



HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2024

Disclaimer

This Half-year financial report at June 30, 2024 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.

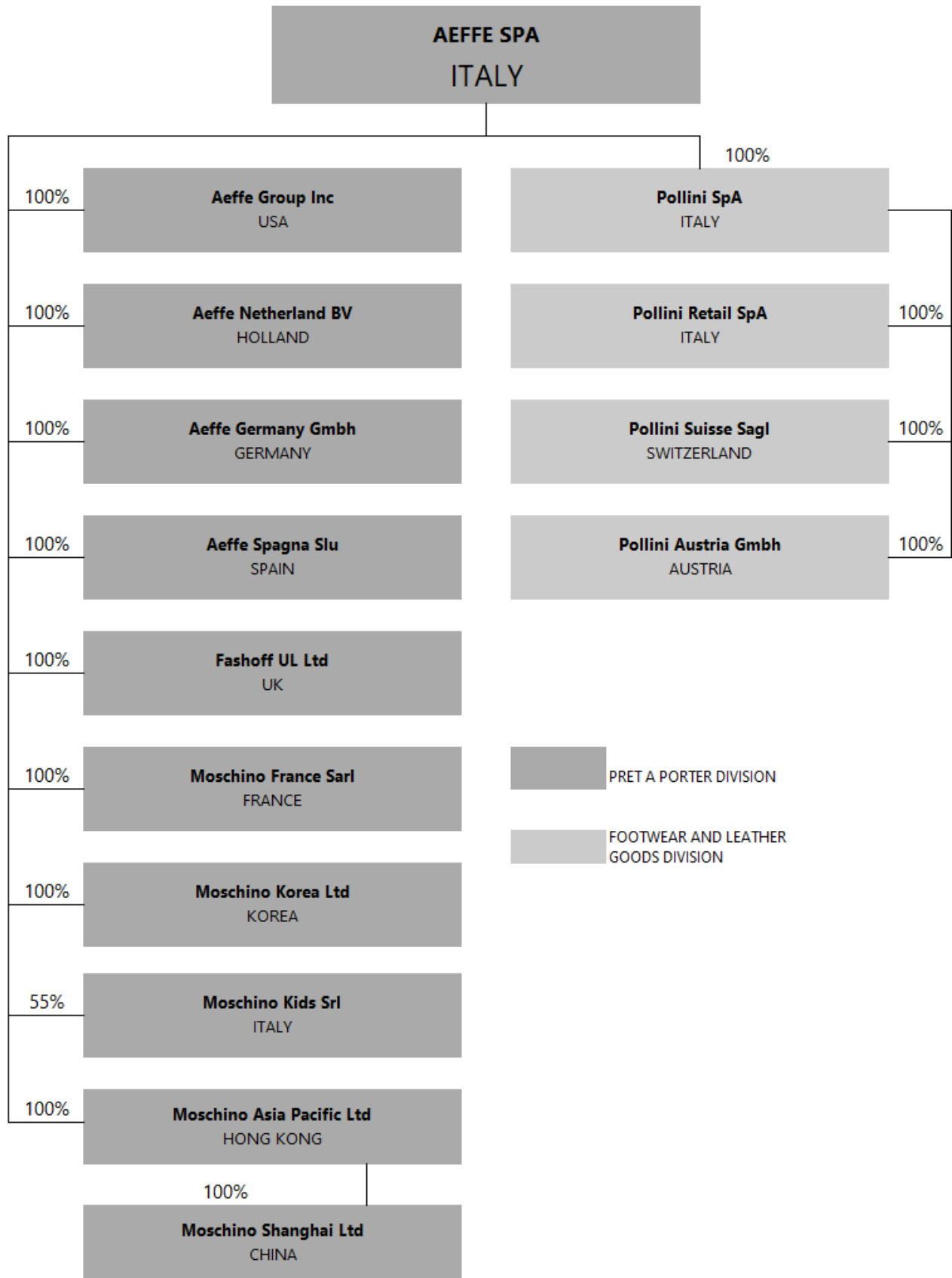
SUMMARY

<i>HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2024</i>	<i>1</i>
<i>CORPORATE BOARDS OF THE PARENT COMPANY</i>	<i>3</i>
<i>ORGANIZATION CHART</i>	<i>4</i>
<i>BRANDS PORTFOLIO</i>	<i>5</i>
<i>HEADQUARTERS</i>	<i>6</i>
<i>SHOWROOMS</i>	<i>6</i>
<i>MAIN FLAGSHIP STORE LOCATIONS UNDER DIRECT MANAGEMENT</i>	<i>6</i>
<i>INTERIM MANAGEMENT REPORT</i>	<i>9</i>
<i>HALF-YEAR CONDENSED FINANCIAL STATEMENTS AT JUNE 30, 2024</i>	<i>19</i>
<i>FINANCIAL STATEMENT</i>	<i>19</i>
<i>EXPLANATORY NOTES</i>	<i>23</i>
<i>ATTACHMENTS OF THE EXPLANATORY NOTES</i>	<i>52</i>
<i>ATTESTATION OF THE HALF YEAR CONDENSED FINANCIAL STATEMENTS PURSUANT TO ART.81-TER OF CONSOB REGULATION N. 11971 OF MAY 14, 1999, AND SUBSEQUENT AMENDMENTS AND ADDITIONS</i>	<i>56</i>
<i>REPORT OF THE AUDITING COMPANY</i>	<i>57</i>

CORPORATE BOARDS OF THE PARENT COMPANY

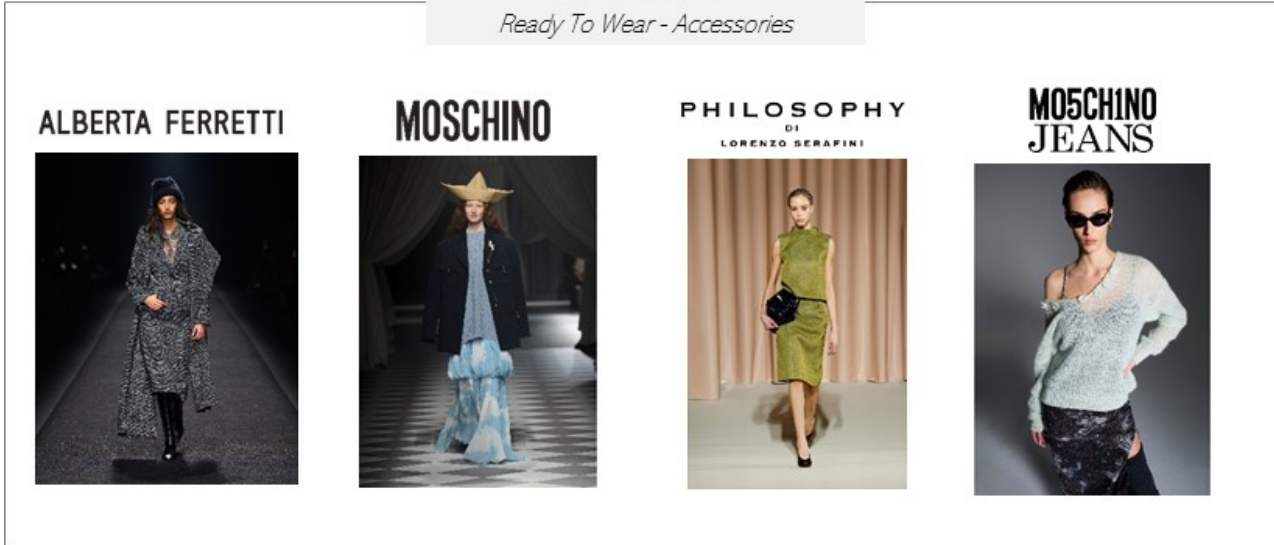
Board of Directors	Chairman	Massimo Ferretti – Member of Executive Committee	
	Deputy Chairman	Alberta Ferretti	
	Chief Executive Officer	Simone Badioli – Member of Executive Committee	
	Directors	Giancarlo Galeone – Member of Executive Committee Roberto Lugano Bettina Campedelli Francesca Pace Marco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

ORGANIZATION CHART



BRANDS PORTFOLIO

AEFFE SPA
Ready To Wear - Accessories



AEFFE SPA
Licences – Retail - Design



POLLINI SPA
Footwear – Leather Goods



AEFFE SPA
Beachwear – Underwear - Lingerie



HEADQUARTERS

AEFFE

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

MOSCHINO

Via San Gregorio, 28
20124 - Milano (MI)
Italy

POLLINI

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

SHOWROOMS

MILAN

FERRETTI – PHILOSOPHY – POLLINI
Via Donizetti, 48
20122 – Milano
Italy

MILAN

MOSCHINO
Via San Gregorio, 28
20124 – Milano
Italy

NEW YORK

AEFFE GROUP
30 West 56th Street
10019 – New York
USA

LONDRA

MOSCHINO – FERRETTI – PHILOSOPHY
28-29 Conduit Street
W1S 2YB – London
UK

PARIS

AEFFE GROUP
43, Rue du Faubourg Saint Honorè
75008 - Paris
France



MAIN FLAGSHIP STORE LOCATIONS UNDER DIRECT MANAGEMENT

MOSCHINO

Milan
Rome
Venice
Florence
Paris
London
New York
Seoul
Pusan
Daegu
Shanghai
Shenzen
Guangzhou
Beijing

ALBERTA FERRETTI

Milan
Rome
Paris

POLLINI

Milan
Venice
Bolzano



MAIN ECONOMIC-FINANCIAL DATA

		1 st Half 2024	1 st Half 2023
Total revenues	(Values in millions of EUR)	141.9	168.6
Gross operating margin (EBITDA) *	(Values in millions of EUR)	0.4	8.5
Net operating profit (EBIT)	(Values in millions of EUR)	(15.8)	(7.9)
Profit before taxes	(Values in millions of EUR)	(22.3)	(12.8)
Net profit for the Group	(Values in millions of EUR)	(20.4)	(11.7)
Basic earnings per share	(Values in units of EUR)	(0.207)	(0.118)
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	(4.2)	4.1
Cash Flow/Total revenues	(Values in percentage)	(2.9)	2.5

* EBITDA is represented by operating profit before provisions and depreciation. EBITDA thus defined is a measure used by management to monitor and evaluate the operational performance and is not identified as an accounting measure under both Italian Accounting Principles and IFRS and therefore should not be considered an alternative measure for evaluating the Group's results. Since EBITDA is not regulated by applicable accounting standards, the criteria used by the Group might not be consistent with that adopted by others and therefore may not be comparable.

		At June 30, 2024	At December 31, 2023	At June 30, 2023	At December 31, 2022
Net capital invested	(Values in millions of EUR)	290.1	332.7	337.5	341.6
Net financial indebtedness	(Values in millions of EUR)	231.1	253.5	238.5	231.8
Group net equity	(Values in millions of EUR)	58.5	79.1	99.0	109.8
Group net equity per share	(Values in units of EUR)	0.5	0.7	0.9	1.0
Current assets/ current liabilities	(Ratio)	1.6	2.1	2.1	2.0
Curr. assets less invent./ curr. liabilities (ACID test)	(Ratio)	0.7	1.0	0.9	1.0
Net financial indebtedness/ Net equity	(Ratio)	3.9	3.2	2.4	2.1

AEFFE GROUP

INTERIM MANAGEMENT REPORT

1. SUMMARY OF THE GROUP'S KEY ACTIVITIES

Aeffe Group operates worldwide in the fashion and luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods. The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including "Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino" and "Pollini", and under licensed brands. The Group has also licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, sunglasses and other).

The Group's business is divided, based on the various product lines and brands it sells, into two segments: (i) prêt-a-porter (which includes prêt-a-porter lines, lingerie and swimwear); and (ii) footwear and leather goods.

Prêt-a-porter Division

The Prêt-a-porter Division, which is mainly composed by the company Aeffe, is mainly involved in the design, production and distribution of luxury prêt-a-porter garments and lingerie, beachwear and loungewear.

In terms of the prêt-a-porter collections, the activity is carried out by Aeffe, both for the production of the Group's proprietary brands ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino" and "Love Moschino") and brands licensed from other companies. Aeffe also handles the distribution of all Division products both through the retail channel (via subsidiaries) and through the wholesale channel.

Furthermore Aeffe manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's proprietary brands, such as "Moschino", and under third-party licensed brands.

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the Moschino brand licensing agreement relating to the Love line, "Moschino" branded perfumes and sunglasses.

Aeffe

Aeffe is the brainchild of designer Alberta Ferretti, who set up her own business in 1972. The history of the parent company has developed in parallel with that of its founder, whose personal involvement in fashion has been a key factor in Aeffe's development.

The growth of the parent company as an industrial and creative entity has been distinguished from the start by a multi-brand approach, with Aeffe producing and distributing the prêt-a-porter collections of leading fashion houses utilising the know-how acquired in the production of luxury prêt-a-porter lines.

This provides the context for the partnership between Aeffe and designer Franco Moschino, whose brand "Moschino Couture!" it has produced and distributed under an exclusive licence since 1983.

Moschino was founded in 1983 and grew during the 1990s to become an internationally renowned brand. Following the disappearance in 1994 of its founder, Franco Moschino, his family, staff and friends have kept the designer's legacy alive, respecting his creative identity and philosophy. Rossella Jardini, who has worked for Franco Moschino since 1981, succeeded him as artistic director and becoming in charge of brand image and styling. The company provides design, marketing and agency services from the Milan showroom for Moschino collections in Italy and overseas

Between 1995 and 2013, Aeffe worked with designer Jean Paul Gaultier producing and distributing the women prêt-à-porter collections branded "Jean Paul Gaultier".

In 2001, Aeffe gained control of Pollini, an established manufacturer of footwear and leather goods. This allowed Aeffe to supplement the collections produced in-house with an accessories line.

In 2002, Aeffe took over Velmar, a firm that had collaborated with Aeffe for some time on the production and distribution of lingerie, beachwear and loungewear lines.

In 2007 Aeffe is quoted on the Euronext Star Segment of Euronext Milan Market of Borsa Italiana.

In 2021 Aeffe SpA. took over from Sinv Holding S.p.A., Sinv Real Estate S.p.A. and Sinv Lab S.r.l., the minority stake of 30% of Moschino S.p.A., thus coming to own the entire capital.

In 2022 the 100% subsidiary Velmar S.p.A. is merged by incorporation into Aeffe S.p.A..

In 2023 the 100% subsidiaries Moschio S.p.A. and Aeffe Retail S.p.A. are merged by incorporation into Aeffe S.p.A.. Following the mergers of the Italian companies, the process of rationalization and reorganization of the foreign subsidiaries in France, the United Kingdom and the United States was also completed.

Aeffe Germany

Aeffe Germany is 100% owned by Aeffe S.p.A. and manages the store in Metzingen in Germany, which sells clothing and accessories under the Group labels.

Aeffe Spagna

Aeffe Spagna is 100% owned by Aeffe S.p.A. and manages the store in Barcelona in Spain, which sells clothing and accessories under the Group labels.

Aeffe Netherland

Aeffe Netherland is 100% owned by Aeffe S.p.A. and manages the store in Roermond in Holland, which sells clothing and accessories under the Group labels.

Moschino Korea

Moschino Korea is 100% owned by Aeffe S.p.A. and is based in Seoul. The company operates in the retail segment through flagship stores under direct management and duty-free which sell Moschino-branded collections.

Fashoff UK

Fashoff UK operates by the showroom in London, acting as agent for the collections Moschino, Alberta Ferretti and Philosophy di Lorenzo Serafini.

The company also directly manages a single-brand Moschino store in London.

Moschino France

Moschino France is based in the Paris showroom and acts as agent for the collections of Moschino, Alberta Ferretti and Philosophy di Lorenzo Serafini. The company also manages two single-brand Moschino stores in Paris, one sells Moschino and one Alberta Ferretti.

Aeffe Group Inc

Aeffe Group Inc is 100% owned by Aeffe S.p.A. and was founded in 2014 under the laws of the State of New York.

The company operates in the wholesale segment of the North American market (United States and Canada) distributing items of clothing and accessories produced by the parent company, Pollini S.p.A. and other third-party licensed manufacturers, with different collections, of the brands produced by the parent company. The company also acts as agent for some of these lines. The company operates out of its showroom located in midtown Manhattan.

The company also directly manage one single-brand Moschino store in New York.

Moschino Asia Pacific

Moschino Asia Pacific, company founded in 2021 with base in Hong Kong and 100% owned by Aeffe S.p.A., develops commercial services for Asian countries. Since 2024 it has also operated in the retail sector through two stores located in Hong Kong.

Moschino Kids

Moschino Kids, located in Padernello di Paese (TV), a newly established company owned by Aeffe and Altana, with a share of 55% and 45% respectively, concerning the assignment, starting from the autumn/winter 2023 season, of the production, marketing, distribution and sale of clothing items relating to the Moschino Baby, Kids and Teen collections (the Children's Collections). The choice to establish Moschino Kids in partnership with Altana demonstrates Moschino's appreciation of a specific player in the market and the desire to achieve new and important growth objectives.

Moschino Shanghai

Moschino Shanghai, based in Shanghai, is a company 100% owned by Moschino Asia Pacific Ltd., and directly manages numerous stores in China.

Footwear and leather goods Division

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials.

The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies.

The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture "Pollini" products such as umbrellas, scarves and ties.

Pollini

Pollini was established in 1953 in the shoemaking district of San Mauro Pascoli, following in the Italian tradition of handmade leather goods and shoes. Italy is a leading producer of footwear: due to expertise required to make these products, nearly all production sites are located in areas with a long-standing shoemaking tradition, such as San Mauro Pascoli, Vigevano and Strà (PD). The company's philosophy is focused on promoting Pollini in other countries as an amalgam of traditional quality and Italian style, offering a range of products that include shoes, bags and matching accessories.

Between 1957 and 1961, Pollini produced the footwear collections of the designer Bruno Magli.

In the 1960s and early 1970s, Pollini began making shoes under its own label, presenting "themed" collections (such as the "Daytona" sports footwear collection, inspired by the world of motorbike racing).

In the 1970s, Pollini rose to international fame: at that point, its collections were shown in Düsseldorf, Paris and New York, as well as in Milan and Bologna. Around the same time, the first stores opened in Milan, Verona, Varese and Venice.

In 1989, Pollini moved into its new office in Gatteo, in the Italian province of Forlì-Cesena. The new site measures 50,000 sq. m., just over a third of it indoor, with a production workshop and seven-storey building housing the showroom and offices. The new site brought the footwear and leather goods divisions and sales and administration offices under one roof.

In 2001, Aeffe and Pollini reached an agreement whereby Aeffe would acquire a controlling stake in Pollini. The acquisition was a natural progression of the increasingly concentrated partnership between the two companies, enabling the growth of the footwear and leather goods lines designed by Alberta Ferretti.

Always in 2008, Pollini has entered into new license agreements with Drops S.r.l., for the manufacturing of umbrellas, as well as Larioseta S.p.A., for the manufacturing and distribution of neckwear, including women's shawls, women's and

men's scarves and ties. In 2011 Aeffe S.p.A. has acquired the remaining 28% shareholding of Pollini S.p.A., becoming the sole shareholder.

Pollini Retail

Pollini Retail is active in the retail segment of the Italian market and directly manages 20 stores, between boutiques and outlets, in major Italian cities such as Milan and Venice.

Pollini Suisse

Pollini Suisse directly manages the single-brand Pollini store in Mendrisio, Switzerland.

Pollini Austria

Pollini Austria directly manages two stores in Pandorf, one of which is a mono-brand that sells the Pollini lines and one that sells clothing and accessories for the Group's brands.

2. CONSOLIDATED RICLASSIFIED INCOME STATEMENT

(Values in units of EUR)	1 st Half		1 st Half		Change	
	2024	% on revenues	2023	% on revenues		%
REVENUES FROM SALES AND SERVICES	138,590,595	100.0%	162,874,318	100.0%	(24,283,723)	(14.9%)
Other revenues and income	3,296,404	2.4%	5,694,778	3.5%	(2,398,374)	(42.1%)
TOTAL REVENUES	141,886,999	102.4%	168,569,096	103.5%	(26,682,097)	(15.8%)
Changes in inventory	(5,426,281)	(3.9%)	10,069,166	6.2%	(15,495,447)	(153.9%)
Costs of raw materials, cons. and goods for resale	(50,848,259)	(36.7%)	(70,732,128)	(43.4%)	19,883,869	(28.1%)
Costs of services	(44,988,135)	(32.5%)	(55,412,794)	(34.0%)	10,424,659	(18.8%)
Costs for use of third parties assets	(2,714,518)	(2.0%)	(3,391,993)	(2.1%)	677,475	(20.0%)
Labour costs	(35,758,914)	(25.8%)	(36,867,999)	(22.6%)	1,109,085	(3.0%)
Other operating expenses	(1,731,940)	(1.2%)	(3,734,805)	(2.3%)	2,002,865	(53.6%)
Total Operating Costs	(141,468,047)	(102.1%)	(160,070,553)	(98.3%)	18,602,506	(11.6%)
GROSS OPERATING MARGIN (EBITDA)	418,952	0.3%	8,498,543	5.2%	(8,079,591)	(95.1%)
Amortisation of intangible fixed assets	(2,165,227)	(1.6%)	(2,100,754)	(1.3%)	(64,473)	3.1%
Depreciation of tangible fixed assets	(2,613,735)	(1.9%)	(3,236,530)	(2.0%)	622,795	(19.2%)
Depreciation of right-of-use assets	(11,190,651)	(8.1%)	(10,396,016)	(6.4%)	(794,635)	7.6%
Revaluations / (write-downs) and provisions	(252,654)	(0.2%)	(635,574)	(0.4%)	382,920	(60.2%)
Total Amortisation, write-downs and provisions	(16,222,267)	(11.7%)	(16,368,874)	(10.1%)	146,607	(0.9%)
NET OPERATING PROFIT / LOSS (EBIT)	(15,803,315)	(11.4%)	(7,870,331)	(4.8%)	(7,932,984)	100.8%
Financial income	152,081	0.1%	290,786	0.2%	(138,705)	(47.7%)
Financial expenses	(5,435,739)	(3.9%)	(4,001,253)	(2.5%)	(1,434,486)	35.9%
Financial expenses on right-of-use asset	(1,261,757)	(0.9%)	(1,195,639)	(0.7%)	(66,118)	5.5%
Total Financial Income/(expenses)	(6,545,415)	(4.7%)	(4,906,106)	(3.0%)	(1,639,309)	33.4%
PROFIT / LOSS BEFORE TAXES	(22,348,730)	(16.1%)	(12,776,437)	(7.8%)	(9,572,293)	74.9%
Total Income Taxes	2,205,494	1.6%	1,174,511	0.7%	1,030,983	87.8%
NET PROFIT / LOSS	(20,143,236)	(14.5%)	(11,601,926)	(7.1%)	(8,541,310)	73.6%
(Profit) / loss attributable to minority shareholders	(215,169)	(0.2%)	(50,052)	(0.0%)	(165,117)	329.9%
NET PROFIT / LOSS FOR THE GROUP	(20,358,405)	(14.7%)	(11,651,978)	(7.2%)	(8,706,427)	74.7%

SALES

In the first semester of 2024, Aeffe consolidated revenues amount to EUR 138,591 thousand compared to EUR 162,874 thousand in the first semester of 2023 (-14.9% at current exchange rates, -14.6% at constant exchange rates).

Sales by brand

(Values in thousands of EUR)	1 st Half		1 st Half		Change	
	2024	%	2023	%		%
Alberta Ferretti	9,852	7.1%	11,766	7.2%	(1,914)	(16.3%)
Philosophy	8,174	5.9%	8,772	5.4%	(598)	(6.8%)
Moschino	104,771	75.6%	123,121	75.6%	(18,350)	(14.9%)
Pollini	14,839	10.7%	17,177	10.5%	(2,338)	(13.6%)
Other	955	0.7%	2,038	1.3%	(1,083)	(53.1%)
Total	138,591	100.0%	162,874	100.0%	(24,283)	(14.9%)

In 1H 2024, Alberta Ferretti brand decreases by 16.3%, generating 7.1% of consolidated sales, while Philosophy brand decreases by 6.8%, generating 5.9% of consolidated sales.

In the same period, Moschino brand sales decrease by 14.9%, contributing to 75.6% of consolidated sales.

Pollini brand records a decrease of 13.6%, generating the 10.7% of consolidated sales.

Other brands sales decrease by 53.1%, equal to 0.7% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	1 st Half		1 st Half		Change	%
	2024	%	2023	%		
Italy	57,598	41.6%	68,177	41.9%	(10,579)	(15.5%)
Europe (Italy excluded)	42,106	30.4%	50,217	30.8%	(8,111)	(16.2%)
Asia and Rest of the World	31,359	22.6%	34,359	21.1%	(3,000)	(8.7%)
America	7,528	5.4%	10,121	6.2%	(2,593)	(25.6%)
Total	138,591	100.0%	162,874	100.0%	(24,283)	(14.9%)

Sales in ITALY, with an incidence of 41.6% on turnover, reported a decrease by 15.5% compared to 2023 at EUR 57,598 thousand: the wholesale channel decreased by 21%, while the retail channel decrease by 7% compared to the first semester of 2023.

Sales in EUROPE, with an incidence on turnover of 30.4%, reported a decrease by 16.2% at EUR 42,106 thousand. The decrease is linked to specific countries and markets at both wholesale and retail levels.

In ASIA and in the REST OF THE WORLD, the Group achieved revenues of EUR 31,359 thousand, with an incidence on turnover of 22.6%, down by 8.7% compared to 2023.

At current exchange rates, sales in AMERICA, with an incidence on turnover of 5.4%, recorded a decrease by 25.6%.

Sales by distribution channel

(Values in thousands of EUR)	1 st Half		1 st Half		Change	%
	2024	%	2023	%		
Wholesale	91,684	66.2%	110,578	67.9%	(18,894)	(17.1%)
Retail	41,943	30.3%	47,002	28.9%	(5,059)	(10.8%)
Royalties	4,964	3.5%	5,294	3.2%	(330)	(6.2%)
Total	138,591	100.0%	162,874	100.0%	(24,283)	(14.9%)

In the first semester of 2024 the Group recorded a decrease in all distribution channels.

The revenues of the WHOLESALE CHANNEL, which represents 66.2% of turnover (EUR 91,684 thousand), recorded a decrease by 17.1% at current exchange rates.

The revenues of the RETAIL CHANNEL, which represents 30.3% of Group sales (EUR 41,943 thousand), showed a decrease by 10.8% at current exchange rates compared to the corresponding period of the previous year.

The revenues for ROYALTIES, which represent 3.5% of consolidated turnover (EUR 4,964 thousand), decreased by 6.2% compared to the same period of 2023.

LABOUR COSTS

Labour costs decrease from EUR 36,868 thousand in 1H 2023 to EUR 35,759 thousand in 1H 2024 with an incidence on revenues which increase from 22.6% in the first semester 2023 to 25.8% in the first semester 2024.

The workforce decreases from an average of 1,426 units in the 1H 2023 to 1,307 units in the 1H 2024.

Average number of employees by category	1 st Half 2024	1 st Half 2023	Change	%
Workers	244	231	13	5.6%
Office staff-supervisors	1,038	1,168	(130)	(11.1%)
Executive and senior managers	25	27	(2)	(7.4%)
Total	1,307	1,426	(119)	(8.3%)

GROSS OPERATING MARGIN (EBITDA)

In the first semester of 2024, consolidated EBITDA was positive for EUR 419 thousand (with a margin of 0.3% on turnover), compared to the EBITDA of the first semester of 2023 equal to EUR 8,499 thousand (with an incidence of 5.2% on turnover).

Margins in the semester decreased as a result of the contraction in revenues.

NET OPERATING PROFIT / LOSS (EBIT)

Consolidated EBIT is negative for EUR 15,803 thousand compared to a negative EUR 7,870 thousand in 1H 2023, showing a decrease of EUR 7,933 thousand.

PROFIT / LOSS BEFORE TAXES

The result before taxes changes from a loss of EUR 12,776 thousand in 1H 2023 to a loss of EUR 22,349 thousand in the 1H 2024, with a decrease in absolute value of EUR 9,573 thousand.

NET PROFIT / LOSS

Consolidated NET LOSS amounts to EUR 20,143 thousand compared to a net loss of EUR 11,602 thousand in 2023.

3. RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Values in units of EUR)	At June 30, 2024	At December 31, 2023	At June 30, 2023
Trade receivables	49,072,797	56,121,993	55,543,273
Stock and inventories	105,483,586	112,249,596	122,150,854
Trade payables	(70,039,456)	(78,734,518)	(83,248,657)
Operating net working capital	84,516,927	89,637,071	94,445,470
Other short term receivables	24,324,059	26,200,359	30,791,345
Tax receivables	11,268,980	12,165,895	14,939,140
Derivative assets	-	63,229	56,651
Other short term liabilities	(44,742,526)	(16,511,021)	(20,143,799)
Tax payables	(3,115,141)	(3,232,628)	(4,080,493)
Derivative liabilities	-	-	-
Net working capital	72,252,299	108,322,905	116,008,314
Tangible fixed assets	58,919,331	60,437,231	60,300,128
Intangible fixed assets	61,483,144	62,911,753	64,447,481
Right-of-use assets	94,105,733	102,226,024	104,738,196
Equity investments	41,196	41,196	41,196
Other fixed assets	84,168	93,927	833
Fixed assets	214,633,572	225,710,131	229,527,834
Post employment benefits	(3,158,226)	(3,205,866)	(3,435,116)
Provisions	(2,205,804)	(2,179,554)	(2,588,242)
Assets available for sale	1,525,950	-	-
Long term not financial liabilities	(1,163,706)	(1,397,873)	(1,400,373)
Deferred tax assets	19,501,974	16,991,324	14,527,763
Deferred tax liabilities	(11,315,584)	(11,527,794)	(15,122,855)
Net capital invested	290,070,475	332,713,273	337,517,325
Share capital	24,606,247	24,606,247	24,606,247
Other reserves	37,896,892	89,606,998	89,029,880
Profits/(Losses) carried-forward	16,392,529	(2,973,651)	(2,973,651)
Profits/(Loss) for the period	(20,358,405)	(32,143,947)	(11,651,978)
Group interest in shareholders' equity	58,537,263	79,095,647	99,010,498
Minority interest in shareholders' equity	432,162	144,661	41,000
Total shareholders' equity	58,969,425	79,240,308	99,051,498
Cash	(13,901,135)	(14,625,807)	(22,391,656)
Long term financial liabilities	66,922,255	78,607,579	59,306,929
Short term financial liabilities	82,172,565	88,511,881	100,711,253
Financial debt without IFRS 16	135,193,685	152,493,653	137,626,526
Short term lease liabilities	19,093,493	17,791,381	15,732,985
Long term lease liabilities	76,813,872	83,187,931	85,106,316
Financial debt	231,101,050	253,472,965	238,465,827
Shareholders' equity and financial debt	290,070,475	332,713,273	337,517,325

NET INVESTED CAPITAL

Compared to December 31, 2023, net invested capital decreased by 12.8%.

NET WORKING CAPITAL

Net working capital amounts to EUR 72,252 thousand (24.5% of LTM sales) compared with EUR 108,323 thousand of December 31, 2023 (34.0% of sales).

The changes in the main items included in the net working capital are described below:

- At June 30, 2024, operating net working capital amount to EUR 84,517 thousand (28.7% of LTM sales) compared to EUR 89,637 thousand at December 31, 2023 (28.1% of LTM sales).
- the sum of other short term receivables and payables decrease of EUR 30,108 thousand mainly due to increase of other short term payables;
- the net effect of tax receivables/payables decreases net working capital of EUR 779 thousand, mainly determined by the decrease of IRES receivable.

FIXED ASSETS

The variation in fixed assets of EUR 11,077 thousand to June 30, 2024 from December 31, 2023, is due to the amortisation of the period and to the capex made during the first half 2024.

NET FINANCIAL POSITION

The financial position of the Group at June 30, 2024 shows a DEBT of EUR 135,194 thousand net of the IFRS 16 effect (EUR 152,494 thousand as at December 31, 2023 and EUR 137,626 thousand as at June 30, 2023).

SHAREHOLDERS' EQUITY

The shareholders' equity decreases for EUR 20,271 thousand from EUR 79,240 thousand as of December 31, 2023 to EUR 58,969 thousand as of June 30, 2024.

The number of shares is 107,362,504.

4. RESEARCH & DEVELOPMENT ACTIVITIES

Considering the particular nature of the Group's products, research & development activities consist in the continual technical/stylistic renewal of models and the constant improvement of the materials employed in production. Such costs were charged in full to the Income Statement.

5. TRANSACTIONS BETWEEN GROUP COMPANIES AND WITH RELATED PARTIES

During the period, there were no transactions with related parties, including intragroup transactions, which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered.

Information on transactions with related parties, including specific disclosures required by the Consob Communication of July 28, 2006, is provided in Note "Related party transactions".

6. SIGNIFICANT EVENTS OF THE PERIOD

On January 30, 2024, the Aeffe Group announced the appointment of Adrian Appiolaza as the new creative director of the Moschino Brand.

On 26 March 2024, the Board of Directors of Aeffe Spa announced that the incremental option was exercised by Altana Società Benefit S.r.l. (Altana) for the purchase of a further 15% of the capital of the company Moschino Kids S.r.l., as provided for in the agreement establishing the company signed in September 2022. The company Moschino Kids is therefore, to date, owned by Aeffe and Altana, with a share of 55% and 45% respectively.

7. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

8. RISKS, UNCERTAINTIES AND PROSPECTIVES FOR THE REMAINING SIX MONTHS OF THE YEAR

The unsatisfactory results of the first half of the year are the reflection of an extremely complex market situation. The slowdown in consumption in key countries for us, such as Italy and the United States, has significantly impacted our group performance. Aware of the complexity of the moment we are experiencing, we are equipping ourselves to face the complex situation and we are confident that we will see a recovery of consumer interest in fashion goods in the short term. We are satisfied with the new stylistic course of the Moschino brand, which will allow us to reposition the brand with a new international appeal.

Half-year condensed financial statements at June 30, 2024

Financial statement

CONSOLIDATED BALANCE SHEET (*)

(Values in units of EUR)	Notes	At June 30, 2024	At December 31, 2023	Change
Trademarks		59,267,098	61,013,859	(1,746,761)
Other intangible fixed assets		2,216,046	1,897,894	318,152
Intangible fixed assets	(1)	61,483,144	62,911,753	(1,428,609)
Lands		17,123,494	17,123,494	-
Buildings		24,196,418	24,575,199	(378,781)
Leasehold improvements		11,182,552	11,728,767	(546,215)
Plant and machinery		2,880,020	3,155,045	(275,025)
Equipment		208,400	250,578	(42,178)
Other tangible fixed assets		3,328,447	3,604,148	(275,701)
Tangible fixed assets	(2)	58,919,331	60,437,231	(1,517,900)
Right-of-use assets	(3)	94,105,733	102,226,024	(8,120,291)
Equity investments	(4)	41,196	41,196	-
Other fixed assets	(5)	84,168	93,927	(9,759)
Deferred tax assets	(6)	19,501,974	16,991,324	2,510,650
NON-CURRENT ASSETS		234,135,546	242,701,455	(8,565,909)
Stocks and inventories	(7)	105,483,586	112,249,596	(6,766,010)
Trade receivables	(8)	49,072,797	56,121,993	(7,049,196)
Tax receivables	(9)	11,268,980	12,165,895	(896,915)
Derivate assets	(10)	-	63,229	(63,229)
Cash	(11)	13,901,135	14,625,807	(724,672)
Other receivables	(12)	24,324,059	26,200,359	(1,876,300)
CURRENT ASSETS		204,050,557	221,426,879	(17,376,322)
Assets available for sale	(13)	1,525,950	-	1,525,950
TOTAL ASSETS		439,712,053	464,128,334	(24,416,281)
Share capital		24,606,247	24,606,247	-
Other reserves		37,896,892	89,606,998	(51,710,106)
Profits / (losses) carried-forward		16,392,529	(2,973,651)	19,366,180
Net profit / (loss) for the Group		(20,358,405)	(32,143,947)	11,785,542
Group interest in shareholders' equity		58,537,263	79,095,647	(20,558,384)
Minority interests in share capital and reserves		216,993	(9,052)	226,045
Net profit / (loss) for the minority interests		215,169	153,713	61,456
Minority interests in shareholders' equity		432,162	144,661	287,501
SHAREHOLDERS' EQUITY	(14)	58,969,425	79,240,308	(20,270,883)
Provisions	(15)	2,205,804	2,179,554	26,250
Deferred tax liabilities	(6)	11,315,584	11,527,794	(212,210)
Post employment benefits	(16)	3,158,226	3,205,866	(47,640)
Long term financial liabilities	(17)	143,736,127	161,795,510	(18,059,383)
Long term not financial liabilities	(18)	1,163,706	1,397,873	(234,167)
NON-CURRENT LIABILITIES		161,579,447	180,106,597	(18,527,150)
Trade payables	(19)	70,039,456	78,734,518	(8,695,062)
Tax payables	(20)	3,115,141	3,232,628	(117,487)
Derivate liabilities	(10)	-	-	-
Short term financial liabilities	(21)	101,266,058	106,303,262	(5,037,204)
Other liabilities	(22)	44,742,526	16,511,021	28,231,505
CURRENT LIABILITIES		219,163,181	204,781,429	14,381,752
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		439,712,053	464,128,334	(24,416,281)

Pursuant to Consob Resolution N. 15519 of July 27, 2006, the effects of related party transactions on the Consolidated statement of financial position are presented in the specific scheme provided in the attachment I and are further described in the paragraph "Related party transactions".

CONSOLIDATED INCOME STATEMENT (*)

(Values in units of EUR)	Notes	1 st Half		1 st Half	
		2024	%	2023	%
REVENUES FROM SALES AND SERVICES	(23)	138,590,595	100.0%	162,874,318	100.0%
Other revenues and income	(24)	3,296,404	2.4%	5,694,778	3.5%
TOTAL REVENUES		141,886,999	102.4%	168,569,096	103.5%
Changes in inventory		(5,426,281)	(3.9%)	10,069,166	6.2%
Costs of raw materials, cons. and goods for resale	(25)	(50,848,259)	(36.7%)	(70,732,128)	(43.4%)
Costs of services	(26)	(44,988,135)	(32.5%)	(55,412,794)	(34.0%)
Costs for use of third parties assets	(27)	(2,714,518)	(2.0%)	(3,391,993)	(2.1%)
Labour costs	(28)	(35,758,914)	(25.8%)	(36,867,999)	(22.6%)
Other operating expenses	(29)	(1,731,940)	(1.2%)	(3,734,805)	(2.3%)
Amortisation, write-downs and provisions	(30)	(16,222,267)	(11.7%)	(16,368,874)	(10.1%)
Financial income/(expenses)	(31)	(6,545,415)	(4.7%)	(4,906,106)	(3.0%)
PROFIT / LOSS BEFORE TAXES		(22,348,730)	(16.1%)	(12,776,437)	(7.8%)
Taxes	(32)	2,205,494	1.6%	1,174,511	0.7%
NET PROFIT / LOSS		(20,143,236)	(14.5%)	(11,601,926)	(7.1%)
(Profit)/loss attributable to minority shareholders		(215,169)	(0.2%)	(50,052)	(0.0%)
NET PROFIT / LOSS FOR THE GROUP		(20,358,405)	(14.7%)	(11,651,978)	(7.2%)
Basic earnings per share	(33)	(0.207)		(0.118)	
Dilutive earnings per share	(33)	(0.207)		(0.118)	

(*) Pursuant to Consob Resolution N. 15519 of July 27, 2006, the effects of related party transactions on the Consolidated Income Statement are presented in the specific scheme provided in the attachment II and are further described in the paragraph "Related party transactions".

COMPREHENSIVE INCOME STATEMENT

(Values in units of EUR)	1 st Half	1 st Half
	2024	2023
Profit/(loss) for the period (A)	(20,143,236)	(11,601,926)
Remeasurement of defined benefit plans	-	-
Income tax relating to components of Other comprehensive income that will not be reclassified subsequently to profit or loss	-	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax (B1)	-	-
Gains/(losses) on cash flow hedges	(45,588)	165,919
Gains/(losses) on exchange differences on translating foreign operations	(83,559)	682,045
Income tax relating to components of Other Comprehensive income / (loss)		
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax (B2)	(129,147)	847,964
Totale Other comprehensive income, net of tax(B1)+(B2)=(B)	(129,147)	847,964
Total Comprehensive Income / (loss) (A) + (B)	(20,272,383)	(10,753,962)
Total Comprehensive Income / (loss) attributable to:	(20,272,383)	(10,753,962)
Owners of the parent	(20,487,552)	(10,804,014)
Non-controlling interests	215,169	50,052

CONSOLIDATED CASH FLOW STATEMENT (*)

(Values in thousands of EUR)	Notes	1 st Half 2024	1 st Half 2023
Opening balance		14,626	21,658
Profit/loss before taxes		(22,349)	(12,776)
Amortisation / write-downs		16,222	16,369
Accrual (+)/availment (-) of long term provisions and post employment benefits		(21)	101
Paid income taxes		(635)	(440)
Financial income (-) and financial charges (+)		6,545	4,906
Change in operating assets and liabilities		34,132	(3,525)
Cash flow (absorbed) / generated by operating activity	(34)	33,894	4,635
Increase (-)/ decrease (+) in intangible fixed assets		(737)	(527)
Increase (-)/ decrease (+) in tangible fixed assets		(1,096)	(2,322)
Increase (-)/ decrease (+) in right-of-use assets		(3,070)	(4,567)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-	(2)
Cash flow (absorbed) / generated by investing activity	(35)	(4,903)	(7,418)
Other variations in shareholders' equity		(128)	848
Dividends paid		-	-
Proceeds (+)/repayment (-) of financial payments		(18,049)	11,443
Proceeds (+)/ repayment (-) of lease payments		(5,072)	(4,067)
Increase (-)/ decrease (+) in long term financial receivables		78	199
Financial income (+) and financial charges (-)		(6,545)	(4,906)
Cash flow (absorbed) / generated by financing activity	(36)	(29,716)	3,517
Closing balance		13,901	22,392

*) Pursuant to Consob Resolution N. 15519 of July 27, 2006, the effects of related party transactions on the Consolidated statement of cash flows are presented in the specific scheme provided in the attachment III and are further described in the paragraph "Related party transactions".

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Reamasurement of defined benefit plans reserve	Translation reserve	Profit/(losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
<i>(Values in thousands of EUR)</i>													
At December 31, 2023	24,606	62,264	46	13,475	7,901	7,607	(1,339)	(347)	(2,974)	(32,144)	79,095	145	79,240
Allocation of 2023 income/(loss)	-	(51,581)	-	-	-	-	-	-	19,437	32,144	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/24	-	-	(46)	-	-	-	-	(84)	-	(20,358)	(20,488)	215	(20,273)
Other changes	-	-	-	-	-	-	-	-	(70)	-	(70)	72	2
At June 30, 2024	24,606	10,683	-	13,475	7,901	7,607	(1,339)	(431)	16,393	(20,358)	58,537	432	58,969

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Reamasurement of defined benefit plans reserve	Translation reserve	Profit/(losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
<i>(Values in thousands of EUR)</i>													
At December 31, 2022	24,606	67,599	(125)	12,690	7,901	7,607	(1,225)	(930)	735	(9,044)	109,814	(9)	109,805
Allocation of 2022 income/(loss)	-	(5,335)	-	-	-	-	-	-	(3,709)	9,044	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/06/23	-	-	166	-	-	-	-	682	-	(11,652)	(10,804)	50	(10,754)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
At June 30, 2023	24,606	62,264	41	12,690	7,901	7,607	(1,225)	(248)	(2,974)	(11,652)	99,010	41	99,051

Explanatory notes

GENERAL INFORMATION

Aeffe Group operates worldwide in the luxury goods sector and is active in the design, production and distribution of a wide range of products that includes prêt-a-porter, footwear and leather goods.

The Group develops, produces and distributes, with a constant focus on the qualities of uniqueness and exclusivity, its own collections both under its own-label brands, including “Alberta Ferretti”, “Philosophy di Lorenzo Serafini”, “Moschino” and “Pollini”, and licensed brands.

The Group also has licensed to key partners the production and distribution of other accessories and products with which it supplements its product range (perfumes, junior and children’s lines, watches, sunglasses and other).

The Group’s business is divided, based on the various product lines and brands it sells, into two segments: prêt-a-porter (which includes prêt-a-porter, lingerie and swimwear) and footwear and leather goods.

The Parent Company Aeffe, an Italian legal entity incorporated as a public limited company (società per azioni) based in San Giovanni in Marignano (RN), is currently listed in the – Euronext STAR Milan Segment – of the EXM, the Italian Stock Exchange operated by Borsa Italiana.

Aeffe is controlled by Fratelli Ferretti Holding S.r.l..

These consolidated financial statements include the financial statements of the Parent Company Aeffe and its subsidiaries and the Group’s equity interests in affiliated companies. They consist of the balance sheet, income statement, comprehensive income statement, cash flow statement, statement of changes in equity and these notes.

The financial statements are expressed in euro, since this is the currency in which most of the Group’s transactions are conducted. Foreign operations are included in the consolidated financial statements according to the principles stated in the notes that follow.

DECLARATION OF CONFORMITY AND REPORTING PRINCIPLES

The half-year condensed financial statements at June 30, 2024 have been prepared in accordance with International Financial Reporting Standards –“IFRS”- (the designation IFRS also includes all valid International Accounting Standards - “IAS”-, as well as all interpretations of the International Financial Reporting Interpretations Committee -“IFRIC”-, formerly the Standing Interpretations Committee -“SIC”-), issued by the International Accounting Standards Board –“IASB”– endorsed by the European Commission according to the procedures in art. 6 of (EC) Regulation n. 1606/2002 of the European Parliament and Council dated July 19, 2002. In particular, these half-year condensed financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

In the “Accounting policies” section are showed the international accounting principles adopted.

Unless otherwise indicated in the measurement bases described below, these consolidated financial statements were prepared in accordance with the historic cost principle.

The measurement bases were applied uniformly by all Group companies.

CONSOLIDATION PRINCIPLES

The scope of consolidation at June 30, 2024 includes the financial statements of the Parent Company Aeffe and those of the Italian and foreign companies in which Aeffe holds control either directly or through its subsidiaries and associates or in which it exerts a dominant influence.

If necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting policies into line with those adopted by the Group.

Companies are consolidated using the line-by-line method. The principles adopted for the application of this method are essentially as follows:

- the book value of equity investments held by the Parent Company or other consolidated companies is written-off against the corresponding net equity at June 30, 2024 in relation to assumption of the assets and liabilities of the subsidiaries;
- the difference between historical cost and fair value of the net equity of shareholdings on the acquisition date is allocated as much as possible to the assets and liabilities of the shareholdings. The remainder is allocated to goodwill. In accordance with the transitional provisions of IFRS 3, the Group, in case it was present, has ceased to depreciate goodwill, instead subjecting it to impairment tests;
- significant transactions between consolidated companies are written-off, as are receivables and payables and earnings not yet realised from third parties arising from transactions between Group companies, excluding any tax effect;
- minority interests in shareholders' equity and net profit are reported in the relevant items of the consolidated balance sheet and income statement;
- companies acquired during the period are consolidated from the date on which majority control was achieved.

Subsidiaries

Subsidiaries are enterprises controlled by the Company. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are consolidated from the date on which the Group acquires control and until the date when such control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition cost is determined by adding together the fair values of the assets transferred, the shares issued and the liabilities assumed on the acquisition date, plus the costs directly associated with the acquisition. Any surplus acquisition cost over the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate is recognised as goodwill.

If the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate exceeds acquisition cost, the difference is immediately recorded in the income statement.

Intercompany balances, transactions, revenue and costs are eliminated in the consolidated statements.

Furthermore, intercompany business combinations are recognised by maintaining the same book value of assets and liabilities as previously recorded in the consolidated financial statements.

Associates

An associate is an enterprise in which the Group has significant influence, but has neither sole or joint control, by taking part in decisions regarding the company's financial and operating strategy.

Trading results and the assets and liabilities of associates are accounted for in the consolidated financial statements based on the equity method, except where they are classified as held for sale.

According to this method, equity interests in associates are recorded in the balance sheet at cost, adjusted to take account of changes following the acquisition of their net assets, excluding any loss in value of individual investments. Losses of associates that exceed the Group's percentage interest in them (including long-term receivables that essentially form part of the Group's net investment in the associate) are not recognised unless the Group has an obligation to cover them. The surplus acquisition cost over the parent's percentage share of the present value of the identifiable assets, liabilities and contingent liabilities of the associate on the acquisition date is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is subjected to impairment tests. The historical cost deficit compared with the Group's percentage share of the fair value of the identifiable assets, liabilities and contingent liabilities of associates on the acquisition date is credited to the income statement in the year of acquisition. With reference to operations between a Group company and an associate, unrealised gains and losses are eliminated in equal measure to the Group's percentage interest in the associate, except for cases where the unrealised losses constitute evidence of impairment of the asset transferred.

SCOPE OF CONSOLIDATION

In accordance with Article 126 of Consob Regulation 11971 of 14 May 1999, as subsequently amended, a complete list of Group companies and significant investments at 31 December 2023 is provided in the following table.

Company	Location	Currency	Share capital	Direct interest	Indirect interest
Companies included in the scope of consolidation					
Italian companies					
Pollini S.p.A.	Gatteo (FC) Italy	EUR	6,000,000	100%	
Pollini Retail S.r.l.	Gatteo (FC) Italy	EUR	5,000,000		100% (i)
Moschino Kids S.r.l.	Padernello di Paese (TV) Italia	EUR	10,000	55%	
Foreign companies					
Aeffe Group Inc.	New York (USA)	USD	10,000	100%	
Aeffe Germany G.m.b.h.	Metzingen (DE)	EUR	25,000	100%	
Aeffe Spagna S.l.u.	Barcelona (E)	EUR	320,000	100%	
Aeffe Netherlands B.V.	Rotterdam (NL)	EUR	25,000	100%	
Fashoff UK Ltd.	Londra (GB)	GBP	1,550,000	100%	
Moschino Korea Ltd.	Seoul (ROK)	KRW	6,192,940,000	100%	
Moschino France S.a.r.l.	Parigi (FR)	EUR	50,000	100%	
Moschino Asia Pacific Ltd.	Hong Kong (HK)	HKD	500,000	100%	
Pollini Suisse S.a.g.l.	Chiasso (CH)	CHF	20,000		100% (i)
Pollini Austria G.m.b.h.	Vienna (A)	EUR	35,000		100% (i)
Moschino Shanghai Ltd	Shanghai (CN)	CNY	41,639,960		100% (ii)

Notes (details of indirect shareholdings):

- (i) owned by Pollini Spa;
- (ii) owned by Moschino Asia Pacific; Ltd.

The following transactions were completed during the period:

- a) Sale of 15% of the stake in Moschino Kids Srl..

FOREIGN CURRENCIES

Functional and reporting currency

The amounts in the financial statements of each Group enterprise are measured using the operating currency or the currency of the economic area in which the enterprise operates. These consolidated financial statements are presented in euro, which is the operating and reporting currency of the Parent Company.

Foreign currency transactions

Foreign currency transactions are converted into the operating currency at the exchange rate in force on the transaction date. Cash assets and liabilities denominated in foreign currencies are converted at the exchange rate in force on the balance sheet date. Any exchange rate differences arising from the elimination of these transactions or from the conversion of cash assets and liabilities are posted to the income statement. Non-cash assets and liabilities in foreign currencies that are measured at fair value are converted at the exchange rates in force on the date on which the fair value was determined.

Financial statements of foreign companies

The financial statements of companies outside the euro-zone are translated into euro based on the following procedures:

- (i) assets and liabilities, including goodwill and fair value adjustments arising from consolidation are converted at the exchange rate in force on the balance sheet date;
- (ii) revenue and costs are converted at the average rate for the period, which must be close to the exchange rate in force on the transaction date;
- (iii) exchange rate differences are recognised in a separate account in shareholders' equity. When a foreign company is sold, the total amount of accumulated exchange rate differences relating to that company are recorded in the income statement.

The exchange rates used for the conversion into euro of the financial and equity statements of companies included in the scope of consolidation are listed in the following table:

Currency description	Average exchange rate 1 st Half 2024	Actual exchange rate 30/06/2024	Average exchange rate FY 2023	Actual exchange rate 31/12/2023	Average exchange rate 1 st Half 2023	Actual exchange rate 30/06/2023
Hong Kong Dollar	8.4540	8.3594	8.4650	8.6314	8.4709	8.5157
Renminbi chinese (yuan)	7.8011	7.7748	7.6600	7.8509	7.4894	7.8983
United States Dollar	1.0813	1.0705	1.0813	1.1050	1.0807	1.0866
United Kingdom Pound	0.8547	0.8464	0.8698	0.8691	0.8764	0.8583
South Korean Won	1,460.32	1,474.86	1,412.88	1,433.66	1,400.43	1,435.88
Swiss Franc	0.9615	0.9634	0.9718	0.9260	0.9856	0.9788

FINANCIAL STATEMENT FORMATS

As part of the options available under IAS 1 for the preparation of its economic and financial position, The Group has elected to adopt a balance sheet format that distinguishes between current and non-current assets and liabilities, and an income statement that classifies costs by type of expenditure, since this is deemed to reflect more closely its business activities. The cash flow statement is presented using the "indirect" format.

With reference to Consob Resolution n. 15519 dated July 27, 2006 regarding the format of the financial statements, additional schedules have also been presented for the income statement, the statement of financial position and the statement of cash flows in order to identify any significant transactions with related parties. This has been done to avoid any compromising the overall legibility of the main financial statements.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half-year financial report are the same used as those used in the preparation of the consolidated financial statement as of December 31, 2023, except for the following interpretations and amendments to the accounting principles that have been mandatory since January 1, 2024.

Directors' assessment of the going concern assumption

The Directors are responsible for assessing the capacity of the Group to pursue operating activities and, in preparing the consolidated financial statements, the appropriateness of applying the going concern principle, in addition to the provision of adequate disclosure. The Directors apply the going concern principle in preparing the consolidated financial statements unless they have assessed that the conditions for the winding up of the parent company Aeffe S.p.A. or for the interruption of operations exist or that they have no realistic alternatives to these options.

Starting from these results, the Directors have prepared the financial statements as at June 30, 2024 according to the principle of business continuity considering the uncertainties linked to the reference market and macroeconomic situation and on the basis of the strategies illustrated in the 2024-2027 industrial plan approved by the board of directors on January 25, 2024 which involve a series of actions aimed at maintaining the group in a balanced situation.

For the group, the 2024 financial year has still been an exercise in moving closer to the desired path of recovery in volumes and sales performance of products, especially those of the Moschino brand, in consideration of the difficulties that the reference market continues to present and the limited albeit positive effects, yet to be fully expressed, of the imprint of the new creative director, who has debuted with the "main autumn-winter 2024" collection in the February 2024 fashion show and who will curate his first complete collection dedicated to the "spring-summer 2025" season".

Already starting from 2025, with a consolidation trend projected for 2026 and 2027, a reversal of the trend is expected with a recovery in sales volumes of all the brands of the group, in particular that of the Moschino brand (both wholesale and retail), when all the collections presented will bear the imprint of the new creative director and when the conditions of the reference market should also become more favorable again.

Given the reduction in sales and turnover volumes, the Group since the first half of 2024, envisages various organizational efficiency and cost containment actions, in particular with regard to the provision of services (consultancy, stylistic and communication) and staff performance. These actions will allow, despite the contractions in turnover expected in 2024, to achieve during 2024 a partial recovery in margins compared to 2023.

The directors will continue to monitor the trend and evolution of the reference markets with extreme attention, with respect to the hypotheses and actions envisaged in the 2024-2027 industrial plan, while maintaining proactive and constant attention to organizational and management efficiency, to contain costs and identify initiatives that can further protect expected cash and income flows, also through any specific operations as the possible sale of key money relating to stores of primary standing no longer considered essential with respect to the new Group strategies.

Accounting standards, amendments and interpretations published by the IASB approved by the European Union but not yet adopted in the preparation of these financial statements:

- **amendments to IFRS16 Lease Liability in a Sale and Leaseback:** The document requires the seller-lessee to measure the lease liability arising from a sale and leaseback transaction so as not to recognise an income or loss that relates to the retained right of use. The amendments will apply from 1 January 2024, with early adoption permitted;
- **amendments to IAS 1 "Presentation of Financial Statements":** Classification of Liabilities as Current or Noncurrent". The document aims to clarify how to classify debts and other short-term or long-term liabilities. The changes come into force on 1 January 2023; however, early application is permitted.

The Directors do not expect a material effect on the Group's consolidated financial statements from the adoption of these amendments.

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

NON-CURRENT ASSETS

1. INTANGIBLE FIXED ASSETS

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	Brands	Other	Total
NBV at January 1, 2024	61,014	1,898	62,912
Increases	-	736	736
- increases externally acquired	-	736	736
- increases from business aggregations	-	-	-
Disposals	-	-	-
Translation diff. / other variations	-	-	-
Amortisation	(1,747)	(418)	(2,165)
NBV at June 30, 2024	59,267	2,216	61,483

Changes in intangible fixed assets highlight the following variations:

- increases equal to EUR 736 thousand, mainly related to "Other";
- amortisation of the period equal to EUR 2,165 thousand.

Brands

This item includes the Group's own-label brands ("Alberta Ferretti", "Moschino" and "Pollini"). A breakdown of brands is given below:

(Values in thousands of EUR)	Brand residual life	June 30, 2024	December 31, 2023
Alberta Ferretti	19	2,331	2,394
Moschino	21	33,169	34,132
Pollini	17	23,767	24,488
Total		59,267	61,014

Other

The item other mainly includes software licences.

2. TANGIBLE FIXED ASSETS

The table below illustrates the breakdown and the changes of this item:

(Values in thousands of EUR)	Lands	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
NBV at January 1, 2024	17,123	24,575	11,729	3,155	251	3,604	60,437
Increases	-	-	756	114	11	177	1,058
Disposals	-	-	(15)	-	-	(2)	(17)
Translation diff. / other variations	-	-	(8)	-	1	62	55
Depreciation	-	(379)	(1,279)	(389)	(55)	(512)	(2,614)
NBV at June 30, 2024	17,123	24,196	11,183	2,880	208	3,329	58,919

Tangible fixed assets are changed as follows:

- Increases for new investments of EUR 1,058 thousand. These mainly refer to new investments in leasehold improvements and buildings.
- Disposals, net of the accumulated depreciation, of EUR 17 thousand.
- Increase for translation differences and other variations of EUR 55 thousand.
- Depreciation of EUR 2,614 thousand charged in relation to all tangible fixed assets, except for land, using the rates applicable to each category.

3. RIGHT-OF-USE ASSETS

The table below illustrates the changes of this item:

(Values in thousands of EUR)	Buildings	Car	Other	Total
NBV at January 1, 2024	99,588	1,582	1,056	102,226
Increases	7,043	416	696	8,155
Disposals	(5,628)	-	-	(5,628)
Translation diff. / other variations	544	-	-	544
Depreciation	(10,547)	(342)	(302)	(11,191)
NBV at June 30, 2024	91,000	1,656	1,450	94,106

The item Buildings includes Activities by right of use relating mainly to shop rental contracts and to a residual extent relating to rental contracts for offices, and other spaces. The increases are linked to new lease agreements relating to the opening or relocation of retail stores and the renewal of existing lease agreements.

The entry is changed as follows:

- Increases of EUR 8,155 thousand.
- Decreases of EUR 5,628 thousand relating to the shop located in Milan and classified in the activities available for sale.
- Positive differences arising on translation of EUR 544 thousand.
- Depreciation of EUR 11,191 thousand.

4. EQUITY INVESTMENTS

This item includes holdings represented by the cost.

5. OTHER FIXED ASSETS

The item includes long-term receivables of a non-financial nature.

6. DEFERRED TAX ASSETS AND LIABILITIES

The table below illustrates the breakdown of this item at June 30, 2024 and at December 31, 2023:

	At June 30, 2024	At December 31, 2023	At June 30, 2024	At December 31, 2023
Tangible fixed assets	5	4	(17)	(17)
Intangible fixed assets	3	3	(144)	(144)
Provisions	3,038	2,974	-	-
Costs deductible in future periods	263	280	-	-
Income taxable in future periods	-	-	(76)	(69)
Tax losses carried forward	9,154	8,484	-	-
Other	3,165	3,367	(9)	(9)
Tax assets (liabilities) from transition to IAS	3,874	1,879	(11,070)	(11,289)
Total	19,502	16,991	(11,316)	(11,528)

Changes in temporary differences during the period are illustrated in the following table:

(Values in thousands of EUR)	Opening balance	Differences arising on translation	Recorded in the income statement	Other	Closing balance
Tangible fixed assets	(13)	-	1	-	(12)
Intangible fixed assets	(141)	-	-	-	(141)
Provisions	2,974	6	58	-	3,038
Costs deductible in future periods	280	1	(18)	-	263
Income taxable in future periods	(69)	-	(7)	-	(76)
Tax losses carried forward	8,484	3	876	(209)	9,154
Other	3,358	-	(146)	(56)	3,156
Tax assets (liabilities) from transition to IAS	(9,410)	15	2,181	18	(7,196)
Total	5,463	25	2,945	(247)	8,186

Deferred tax assets related to costs deductible in future periods mainly relate to the deferred taxation on provisions for doubtful investments and for risks and charges.

CURRENT ASSETS

7. STOCKS AND INVENTORIES

This item comprises:

(Values in thousands of EUR)	At June 30,		Change	%
	2024	2023		
Raw, ancillary and consumable materials	7,348	8,870	(1,522)	(17.2%)
Work in progress	4,908	5,373	(465)	(8.7%)
Finished products and goods for resale	93,228	98,007	(4,779)	(4.9%)
Advance payments	-	-	-	n.a.
Total	105,484	112,250	(6,766)	(6.0%)

Inventories of raw materials and work in progress mainly relate to the production of the Autumn/Winter 2024 collections, while finished products mainly concern the Spring/Summer 2024 and the Autumn/Winter 2024 collections and the Spring/Summer 2025 sample collections.

(Values in thousands of EUR)	At December 31,		Increases	Decreases / Other changes	At June 30,
	2023	2024			
Inventory write-down fund	(11,273)	(9,360)	619		(20,014)
Total	(11,273)	(9,360)	619		(20,014)

The value of inventories is already indicated net of the obsolescence provision equal to EUR 20,014 thousand. The obsolescence provision reflects the best estimate made by management on the basis of the breakdown by year and season of inventories, on the considerations derived from the past experience of sales through alternative channels and the future prospects of sales volumes.

8. TRADE RECEIVABLES

This item is illustrated in details in the following table:

(Values in thousands of EUR)	At June 30,		Change	%
	2024	2023		
Trade receivables	52,189	59,411	(7,222)	(12.2%)
(Allowance for doubtful account)	(3,116)	(3,289)	173	(5.3%)
Total	49,073	56,122	(7,049)	(12.6%)

Trade receivables amount to EUR 52,189 thousand at June 30, 2024, with a 12.2% decrease compared with the amount at December 31, 2023. Management considers that the fair value of amounts due from customers approximates their book value.

The allowance for doubtful accounts is determined by reference to a detailed analysis of the available information and, in general, is based on historical trends.

The following table shows the movements of the bad debt provision for the year:

(Values in thousands of EUR)	At December 31,		Increases	Decreases / Other changes	At June 30,
	2023	2024			
(Allowance for doubtful account)	(3,289)	(471)	644		(3,116)
	(3,289)	(471)	644		(3,116)

9. TAX RECEIVABLES

This item is illustrated in details in the following table:

(Values in thousands of EUR)	At June 30,		At December 31,	
	2024	2023	Change	%
VAT	5,900	5,224	676	12.9%
Corporate income taxes (IRES)	2,277	3,183	(906)	(28.5%)
Local business tax (IRAP)	814	795	19	2.4%
Amounts due by tax authority for withheld taxes	33	24	9	37.5%
Other tax receivables	2,245	2,940	(695)	(23.6%)
Total	11,269	12,166	(897)	(7.4%)

As of June 30, 2024, the Group's tax receivables amount to EUR 11,269 thousand, recording a decrease of EUR 897 thousand compared to December 31, 2023, mainly due to the decrease of IRES receivable.

10. DERIVATE ASSETS AND LIABILITIES

The AEFPE Group, characterized by an important presence in international markets, is exposed to exchange rate risk mainly for purchases by the subsidiary Pollini in US Dollars (USD). The Group signs forward currency derivative contracts (USD) at term (Forward) with primary credit institutions to cover the aforementioned risk. These contracts are set up to cover a specific percentage of expected purchase volumes in USD. At the balance sheet date, there are no forward currency contracts open (USD 5,500 thousand at 30/06/2022).

The composition of the derivative financial instruments in place at June 30, 2024 and December 31, 2023 is summarized below with an indication of the respective current and non-current accounting values referring to the fair value and fair value of the cash flow hedge reserve, this last shown net of the related deferred tax effect:

(Values in thousands of EUR)	At June 30,			At December 31,		
	2024			2023		
	Assets	Liabilities	Hedging Reserve	Assets	Liabilities	Hedging Reserve
Forward contracts for cash flow hedge exchange rate risk	-	-	-	-	-	-
TOTAL NON CURRENT	-	-	-	-	-	-
Forward contracts for cash flow hedge exchange rate risk	-	-	-	63	-	46
TOTAL CURRENT	-	-	-	63	-	46

The cash flow hedge reserve relating to forward contracts hedging the currency risk on currencies has been reset as there are no open contracts as of June 30, 2024.

The transfer to the 1st Half 2024 income statement of the effect of the hedging transactions on exchange rate risk was equal to EUR 40 thousand brought to costs decrease.

11. CASH

This item includes:

(Values in thousands of EUR)	At June 30, At December 31,		Change	%
	2024	2023		
Bank and post office deposits	13,410	14,140	(730)	(5.2%)
Cheques	11	21	(10)	(47.6%)
Cash in hand	480	465	15	3.2%
Total	13,901	14,626	(725)	(5.0%)

Bank and postal deposits represent the nominal value of the current account balances with credit institutions, including interest accrued on the balance sheet date. Cash in hand and equivalents represent the nominal value of the cash held on the balance sheet date.

The decrease in cash and cash equivalent, recorded at June 30, 2024 compared with the amount recorded at December 31, 2023, is EUR 725 thousand. About the reason of this variation refer to the Statement of Cash Flows.

12. OTHER RECEIVABLES

This caption comprises:

(Values in thousands of EUR)	At June 30, At December 31,		Change	%
	2024	2023		
Credits for prepaid costs	18,191	20,443	(2,252)	(11.0%)
Advances for royalties and commissions	116	14	102	728.6%
Advances to suppliers	91	584	(493)	(84.4%)
Accrued income and prepaid expenses	2,961	1,917	1,044	54.5%
Other	2,965	3,242	(277)	(8.5%)
Total	24,324	26,200	(1,876)	(7.2%)

Other current receivables decrease by EUR 1,876 thousand mainly for the decrease of credits for prepaid costs.

Credits for prepaid costs relate to the costs incurred to design and make samples for the Spring/Summer 2024 collections, which the corresponding revenues from sales have not been realised yet for and the partial suspension of the same costs for the Autumn/Winter 2023 collections.

13. ASSETS AVAILABLE FOR SALE

This caption comprises:

(Values in thousands of EUR)	At June 30, At December 31,		Change	%
	2024	2023		
Assets available for sale	1,526	-	1,526	n.a.
Total	1,526	-	1,526	n.a.

The asset available for sale relates to the sale of a shop located in Milan (a shop which in turn has amortization key money tested with an impairment test) to a counterparty of primary standing. This operation, it is believed, will be completed within the second half of the year.

14. SHAREHOLDERS' EQUITY

Described below are the main categories of shareholders' equity at June 30, 2024, while the corresponding variations are described in the prospect of shareholders' equity.

(Values in thousands of EUR)	At June 30, 2024	At December 31, 2023	Change
Share capital	24,606	24,606	-
Share premium reserve	10,683	62,264	(51,581)
Cash flow reserve	-	46	(46)
Other reserves	13,475	13,475	-
Fair value reserve	7,901	7,901	-
IAS reserve	7,607	7,607	-
Reamasurement of defined benefit plans reserve	(1,339)	(1,339)	-
Translation reserve	(431)	(347)	(84)
Profits / (losses) carried-forward	16,393	(2,974)	19,367
Net profit / (loss) for the Group	(20,358)	(32,144)	11,786
	432	145	287
Total	58,969	79,240	(20,558)

SHARE CAPITAL

Share capital as of June 30, 2024, totally subscribed and paid, (gross of treasury shares) totals EUR 26,841 thousand), and is represented by 107,362,504 shares, par value EUR 0.25 each. At June 30, 2024 the Parent Company holds 8,937,519 treasury shares, representing the 8.325% of its share capital.

There are no shares with restricted voting rights, without voting rights or with preferential rights. No treasury shares of the Parent Company were purchased during the period.

SHARE PREMIUM RESERVE

The variation in the share premium reserve amounts to EUR 51,581 thousand and it is related to cover the prior-year loss of the Parent Company.

CASH FLOW RESERVE

For the change in the cash flow hedge reserve of EUR 46 thousand, please refer to note 10 of the assets and liabilities for derivatives.

OTHER RESERVES

This item did not change during the half-year.

FAIR VALUE RESERVE

The fair value reserve derives from the application of IAS 16 in order to measure the land and buildings owned by the Company at their fair value, as determined with reference to an independent appraisal.

IAS RESERVE

The IAS reserve, formed on the first-time adoption of IFRS, reflects the differences in value that emerged on the transition from ITA GAAP to IFRS. The differences reflected in this equity reserve are stated net of tax effect, as required by IFRS 1. Each difference was allocated on a pro rata basis to minority interests.

REAMISUREMENT OF DEFINED BENEFIT PLANS RESERVE

The remeasurement of defined benefit plans reserve, formed as a result of the application, from January 1, 2013 (retrospectively), of the amendment to IAS 19, amounts to EUR -1.339 thousand and it remains unchanged since December 31, 2023.

TRANSLATION RESERVE

The translation reserve amounts to EUR -431 thousand and is related to the conversion of companies' financial statements in other currency than EUR.

PROFITS/(LOSSES) CARRIED-FORWARD

The caption Profits/(losses) carried-forward increase mainly as a consequence of the consolidated result recorded during the year ended at December 31, 2023.

MINORITY INTERESTS

The change in the minority shareholders' equity item is attributable to the result of third parties and the sale of 15% of the Moschino Kids company.

NON-CURRENT LIABILITIES*15. PROVISIONS*

Provisions are illustrated in the following statement:

(Values in thousands of EUR)	At December 31,	Increases	Decreases	At June 30,
	2023			2024
Pensions and similar obligations	1,876	123	-	1,999
Other	304	-	(97)	207
Total	2,180	123	(97)	2,206

The supplementary clientele severance indemnity fund is determined based on an estimate of the liability relating to the severance of agency contracts, taking account of statutory provisions and any other relevant factor, such as statistical data, average duration of agency contracts and their rate of turnover. The item is calculated based on the actual value of the outflow necessary to extinguish the obligation.

The other provisions mainly relate to provisions for future charges and risks linked to organizational changes.

Potential tax liabilities for which no reserves have been established, since it is not considered probable that they will give rise to a liability for the Group, are described in the paragraph "Contingent liabilities".

16. POST-EMPLOYMENT BENEFITS

The severance indemnities payable on a deferred basis to all employees of the Group are deemed to represent a defined benefits plan (IAS 19), since the employer's obligation does not cease on payment of the contributions due on the remuneration paid, but continue until termination of the employment relationship.

For plans of this type, the standard requires the amount accrued to be projected forward in order to determine the amount that will be paid on the termination of employment, based on an actuarial valuation that takes account of employee turnover, likely future pay increases and any other applicable factors. This methodology does not apply to those employees whose severance indemnities are paid into approved supplementary pension funds which, in the circumstances, are deemed to represent defined contributions plans.

Changes in the provision are illustrated in the following statement:

(Values in thousands of EUR)	At December 31, 2023	Increases	Decreases/ Other variations	At June 30, 2024
Post employment benefits	3,206	43	(91)	3,158
Total	3,206	43	(91)	3,158

Increases include the share of post employment benefits matured in the year and the related revaluation, while the entry decreases/other changes includes the decrease for the liquidation of the post employment benefits and the actuarial loss.

17. LONG-TERM FINANCIAL LIABILITIES

The following table contains details of long-term borrowings:

(Values in thousands of EUR)	At June 30, 2024	At December 31, 2023	Change	%
Loans from financial institutions	66,922	78,608	(11,686)	(14.9%)
Lease liabilities	76,814	83,188	(6,374)	(7.7%)
Total	143,736	161,796	(18,060)	(11.2%)

The entry "Loans from financial institutions" relates to the portion of bank loans due beyond 12 months. It is about unsecured loans and bank finance not assisted by any form of security and they are not subject to special clauses, except

for the early repayment clauses normally envisaged in commercial practice. The only exception is a mortgage loan on the property located in Gatteo headquarters of the subsidiary Pollina S.p.A. of EUR 12,324 thousand.

Furthermore, there are no covenants to comply with specific financial terms or negative pledges.

Lease liabilities relate to the application of IFRS 16, below is the table with the movements and temporal breakdown of the debt:

(Values in thousands of EUR)	Lease liabilities	By 1 year	From 2 to 5	Exceeding 5
Net book value as of 31.12.23	100,979	17,791	52,191	30,997
Increases	8,239			
Decreases	(4,115)			
Lease repayment	(11,047)			
Financial expenses on right-of-use asset	1,265			
Translation differences / Other variations	586			
Net book value as of 30.06.24	95,907	19,093	50,223	26,591

The following table contains details of bank loans as of June 30, 2024, including the current portion and long term portion:

(Values in thousands of EUR)	Total amount	Current portion	Long term portion
Bank borrowings	87,836	20,914	66,922
Total	87,836	20,914	66,922

It should be noted that the amount due beyond five years amounts to EUR 8,615 thousand.

18. LONG-TERM NOT FINANCIAL LIABILITIES

The item amounts to EUR 1,164 thousand as at June 30, 2024, mainly due to the new multi-year deferral deriving from the contribution recognised by the landlord of the new boutique in via Spiga in Milan.

CURRENT LIABILITIES

19. TRADE PAYABLES

The item is compared with the respective value at December 31, 2023:

(Values in thousands of EUR)	At June 30, 2024	At December 31, 2023	Change	%
Trade payables	70,039	78,735	(8,696)	(11.0%)
Total	70,039	78,735	(8,696)	(11.0%)

Trade payables are due within 12 months and concern debts for supplying goods and services.

20. TAX PAYABLES

Tax payables are analysed in comparison with the related balances as of December 31, 2023 in the following table:

(Values in thousands of EUR)	At June 30,		At December 31,	
	2024	2023	Change	%
Local business tax (IRAP)	76	36	40	111.1%
Corporate income tax (IRES)	535	294	241	82.0%
Amounts due to tax authority for withheld taxes	1,511	2,384	(873)	(36.6%)
VAT due to tax authority	837	495	342	69.1%
Other	156	24	132	550.0%
Total	3,115	3,233	(118)	(3.6%)

Tax payables decrease of EUR 118 thousand compared with December 31, 2023.

21. SHORT-TERM FINANCIAL LIABILITIES

A breakdown of this item is given below:

(Values in thousands of EUR)	At June 30,		At December 31,	
	2024	2023	Change	%
Due to banks	82,173	88,512	(6,339)	(7.2%)
Lease liabilities	19,093	17,791	1,302	7.3%
Total	101,266	106,303	(5,037)	(4.7%)

Current bank debts include advances granted by credit institutions, current loans and the current portion of long-term financing commitments. Advances mainly consist of withdrawals from short-term credit facilities to finance the working capital requirement.

Leasing payables relate to the application of IFRS16.

22. OTHER LIABILITIES

Other current liabilities are analysed on a comparative basis in the following table:

(Values in thousands of EUR)	At June 30,		At December 31,	
	2024	2023	Change	%
Due to total security organization	2,987	3,665	(678)	(18.5%)
Due to employees	6,949	4,543	2,406	53.0%
Trade debtors - credit balances	23,980	2,559	21,421	837.1%
Accrued expenses and deferred income	2,136	2,132	4	0.2%
Other	8,691	3,612	5,079	140.6%
Total	44,743	16,511	28,232	171.0%

The entry Other liabilities records an increase of EUR 28,232 thousand compared to December 31, 2023 mainly due to the registration which took place during the semester of an advance guarantee linked to the renewal of the Moschino brand license in "class 3" with the current licensee company.

SEGMENT INFORMATION REGARDING PROFIT OR LOSS, ASSETS AND LIABILITIES

In order to apply the IFRS 8 the Group has considered to delineate as operative sectors the same used by IAS 14 Segment reporting: *Prêt-à porter* Division and footwear and leather goods Division. Such decision has been taken because they represent business activities from which the entity may earn revenues and incur expenses, whose operating result are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Prêt-à porter Division, which is mainly represented by the company Aeffe, operating in the design, production and distribution of luxury prêt-à porter and lingerie, beachwear and loungewear collections.

In terms of prêt-à porter collections, the activity is carried out by Aeffe, both for the production of the Group's own-label brands ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino" and "Love Moschino") and brands licensed from other companies. Aeffe also handles the distribution of all Division products, which takes place via the Retail channel through subsidiaries and via the Wholesale channel.

Furthermore Aeffe manufactures and distributes lingerie and swimwear collections, and specifically men's/women's lingerie, underwear, beachwear and loungewear. Collections are produced and distributed under the Group's own-label brands such as "Moschino", and under third-party licensed brands.

The Prêt-a-porter Division also manages licensing agreements granted to other companies to manufacture Aeffe and Moschino branded product lines such as the "Moschino" brand licensing agreement relating to the *Love* line, "Moschino" branded perfumes and sunglasses.

The footwear and leather goods Division, which is composed of Pollini and its subsidiaries, mainly handles the design, production and distribution of footwear, small leather goods, bags and matching accessories made from exclusive materials. The operating activity is mainly carried out by Pollini, which directly handles the design, production and distribution of own-label products, as well as the production and distribution of brands licensed by Group companies.

The footwear and leather goods division also manages licensing agreements granted to other companies to manufacture "Pollini" products such as umbrellas, foulards and ties.

The following tables indicate the main economic data for the first half-year 2024 and 2023 of the *Prêt-à porter* and Footwear and leather goods Divisions:

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
1st Half 2024				
SECTOR REVENUES	94,035	56,467	(11,911)	138,591
Intercompany revenues	(5,129)	(6,782)	11,911	-
Revenues with third parties	88,906	49,685	-	138,591
Gross operating margin (EBITDA)	(3,154)	3,573	-	419
Amortisation	(12,957)	(3,013)	-	(15,970)
Other non monetary items:				
Write-downs	(173)	(79)	-	(252)
Net operating profit / loss (EBIT)	(16,284)	481	-	(15,803)
Financial income	26	126	-	152
Financial expenses	(5,345)	(1,352)	-	(6,697)
Profit / loss before taxes	(21,603)	(745)	-	(22,348)
Income taxes	2,249	(44)	-	2,205
Net profit / loss	(19,354)	(789)	-	(20,143)

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
1st Half 2023				
SECTOR REVENUES	108,820	75,263	(21,209)	162,874
Intercompany revenues	(8,010)	(13,199)	21,209	-
Revenues with third parties	100,810	62,064	-	162,874
Gross operating margin (EBITDA)	971	7,528	-	8,499
Amortisation	(12,780)	(2,953)	-	(15,733)
Other non monetary items:				
Write-downs	(481)	(155)	-	(636)
Net operating profit / loss (EBIT)	(12,290)	4,420	-	(7,870)
Financial income	107	184	-	291
Financial expenses	(4,141)	(1,056)	-	(5,197)
Profit / loss before taxes	(16,324)	3,548	-	(12,776)
Income taxes	2,340	(1,166)	-	1,174
Net profit / loss	(13,984)	2,382	-	(11,602)

The following tables indicate the main patrimonial and financial data at June 30, 2024 and December 31, 2023 of the Prêt-à porter and Footwear and leather goods Divisions:

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
At June 30, 2024				
SECTOR ASSETS	310,775	128,098	(29,932)	408,941
<i>of which non-current assets (*)</i>				
<i>Intangible fixed assets</i>	<i>37,640</i>	<i>23,843</i>	-	<i>61,483</i>
<i>Tangible fixed assets</i>	<i>52,045</i>	<i>6,874</i>	-	<i>58,919</i>
<i>Right-of-use assets</i>	<i>82,799</i>	<i>11,307</i>	-	<i>94,106</i>
<i>Other non-current assets</i>	<i>106</i>	<i>19</i>	-	<i>125</i>
OTHER ASSETS	26,848	3,923	-	30,771
CONSOLIDATED ASSETS	337,623	132,021	(29,932)	439,712
SECTOR LIABILITIES	322,100	74,144	(29,932)	366,312
OTHER LIABILITIES	9,172	5,259	-	14,431
CONSOLIDATED LIABILITIES	331,272	79,403	(29,932)	380,743

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

(Values in thousand of EUR) At December 31, 2023	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	318,635	146,268	(29,932)	434,971
<i>of which non-current assets (*)</i>				
<i>Intangible fixed assets</i>	38,362	24,550	-	62,912
<i>Tangible fixed assets</i>	53,199	7,238	-	60,437
<i>Right-of-use assets</i>	92,467	9,759	-	102,226
<i>Other non-current assets</i>	116	19	-	135
OTHER ASSETS	25,884	3,273	-	29,157
CONSOLIDATED ASSETS	344,519	149,541	(29,932)	464,128
SECTOR LIABILITIES	324,358	75,702	(29,932)	370,128
OTHER LIABILITIES	9,363	5,397	-	14,760
CONSOLIDATED LIABILITIES	333,721	81,099	(29,932)	384,888

(*) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts

Segment information by geographical area

The following table indicates the revenues for the first half-year 2024 and 2023 divided by geographical area:

(Values in thousands of EUR)	1 st Half		1 st Half		Change	%
	2024	%	2023	%		
Italy	57,598	41.6%	68,177	41.9%	(10,579)	(15.5%)
Europe (Italy excluded)	42,106	30.4%	50,217	30.8%	(8,111)	(16.2%)
Asia and Rest of the World	31,359	22.6%	34,359	21.1%	(3,000)	(8.7%)
America	7,528	5.4%	10,121	6.2%	(2,593)	(25.6%)
Total	138,591	100.0%	162,874	100.0%	(24,283)	(14.9%)

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

23. REVENUES FROM SALES AND SERVICES

Accounting Policy:

Revenues from sales and services derive mainly from the sale of goods with the recognition of "at point in time" revenues when the asset was transferred to the customer. This is provided for both the Wholesale distribution (shipment of goods to the customer, and for retail distribution when the asset is sold through a physical store. With regard to the export of goods, the control can be transferred in various stages depending on the type of product). Incoterm applied to the specific customer. This premise leads to a limited judgment on the identification of the control passage of the asset and the consequent recognition of the revenue.

A part of the group's revenues derives from the recognition of the Royalties, agreed, based on a predetermined percentage in the contract with the customer, on the net turnover. The royalties accrue "at point in time", therefore at the time of issue by the Licensee, of the invoices for the sale of the products granted.

Determination of the transaction price:

Most of the Group's revenues derive from list prices that can vary depending on the type of product, brand and geographical region. Some contracts with the Group's Retail Companies provide for the transfer of control with the right of return. Being intra-group transactions they do not impact the consolidated financial statements as they are eliminated.

With regard to the recognition of Royalties, these are calculated based on a percentage of the Licensee's net sales. The percentage may vary depending on the type of product.

Breakdown of revenues from sales and services (IFRS 15)

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
1 st Half 2024				
Geographical area	94,035	56,467	(11,911)	138,591
Italy	39,376	28,167	(9,945)	57,598
Europe (Italy excluded)	21,247	21,822	(963)	42,106
Asia and Rest of the World	26,712	5,253	(606)	31,359
America	6,700	1,225	(397)	7,528
Brand	94,035	56,467	(11,911)	138,591
Alberta Ferretti	9,851	510	(509)	9,852
Philosophy	8,161	167	(154)	8,174
Moschino	75,415	40,448	(11,092)	104,771
Pollini	40	14,834	(35)	14,839
Other	568	508	(121)	955
Distribution channel	94,035	56,467	(11,911)	138,591
Wholesale	53,147	46,590	(8,053)	91,684
Retail	32,271	9,806	(134)	41,943
Royalties	8,617	71	(3,724)	4,964
Timing of goods and services transfer	94,035	56,467	(11,911)	138,591
POINT IN TIME (transfer of significant risks and benefits connected to the property of the asset)	85,418	56,396	(8,187)	133,627
POINT IN TIME (Royalties accrual on Licensee's turnover)	8,617	71	(3,724)	4,964

In the first semester of 2024, Aeffe consolidated revenues amount to EUR 138,591 thousand compared to EUR 162,874 thousand in the first semester of 2023 (-14.9% at current exchange rates, -14.6% at constant exchange rates).

24. OTHER REVENUES AND INCOME

This item comprises:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Other income	3,296	5,695	(2,399)	(42.1%)
Total	3,296	5,695	(2,399)	(42.1%)

In 1H 2024, the caption other revenues and income, which amounts to EUR 3,296 thousand, is composed by co-branding activities, time expiry of receivables and payables that arose in prior years, exchange gains on commercial transaction, rental income, sales of raw materials and packaging.

25. COSTS OF RAW MATERIALS

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Raw, ancillary and consumable materials and goods for resale	50,848	70,732	(19,884)	(28.1%)
Total	50,848	70,732	(19,884)	(28.1%)

The entry purchase of raw materials decreases of EUR 19,884 thousand.

This item mainly includes costs for the acquisition of raw materials such as fabrics, threads, skins and accessories, purchases of finished products for resale (products sold) and packaging.

26. COSTS OF SERVICES

This item comprises:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Subcontracted work	11,062	14,442	(3,380)	(23.4%)
Consultancy fees	10,342	11,724	(1,382)	(11.8%)
Advertising	5,164	8,684	(3,520)	(40.5%)
Commission	5,615	5,330	285	5.3%
Transport	4,455	5,199	(744)	(14.3%)
Utilities	1,070	1,215	(145)	(11.9%)
Directors' and auditors' fees	1,140	1,712	(572)	(33.4%)
Insurance	414	361	53	14.7%
Bank charges	311	445	(134)	(30.1%)
Travelling expenses	698	993	(295)	(29.7%)
Other services	4,717	5,308	(591)	(11.1%)
Total	44,988	55,413	(10,425)	(18.8%)

Costs of services decrease from EUR 55,413 thousand in the 1H 2023 to EUR 44,988 thousand in the 1H 2024, down by 18.8%.

27. COSTS FOR USE OF THIRD PARTIES ASSETS

This item comprises:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Rental expenses	2,177	2,522	(345)	(13.7%)
Royalties	88	418	(330)	(78.9%)
Hire charges and similar	450	452	(2)	(0.4%)
Total	2,715	3,392	(677)	(20.0%)

The costs for use of third parties assets decreases by EUR 677 thousand from EUR 3,392 thousand in 1H 2023 to EUR 2,715 thousand in 1H 2024.

28. LABOUR COSTS

The item includes:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Labour costs	35,759	36,868	(1,109)	(3.0%)
Total	35,759	36,868	(1,109)	(3.0%)

Labour costs decrease from EUR 36,868 thousand in 1H 2023 to EUR 35,759 thousand in 1H 2024 with an incidence on revenues which increases from 22.6% in the first semester 2023 to 25.8% in the first semester 2024.

The workforce changes from an average of 1,426 units in the 1H 2023 to 1,307 units in the 1H 2024.

Average number of employees by category	1 st Half	1 st Half	Change	%
	2024	2023		
Workers	244	231	13	5.6%
Office staff-supervisors	1,038	1,168	(130)	(11.1%)
Executive and senior managers	25	27	(2)	(7.4%)
Total	1,307	1,426	(119)	(8.3%)

29. OTHER OPERATING EXPENSES

This item includes:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Taxes	588	547	41	7.5%
Gifts	155	192	(37)	(19.3%)
Contingent liabilities	28	226	(198)	(87.6%)
Write-down of current receivables	105	80	25	31.3%
Foreign exchange losses	576	2,349	(1,773)	(75.5%)
Other operating expenses	280	341	(61)	(17.9%)
Total	1,732	3,735	(2,003)	(53.6%)

The item Other operating costs goes from EUR 3,735 thousand in 1H 2023 to EUR 1,732 thousand in 1H 2024 with a decrease of EUR 2,003 thousand, mainly due to the decrease in exchange losses.

30. AMORTISATION, WRITE-DOWNS AND PROVISIONS

This item includes:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Amortisation of intangible fixed assets	2,165	2,101	64	3.0%
Depreciation of tangible fixed assets	2,614	3,237	(623)	(19.2%)
Depreciation of right-of-use assets	11,191	10,396	795	7.6%
Write-downs	252	635	(383)	(60.3%)
Total	16,222	16,369	(147)	(0.9%)

31. FINANCIAL INCOME/EXPENSES

This item includes:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Interest income	6	17	(11)	(64.7%)
Foreign exchange gains	87	224	(137)	(61.2%)
Financial discounts	57	50	7	14.0%
Other income	2	-	2	n.a.
Financial income	152	291	(139)	(47.7%)
Bank interest expenses	4,474	3,033	1,441	47.5%
Other interest expenses	343	218	125	57.3%
Foreign exchange losses	45	99	(54)	(54.5%)
Other expenses	573	651	(78)	(12.0%)
Financial expenses	5,435	4,001	1,434	35.9%
Leasing interest expenses	1,262	1,196	66	5.5%
Financial expenses on right-of-use asset	1,262	1,196	66	5.5%
Total	6,545	4,906	1,639	33.4%

The total entry financial income/expenses increases of EUR 1,639 thousand mainly due to higher interests expenses generated by the rise in interest rates.

32. INCOME TAXES

This item includes:

(Values in thousands of EUR)	1 st Half	1 st Half	Change	%
	2024	2023		
Current income taxes	746	1,856	(1,110)	(59.8%)
Deferred income/(expenses) taxes	(2,945)	(2,421)	(524)	21.6%
Taxes related to previous years	(6)	(610)	604	(99.0%)
Total income taxes	(2,205)	(1,175)	(1,030)	87.7%

Details of deferred tax assets and liabilities and changes in this item are described in the paragraph on deferred tax assets and liabilities.

The reconciliation between actual and theoretical taxation for the 1H 2024 and 1H 2023 is illustrated in the following table:

(Values in thousands of EUR)	1 st Half	1 st Half
	2024	2023
Profit before taxes	(22,349)	(12,776)
Theoretical tax rate	24.0%	24.0%
Theoretical income taxes (IRES)	(5,364)	(3,066)
Fiscal effect	307	(467)
Effect of foreign tax rates	2,710	2,391
Total income taxes excluding IRAP (current and deferred)	(2,347)	(1,142)
IRAP (current and deferred)	142	(33)
Total income taxes (current and deferred)	(2,205)	(1,175)

This reconciliation of the theoretical and effective tax rates does not take account of IRAP, given that it does not use profit before taxes to calculate the taxable amount. Accordingly, the inclusion of IRAP in the reconciliation would generate distorting effects between years.

33. RESULT PER SHARE

Reference earning(loss)

The calculation of basic and dilutive earning/(loss) per share is based on the following elements:

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023
From continuing activities		
Earnings for determining basic earnings per share	(20,358)	(11,652)
Earnings for determining earnings per share	(20,358)	(11,652)
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	(20,358)	(11,652)
From continuing and discontinued activities		
Earnings for the period	(20,358)	(11,652)
Earnings from discontinued operations	-	-
Earnings for determining basic earnings per share	(20,358)	(11,652)
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	(20,358)	(11,652)
Number of reference share		
Average number of shares for determining earnings per share	98,425	98,425
Share options	-	-
Average number of shares for determining diluted earnings per share	98,425	98,425

Basic earning/(loss) per share

Group loss attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 20,358 thousand (June 2023: EUR -11,652 thousand).

Dilutive earning/(loss) per share

The calculation of diluted earnings per share for the period January - June 2024, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

COMMENTS ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

The cash flow absorbed during the first half of 2024 is EUR 725 thousand.

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023
Opening balance (A)	14,626	21,658
Cash flow (absorbed)/ generated by operating activity (B)	33,894	4,635
Cash flow (absorbed)/ generated by investing activity (C)	(4,903)	(7,418)
Cash flow (absorbed)/ generated by financing activity (D)	(29,716)	3,517
Increase/(decrease) in cash flow (E)=(B)+(C)+(D)	(725)	734
Closing balance (F)=(A)+(E)	13,901	22,392

34. CASH FLOW (ABSORBED)/ GENERATED BY OPERATING ACTIVITY

The cash flow generated by operating activity during the first half of 2024 amounts to EUR 33,984 thousand.

The cash flow comprising these funds is analysed below:

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023
Profit before taxes	(22,349)	(12,776)
Amortisation / write-downs	16,222	16,369
Accrual (+)/availment (-) of long term provisions and post employment benefits	(21)	101
Paid income taxes	(635)	(440)
Financial income (-) and financial charges (+)	6,545	4,906
Change in operating assets and liabilities	34,132	(3,525)
Cash flow (absorbed) / generated by operating activity	33,894	4,635

35. CASH FLOW (ABSORBED)/ GENERATED BY INVESTING ACTIVITY

The cash flow absorbed by investing activity during the first half of 2024 amounts to EUR 4,903 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023
Increase (-)/ decrease (+) in intangible fixed assets	(737)	(527)
Increase (-)/ decrease (+) in tangible fixed assets	(1,096)	(2,322)
Increase (-)/ decrease (+) in right-of-use assets	(3,070)	(4,567)
Investments and write-downs (-)/ Disinvestments and revaluations (+)	-	(2)
Cash flow (absorbed) / generated by investing activity	(4,903)	(7,418)

36. CASH FLOW (ABSORBED)/ GENERATED BY FINANCING ACTIVITY

The cash flow absorbed by financing activity during the first half of 2024 amounts to EUR 29,716 thousand.

The factors comprising these funds are analysed below:

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023
Other variations in reserves and profits carried-forward of shareholders' equity	(128)	848
Dividends paid	-	-
Proceeds (+)/repayment (-) of financial payments	(18,049)	11,443
Proceeds (+)/repayment (-) of leasing payments	(5,072)	(4,067)
Increase (-)/ decrease (+) in long term financial receivables	78	199
Financial income (+) and financial charges (-)	(6,545)	(4,906)
Cash flow (absorbed) / generated by financing activity	(29,716)	3,517

OTHER INFORMATION

37. INCENTIVE PLANS

Regarding the long term incentive plans reserved to executive directors of Aeffe S.p.A., please refer to the indicated in the Report on remuneration available from the governance section of the following website: www.aeffe.com.

38. STATEMENT OF INDEBTEDNESS

As required by ESMA guidance 32-382-1138 of March 4, 2021, in line with the "Warning no. 5/21 "of April 29, 2021 of Consob, it should be noted that the debt of the Aeffe Group at June 30, 2024 is as follows:

(Values in thousands of EUR)	At June 30, 2024	At December 31, 2023
A - Cash	13,901	14,626
B - Cash equivalents	-	-
C - Other current financial assets	-	-
D - Liquidity (A + B + C)	13,901	14,626
E - Current financial debt	61,259	68,757
F - Current portion of non-current financial debt	40,007	37,546
G - Current financial indebtedness (E + F)	101,266	106,303
H - Net current financial indebtedness (G - D)	87,365	91,677
I - Non-current financial debt (excluding current portion and debt instruments)	143,736	161,796
J - Debt instruments	-	-
K - Non-current trade and other payables	-	-
L - Non-current financial indebtedness (I + J + K)	143,736	161,796
M - Total financial indebtedness (H + L)	231,101	253,473

The financial position of the Group at June 30, 2024 shows a DEBT of EUR 231,101 thousand including the IFRS 16 effect compared to EUR 253,473 thousand as at December 31, 2023, improving of EUR 22,372 thousand.

The financial position of the Group at June 30, 2024 shows a DEBT of EUR 135,194 thousand net of the IFRS 16 effect (EUR 152,494 thousand as at December 31, 2023 and EUR 137,626 thousand as at June 30, 2023).

39. RELATED PARTY TRANSACTIONS

Reciprocal transactions and balances between Group companies included within the scope of consolidation are eliminated from the consolidated financial statements and as such will not be described here. Operations carried out with related parties mainly concern the exchange of goods, the performance of services and the provision of financial resources. All transactions arise in the ordinary course of business and are settled on market terms i.e. on the terms that are or would be applied between two independent parties.

The Group's business dealing with other related parties are summarised below:

(Values in thousands of EUR)	1 st Half 2024	1 st Half 2023	Nature of the transactions
Shareholder Alberta Ferretti with Aeffe S.p.a.			
Contract for the sale of artistic assets and design	500	500	Cost
Commerciale Valconca with Aeffe S.p.a.			
Commercial	55	79	Revenue
Property rental	25	25	Cost
Service	37	8	Cost
Commercial	5	592	Receivable
Commercial	57	63	Payable
Ferrim with Aeffe S.p.a.			
Property rental	1,034	944	Cost
Aeffe USA with Ferrim USA			
Property rental	385	379	Cost
Commercial	263	125	Receivable
Commercial	-	316	Payable

The following table indicates the data related on the incidence of related party transactions on the income statement, balance sheet, cash flow and indebtedness at June 30, 2024 and at June 30, 2023.

(Values in thousands of EUR)	Balance 1 st Half	Value rel. party 2024	%	Balance 1 st Half	Value rel. party 2023	%
Incidence of related party transactions on the income statement						
Revenues from sales and services	138,591	55	0.0%	162,874	79	0.0%
Costs of services	44,988	537	1.2%	55,413	508	0.9%
Incidence of related party transactions on the balance sheet						
Trade receivables	49,073	268	0.5%	55,543	717	1.3%
Trade payables	70,039	57	0.1%	83,249	379	0.5%
Incidence of related party transactions on the cash flow						
Cash flow (absorbed) / generated by operating activities	33,894	(78)	n.a.	54,306	(334)	n.a.
Incidence of related party transactions on the indebtedness						
Net financial indebtedness	(231,101)	(78)	0.0%	(238,466)	(334)	0.1%

40. ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob communication DEM/6064293 dated July 28, 2006, it is confirmed that in the first half of 2024 the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

41. SIGNIFICANT NON RECURRING EVENTS AND TRANSACTIONS

It is confirmed that in during the period no significant non-recurring events and transactions have been realised.

42. CONTINGENT LIABILITIES

Fiscal disputes

In consideration of the fact that there are no significant tax disputes, no provision has been set aside.

Attachments of the explanatory notes

ATTACHMENT I : Consolidated Balance Sheet with related parties

ATTACHMENT II : Consolidated Income Statement with related parties

ATTACHMENT III : Consolidated Cash Flow Statement with related parties

ATTACHMENT I

Consolidated Balance Sheet Assets with related parties

Pursuant to Consob Resolution N. 15519 of July 27, 2006

(Values in units of EUR)	Notes	At June 30, 2024	of which Rel. parties	At December 31, 2023	of which Rel. parties
Trademarks		59,267,098		61,013,859	
Other intangible fixed assets		2,216,046		1,897,894	
Intangible fixed assets	(1)	61,483,144		62,911,753	
Lands		17,123,494		17,123,494	
Buildings		24,196,418		24,575,199	
Leasehold improvements		11,182,552		11,728,767	
Plant and machinery		2,880,020		3,155,045	
Equipment		208,400		250,578	
Other tangible fixed assets		3,328,447		3,604,148	
Tangible fixed assets	(2)	58,919,331		60,437,231	
Right-of-use assets	(3)	94,105,733		102,226,024	
Equity investments	(4)	41,196		41,196	
Other fixed assets	(5)	84,168		93,927	
Deferred tax assets	(6)	19,501,974		16,991,324	
NON-CURRENT ASSETS		234,135,546		242,701,455	
Stocks and inventories	(7)	105,483,586		112,249,596	
Trade receivables	(8)	49,072,797	268,718	56,121,993	615,460
Tax receivables	(9)	11,268,980		12,165,895	
Derivate assets	(10)	-		63,229	
Cash	(11)	13,901,135		14,625,807	
Other receivables	(12)	24,324,059		26,200,359	
CURRENT ASSETS		204,050,557		221,426,879	
Assets available for sale	(13)	1,525,950		-	
TOTAL ASSETS		439,712,053		464,128,334	
Share capital		24,606,247		24,606,247	
Other reserves		37,896,892		89,606,998	
Profits/(losses) carried-forward		16,392,529		(2,973,651)	
Net profit/(loss) for the Group		(20,358,405)		(32,143,947)	
Group interest in shareholders' equity		58,537,263		79,095,647	
Minority interests in share capital and reserves		216,993		(9,052)	
Net profit / (loss) for the minority interests		215,169		153,713	
Minority interests in shareholders' equity		432,162		144,661	
SHAREHOLDERS' EQUITY	(14)	58,969,425		79,240,308	
Provisions	(15)	2,205,804		2,179,554	
Deferred tax liabilities	(6)	11,315,584		11,527,794	
Post employment benefits	(16)	3,158,226		3,205,866	
Long term financial liabilities	(17)	143,736,127		161,795,510	
Long term not financial liabilities	(18)	1,163,706		1,397,873	
NON-CURRENT LIABILITIES		161,579,447		180,106,597	
Trade payables	(19)	70,039,456	57,135	78,734,518	
Tax payables	(20)	3,115,141		3,232,628	
Derivate liabilities	(10)	-		-	
Short term financial liabilities	(21)	101,266,058		106,303,262	
Other liabilities	(22)	44,742,526		16,511,021	
CURRENT LIABILITIES		219,163,181		204,781,429	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		439,712,053		464,128,334	

ATTACHMENT II

Consolidated Income Statement with related parties

Pursuant to Consob Resolution N. 15519 of July 27, 2006

(Values in units of EUR)	Notes	1 st Half 2024	of which	1 st Half 2023	of which
REVENUES FROM SALES AND SERVICES	(23)	138,590,595	54,918	162,874,318	78,750
Other revenues and income	(24)	3,296,404		5,694,778	
TOTAL REVENUES		141,886,999		168,569,096	
Changes in inventory		(5,426,281)		10,069,166	
Costs of raw materials, cons. and goods for resale	(25)	(50,848,259)		(70,732,128)	
Costs of services	(26)	(44,988,135)	(537,007)	(55,412,794)	(507,602)
Costs for use of third parties assets	(27)	(2,714,518)	(1,444,132)	(3,391,993)	(1,348,138)
Labour costs	(28)	(35,758,914)		(36,867,999)	
Other operating expenses	(29)	(1,731,940)		(3,734,805)	
Amortisation, write-downs and provisions	(30)	(16,222,267)		(16,368,874)	
Financial income/(expenses)	(31)	(6,545,415)		(4,906,106)	
PROFIT / LOSS BEFORE TAXES		(22,348,730)		(12,776,437)	
Income taxes	(32)	2,205,494		1,174,511	
NET PROFIT / LOSS		(20,143,236)		(11,601,926)	
(Profit)/loss attributable to minority shareholders		(215,169)		(50,052)	
NET PROFIT / LOSS FOR THE GROUP		(20,358,405)		(11,651,978)	

ATTACHMENT III

Consolidated Cash Flow Statement with related parties

Pursuant to Consob Resolution N. 15519 of July 27, 2006

(Values in thousands of EUR)	Notes	1 st Half 2024	of which	1 st Half 2023	of which
Opening balance		14,626		21,658	
Profit / loss before taxes		(22,349)	(482)	(12,776)	(429)
Amortisation / write-downs		16,222		16,369	
Accrual (+)/availment (-) of long term provisions and post employment benefits		(21)		101	
Paid income taxes		(635)		(440)	
Financial income (-) and financial charges (+)		6,545		4,906	
Change in operating assets and liabilities		34,132	404	(3,525)	172
Cash flow (absorbed) / generated by operating activity	(34)	33,894		4,635	
Increase (-)/ decrease (+) in intangible fixed assets		(737)		(527)	
Increase (-)/ decrease (+) in tangible fixed assets		(1,096)		(2,322)	
Increase (-)/ decrease (+) in right-of-use assets		(3,070)		(4,567)	
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-		(2)	
Cash flow (absorbed) / generated by investing activity	(35)	(4,903)		(7,418)	
Other variations in shareholders' equity		(128)		848	
Dividends paid		-		-	
Proceeds (+)/repayment (-) of financial payments		(18,049)		11,443	
Proceeds (+)/ repayment (-) of lease payments		(5,072)		(4,067)	
Increase (-)/ decrease (+) in long term financial receivables		78		199	
Financial income (+) and financial charges (-)		(6,545)		(4,906)	
Cash flow (absorbed) / generated by financing activity	(36)	(29,716)		3,517	
Closing balance		13,901		22,392	

Attestation of the Half Year condensed financial statements pursuant to art.81-ter of Consob Regulation N. 11971 of May 14, 1999, and subsequent amendments and additions

The undersigned Simone Badioli as chief executive officer and Matteo Scarpellini as manager responsible for preparing Aeffe S.p.A.'s financial reports, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree n. 58 of 1998 ,hereby attest:

- the adequacy with respect to the Company structure and
- the effective application,

of the administrative and accounting procedures applied in preparation of the Half year condensed financial statements at June 30, 2024.

The undersigned moreover attest that:

The Half Year condensed financial statements:

- have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated July 19, 2002;
- correspond to the amounts shown in the Company's accounts, books and records;
- provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The interim management report contains a reliable analysis of important events which took place during the first six months of the current fiscal year and their impact on the half-year condensed financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year. The interim management report also contains information concerning related party transactions.

August 1, 2024

Chief executive officer

Simone Badioli

Manager responsible for preparing
Company's financial reports

Matteo Scarpellini

Report on review of the half-yearly condensed consolidated financial statements

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To the Shareholders of
Aeffe S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements as of June 30, 2024, consisting of the consolidated statement of financial position, consolidated income statement, statement of comprehensive income, consolidated statement of cash flows, statement of changes in equity and related explanatory notes, of the Aeffe Group. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review of the half-yearly financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Aeffe Group as of June 30, 2024, are not prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

We draw attention to the paragraph "Directors' assessment of the going concern assumption" in the notes to the half-yearly condensed consolidated financial statements, where the Directors explain the reasons for which, despite the largely negative results achieved by the Aeffe Group in the first half 2024, they considered appropriate use the assumption of business going concern in the preparation of the half-yearly condensed consolidated financial statements as of 30 June 2024. In particular, the Board shall highlight the following. "Starting from these results, the Directors have prepared the financial statements as at June 30, 2024 according to the principle of business continuity considering the uncertainties linked to the reference market and macroeconomic situation and on the basis of the strategies illustrated in the 2024-2027 industrial plan approved by the board of directors on January 25, 2024 which involve a series of actions aimed at maintaining the group in a balanced situation. For the group, the 2024 financial year has still been an exercise in moving closer to the desired path of recovery in volumes and sales performance of products, especially those of the Moschino brand, in consideration of the difficulties that the reference market continues to present and the limited albeit positive effects, yet to be fully expressed, of the imprint of the new creative director, who has debuted with the "main



autumn-winter 2024" collection in the February 2024 fashion show and who will curate his first complete collection dedicated to the "spring-summer 2025" season ". Already starting from 2025, with a consolidation trend projected for 2026 and 2027, a reversal of the trend is expected with a recovery in sales volumes of all the brands of the group, in particular that of the Moschino brand (both wholesale and retail), when all the collections presented will bear the imprint of the new creative director and when the conditions of the reference market should also become more favorable again. Given the reduction in sales and turnover volumes, the Group since the first half of 2024, envisages various organizational efficiency and cost containment actions, in particular with regard to the provision of services (consultancy, stylistic and communication) and staff performance. These actions will allow, despite the contractions in turnover expected in 2024, to achieve during 2024 a partial recovery in margins compared to 2023. The directors will continue to monitor the trend and evolution of the reference markets with extreme attention, with respect to the hypotheses and actions envisaged in the 2024-2027 industrial plan, while maintaining proactive and constant attention to organizational and management efficiency, to contain costs and identify initiatives that can further protect expected cash and income flows, also through any specific operations as the possible sale of key money relating to stores of primary standing no longer considered essential with respect to the new Group strategies".

Our opinion is not modified in respect of this matter.

Bologna, August 2, 2024

Ria Grant Thornton S.p.A.

Signed by

Marco Bassi

Partner

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international.