significant growth in revenues and a more than proportional progression in profitability, results obtained thanks to the good performance of all brands together with the benefits related to the structural efficiency of the business model implemented in the last two years. In addition, the 9% growth in order intake for the Autumn-Winter 2022-23 collections, despite the uncertainty linked to the geopolitical tensions of the ongoing conflict in Ukraine, is a sign of the appreciation of customers for the Group's brands. Finally, the renewed strategic direction continues regularly with the new course of the Moschino brand and the direct management projects of the Chinese market that will materialize in the next quarter.

Atypical and/or unusual transactions

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first quarter of 2022, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

Significant non-recurring events and transactions

During the first quarter of 2022 no significant non-recurring events and transaction have been realized.

The executive responsible for preparing the company's accounting documentation Simone Badioli declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.