AEFFE

ANNUAL REPORT 2024

Disclaimer

The annual report 2024 have 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.

CHAIRMAN'S LETTER

In 2024 Aeffe Group has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.

Following the important M&A operations (investments for the company of more than 90 million euros relating to the purchase of the entire Moschino brand and the change of distribution in China), during 2024, the Group decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which brought a significant capital gain, allowed the Group to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands.

Sustainability and the integration of ESG objectives in corporate governance have become increasingly central, in line with European regulatory developments and international trends. Aeffe continues to strengthen its commitment with a sustainability plan structured around three strategic areas: Planet and Environment, Product and Supply Chain and People and Community.

The year that has just begun will still be characterized by a high level of geopolitical and political uncertainty. It is difficult to predict the developments of trade policy at a global level: on a positive note, a more stable political context would help reduce uncertainty, just as the implementation of more ambitious structural reforms and the conclusion of agreements that reduce the current levels of duties could translate into a strengthening of growth.

Hoping for a quick resolution of international conflicts, the 2025 financial year for the Group will still be an exercise in approaching the desired path of recovery of volumes and sales performance of products, especially the Moschino brand, in consideration of the difficulties that the reference market continues to present.

The Chairman of the Board of Directors

Massimo Ferretti

INDEX

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
Francesco Ferretti – Member of Executive Committee
Roberto Lugano
Bettina Campedelli
Francesca pace
Marco Francesco Mazzù
Daniela Saitta

Board of Statutory

President
Stefano Morri

Statutory Auditors
Fernando Ciotti
Carla Trotti

Alternate Auditors
Nevio Dalla Valle
Daniela Elvira Bruno

Board of Compensation Committee

President
Daniela Saitta

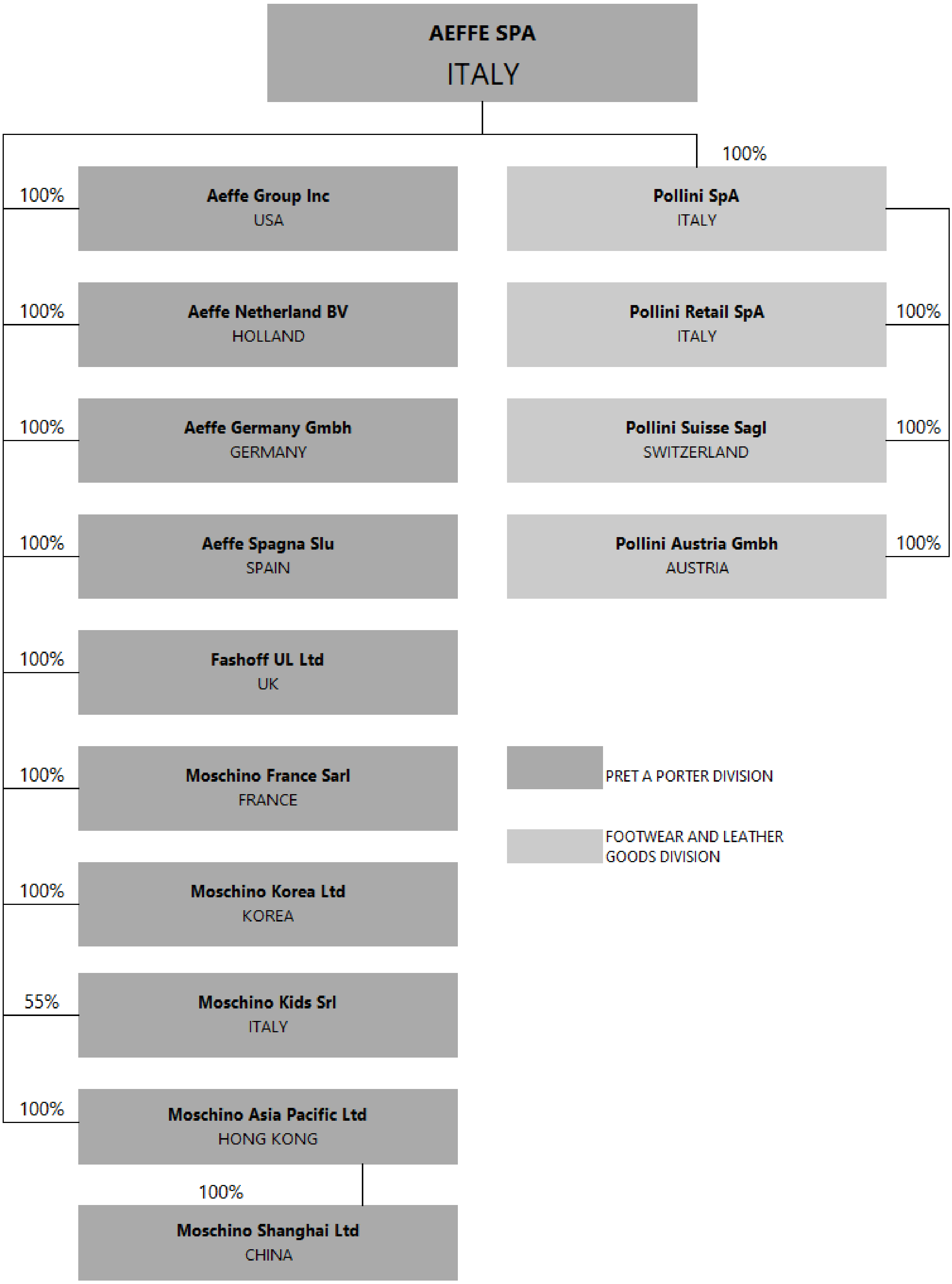
Members
Roberto Lugano
Marco Francesco Mazzù

Board of Risk and Sustainability Control Committee

President
Bettina Campedelli

Members
Daniela Saitta
Francesca Pace

Organisation chart



Brands portfolio

AEFFE SPA
Ready To Wear - Accessories

ALBERTA FERRETTI

MOSCHINO

MOSCHINO JEANS

AEFFE SPA
Licences – Retail - Design

ALBERTA FERRETTI
MOSCHINO
MOSCHINO JEANS

POLLINI SPA
Footwear – Leather Goods

POLLINI
MOSCHINO
ALBERTA FERRETTI
LOVE MOSCHINO

AEFFE SPA
Beachwear – Underwear - Lingerie

MOSCHINO

Headquarters

AEFFE

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

POLLINI

Via Erbosa I° tratto, 92
47030 - Gatteo
Italy

Showrooms

MILAN

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

MILAN

MOSCHINO
Via San Gregorio, 28
20124 – Milan
Italy

NEW YORK

GROUP
30 West 56th Street
10019 – New York
USA

LONDON

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

PARIS

GROUP
43, Rue du Faubourg Saint Honorè
75008 - Parigi
France

Main economic-financial data

		Full Year 2024	Full Year 2023
Total revenues	(Values in millions of EUR)	359.2	329.4
Gross operating margin (EBITDA) *	(Values in millions of EUR)	84.7	5.8
Net operating profit (EBIT)	(Values in millions of EUR)	48.5	(27.1)
Profit before taxes	(Values in millions of EUR)	37.0	(37.9)
Net profit for the Group	(Values in millions of EUR)	19.3	(32.1)
Basic earnings per share	(Values in millions of EUR)	0.196	(0.327)
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	50.7	(1.1)
Cash Flow/Total revenues	(Values in units of EUR)	14.1	(0.3)

* 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.

		31 December 2024	31 December 2023
Net capital invested	(Values in millions of EUR)	250.5	332.7
Net financial indebtedness	(Values in millions of EUR)	152.4	253.5
Group net equity	(Values in millions of EUR)	97.8	79.1
Group net equity per share	(Values in units of EUR)	0.9	0.7
Current assets/ current liabilities	(Ratio)	2.0	2.1
Current assets less invent./ current liabilities (ACID test)	(Ratio)	0.9	1.0
Net financial indebtedness/ Net equity	(Ratio)	1.6	3.2
ROI: Net operating profit/ Net capital invested	(Values in percentage)	19.4	(8.2)

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

AEFFE

Report on operations

1. ECONOMIC BACKGROUND

Shareholders,

We find it necessary to focus on the main macroeconomic variables in the sphere of which our Group has found itself operating.

INTERNATIONAL MACROECONOMIC SITUATION

The economy stagnated in the fourth quarter of 2024, according to Eurostat's preliminary flash estimate. It is set to remain weak in the near term. Surveys indicate that manufacturing continues to contract while services activity is expanding. Consumer confidence is fragile, and households have not yet drawn sufficient encouragement from rising real incomes to significantly increase their spending.

Nevertheless, the conditions for a recovery remain in place. While the labour market has softened over recent months it continues to be robust, with the unemployment rate staying low, at 6.3% in December. A solid job market and higher incomes should strengthen consumer confidence and allow spending to rise. More affordable credit should also boost consumption and investment over time. Provided trade tensions do not escalate, exports should support the recovery as global demand rises.

The risks to economic growth remain tilted to the downside. Greater friction in global trade could weigh on euro area growth by dampening exports and weakening the global economy. Lower confidence could prevent consumption and investment from recovering as fast as expected. This could be amplified by geopolitical risks, such as Russia's unjustified war against Ukraine and the tragic conflict in the Middle East, which could disrupt energy supplies and further weigh on global trade. Growth could also be lower if the lagged effects of monetary policy tightening last longer than expected. It could be higher if easier financing conditions and falling inflation allow domestic consumption and investment to rebound faster.

Europe faces critical challenges in boosting productivity, investment and innovation, and therefore its competitiveness and resilience. Long-standing challenges related to low productivity growth, burdensome regulations and demographic headwinds have been compounded by geopolitical tensions, trade fragmentation and the prospects of persistently higher energy prices. Addressing these challenges requires comprehensive structural reforms targeting higher regulatory efficiency, enhanced governance and administrative capacity, improved quality of education and skills' matching, and modernised infrastructure. The population is shrinking, and our societies are ageing, so sustaining the workforce will rely on higher participation rates, especially among women and older people, alongside well-designed immigration policies to address labour shortages and support long-term growth.

MACROECONOMIC BACKGROUND TO THE CLOTHING SECTOR

The 2025 Altagamma Consensus forects a moderate market growth for 2025 due to the international macroeconomic situation, which remains uncertain due to various factors: inflation, high interest rates, geopolitical tensions, price increases and a drop in the purchasing power of medium-high-end consumers.

Revenues are expected to grow by 3% as a general average for personal luxury goods, and EBITDA is also expected to show 3% growth. Chinese travel picking up once more and consumers' renewed confidence could have a positive impact on this scenario in the second half of the year.

Europe is expected to see growth of 2%. Weak domestic demand will be partially offset by tourist flows, especially from the United States. The North American market remains a key focus for the luxury industry, with growth of +3.5% forecast, though there is the possibility of new tariffs on European products following the election of Donald Trump.

Growth in China (+3%) is uncertain, due to the more cautious demand of the middle class and the real estate downturn, which has affected consumer confidence. The government is introducing new stimulus measures that could take effect in the second half of 2025. The performance of Asia and China will be pivotal for the industry globally.

The Middle East can expect to see growth of +5%, despite the tensions and political instability in the area.

Luxury consumers are displaying marked polarization between the 1% of HNWIs (High Net Worth Individuals) and the other brackets, which are losing purchasing power globally. The figures confirm the focus on experiences and the greater sway of consumers older than GenZ. Chinese customers are no longer leading the segment, and this has had significant fall-out. In 2025 growth will continue, at +2%, with a possible return to travel in the second half of the year.

North American consumers are expected to be the best performers, with +4.5% growth. Following the elections, spending is expected to pick up again and the fall in inflation could benefit middle-high and aspirational consumers. Europeans have always been more cautious, mature consumers: no significant growth is expected in 2025 (+2%).

Leather goods (+2%) and footwear (+1%) should expect more modest growth. For leather goods, price increases, and the drop in casual consumers and Chinese tourism have reduced sales and increased stocks. Moderate growth is estimated for clothing (+3%), which is highly polarized between brands that are continuing to grow (quiet luxury) and others that are not faring so well.

Physical retail (+5%) is the top performer, as new markets develop, and it remains a strategic channel for luxury thanks to ad hoc and customized services, dedicated showrooms, exclusive sales tactics, entertainment and experience areas. Digital retail - expected to grow by 3% - is intrinsically linked to physical shops and dominated by brands, with a focus on Artificial Intelligence. Wholesale, both physical and digital, will continue to struggle, with no growth expected (0%).

2. 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, kids' lines, 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 composed of 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 and 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.

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 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 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 Rome.

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.

3. TREND OF THE GROUP MANAGEMENT

CONSOLIDATED INCOME STATEMENT

(Valori in unità di Euro)	Full Year 2024	% on revenues	Full Year 2023	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	**250,798,738**	**100.0%**	**318,622,270**	**100.0%**	**(67,823,532)**	**(21.3%)**
Other revenues and income	108,427,572	43.2%	10,739,468	3.4%	97,688,104	909.6%
TOTAL REVENUES	**359,226,310**	**143.2%**	**329,361,738**	**103.4%**	**29,864,572**	**9.1%**
Changes in inventory	(22,165,546)	(8.8%)	(843,975)	(0.3%)	(21,321,571)	2,526.3%
Costs of raw materials, cons. and goods for resale	(89,380,175)	(35.6%)	(128,345,960)	(40.3%)	38,965,785	(30.4%)
Costs of services	(85,661,218)	(34.2%)	(110,365,644)	(34.6%)	24,704,426	(22.4%)
Costs for use of third parties assets	(5,241,988)	(2.1%)	(6,031,801)	(1.9%)	789,813	(13.1%)
Labour costs	(68,336,744)	(27.2%)	(71,819,173)	(22.5%)	3,482,429	(4.8%)
Other operating expenses	(3,718,537)	(1.5%)	(6,172,332)	(1.9%)	2,453,795	(39.8%)
Total Operating Costs	(274,504,208)	(109.5%)	(323,578,885)	(101.6%)	49,074,677	(15.2%)
GROSS OPERATING MARGIN (EBITDA)	**84,722,102**	**33.8%**	**5,782,853**	**1.8%**	**78,939,249**	**1,365.1%**
Amortisation of intangible fixed assets	(4,200,989)	(1.7%)	(4,283,715)	(1.3%)	82,726	(1.9%)
Depreciation of tangible fixed assets	(5,246,990)	(2.1%)	(5,506,213)	(1.7%)	259,223	(4.7%)
Depreciation of right-of-use assets	(21,799,252)	(8.7%)	(21,094,629)	(6.6%)	(704,623)	3.3%
Revaluations/(write-downs) and provisions	(4,979,979)	(2.0%)	(2,017,114)	(0.6%)	(2,962,865)	146.9%
Total Amortisation, write-downs and provisions	(36,227,210)	(14.4%)	(32,901,671)	(10.3%)	(3,325,539)	10.1%
NET OPERATING PROFIT / LOSS (EBIT)	**48,494,892**	**19.3%**	**(27,118,818)**	**(8.5%)**	**75,613,710**	**n.a.**
Financial income	848,220	0.3%	342,201	0.1%	506,019	147.9%
Financial expenses	(9,950,720)	(4.0%)	(8,707,525)	(2.7%)	(1,243,195)	14.3%
Financial expenses on right-of-use asset	(2,414,529)	(1.0%)	(2,415,584)	(0.8%)	1,055	(0.0%)
Total Financial Income / (expenses)	(11,517,029)	(4.6%)	(10,780,908)	(3.4%)	(736,121)	6.8%
PROFIT / LOSS BEFORE TAXES	**36,977,863**	**14.7%**	**(37,899,726)**	**(11.9%)**	**74,877,589**	**n.a.**
Taxes	(17,515,005)	(7.0%)	5,909,492	1.9%	(23,424,497)	n.a.
NET PROFIT / LOSS	**19,462,858**	**7.8%**	**(31,990,234)**	**(10.0%)**	**51,453,092**	**n.a.**
Minority interests	(134,825)	(0.1%)	(153,713)	(0.0%)	18,888	(12.3%)
NET PROFIT / LOSS FOR THE GROUP	**19,328,033**	**7.7%**	**(32,143,947)**	**(10.1%)**	**51,471,980**	**n.a.**

Sales

In 2024 consolidated revenues amount to 250,799 thousand euros compared to 318,622 thousand euros of the year 2023, showing a decrease of 21.3% (-21.2% at constant exchange rates).

Revenues of the prêt-à-porter division amount to 166,085 thousand euros with a decrease of 21.8% at current exchange rates (-21.7% at constant exchange rates) compared to 2023. The revenues of the footwear and leather goods division decrease by 25.3%, both at constant and current exchange rates, to 106,214 thousand euros.

Sales by brand

(Values in thousands of EUR)	Full Year 2024	%	Full Year 2023	%	Change	%
Alberta Ferretti	18,082	7.2%	21,897	6.9%	(3,815)	(17.4%)
Philosophy	14,703	5.9%	17,532	5.5%	(2,829)	(16.1%)
Moschino	186,291	74.3%	240,753	75.6%	(54,462)	(22.6%)
Pollini	30,818	12.3%	34,510	10.8%	(3,692)	(10.7%)
Other	905	0.3%	3,930	1.2%	(3,025)	(77.0%)
Total	**250,799**	**100.0%**	**318,622**	**100.0%**	**(67,823)**	**(21.3%)**

In 2024, the Alberta Ferretti brand decreases by 17.4%, contributing to 7.2% of consolidated sales, while Philosophy di Lorenzo Serafini brand decreases by 16.1%, contributing to 5.9% of consolidated sales.

In the same period Moschino brand decreases by 22.6% contributing to 74.3% of consolidated sales.

Pollini brand records a decrease of 10.7%, generating 12.3% of consolidated sales, while brands under license decreases by 77.0%, equal to 0.3% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	Full Year 2024	%	Full Year 2023	%	Change	%
Italy	106,422	42.4%	133,964	42.0%	(27,542)	(20.6%)
Europe (Italy excluded)	76,548	30.5%	98,644	31.0%	(22,096)	(22.4%)
Asia and Rest of the World	52,418	20.9%	66,679	20.9%	(14,261)	(21.4%)
America	15,411	6.2%	19,335	6.1%	(3,924)	(20.3%)
Total	**250,799**	**100.0%**	**318,622**	**100.0%**	**(67,823)**	**(21.3%)**

Sales on the ITALY market, representing 42.4% of turnover, decreased by 20.6% to 106,422 thousand euros compared to 2023.

Sales in EUROPE, with an incidence on turnover of 30.5%, reported a decrease of 22.4% to 76,548 thousand euros. 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 52,418 thousand euros, with an incidence on turnover of 20.9%, down by 21.4% compared to 2023.

Sales in AMERICA, with an incidence on turnover of 6.2%, recorded a decrease of 20.3%.

Sales by distribution channel

(Values in thousands of EUR)	Full Year 2024	%	Full Year 2023	%	Change	%
Wholesale	160,155	63.8%	213,865	67.1%	(53,710)	(25.1%)
Retail	82,683	33.0%	94,876	29.8%	(12,193)	(12.9%)
Royalties	7,961	3.2%	9,881	3.1%	(1,920)	(19.4%)
Total	**250,799**	**100.0%**	**318,622**	**100.0%**	**(67,823)**	**(21.3%)**

In 2024 the Group recorded a decrease in the three channels.

Revenues of the WHOLESALE CHANNEL, which represents 63.8% of turnover (160,155 thousand euros), recorded a decrease of 25.1% at constant exchange rates.

Revenues of the RETAIL CHANNEL, equal to 33.0% of Group sales (82,683 thousand euros), showed a decrease of 12.9% compared to the previous year.

ROYALTIES INCOMES, which represent 3.2% of consolidated turnover (7,961 thousand euros), decreased by 19.4% compared to 2023.

Labour costs

Labour costs change from 71,819 thousand euros in 2023 to 68,337 thousand euros in 2024, recording a decrease of 3,482 thousand euros, and an incidence on revenues which changes from 22.5% in 2023 to 27.2% in 2024.

The workforce decreases from an average of 1,342 units in 2023 to 1,315 units in 2024.

Average number of employees by category	Full Year 2024	Full Year 2023	Change	%
Workers	243	246	(3)	(1.2%)
Office staff-supervisors	1,047	1,069	(22)	(2.1%)
Executive and senior managers	25	27	(2)	(7.4%)
Total	**1,315**	**1,342**	**(27)**	**(2.0%)**

Gross Operating Margin (EBITDA)

In 2024 consolidated EBITDA is positive for 84,722 thousand euros (with an incidence of 33.8% of consolidated sales), showing an increase of 78,939 thousand euros compared to an EBITDA of 5,783 thousand euros in 2023 (with an incidence of 1.8% of consolidated sales).

The 2024 EBITDA include the capital gain realized following the sale by Aeffe of ownership of the "Moschino" brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

In 2024 the EBITDA of the *prêt-à-porter* division has been positive for 77,698 thousand euros, compared to a negative EBITDA of 12,390 thousand euros in 2023, with an increase of 90,088 thousand euros.

In 2024 EBITDA of the footwear and leather goods division is 7,024 thousand euros (6.6% on sales), compared to an EBITDA of 18,173 thousand euros in 2023 (12.8% on sales), with a 11,149 thousand euros decrease.

Net operating result (EBIT)

Consolidated EBIT is positive for 48,495 thousand euros, recording an increase of 75,614 thousand euros compared to a negative EBIT of 27,119 thousand euros in 2022, due to the EBITDA improvement.

Result before taxes

The pre-tax result went from a loss of 37,900 thousand euros in 2023 to a profit of 36,978 thousand euros in 2024 with an increase in absolute value of 74,878 thousand euros.

Net result

Net result posts a profit of 19,463 thousand in 2024 compared to a loss of 31,990 thousand euros in 2023.

CONSOLIDATED BALANCE SHEET

(Values in units of EUR)	31 December 2024	31 December 2023
Trade receivables	40,679,783	56,121,993
Stock and inventories	89,233,482	112,249,596
Trade payables	(63,781,185)	(78,734,518)
Operating net working capital	**66,132,080**	**89,637,071**
Other short term receivables	26,089,738	26,200,359
Tax receivables	8,848,183	12,165,895
Derivative assets	503,364	63,229
Other short term liabilities	(14,081,399)	(16,511,021)
Tax payables	(5,382,568)	(3,232,628)
Derivative liabilities	-	-
Net working capital	**82,109,398**	**108,322,905**
Tangible fixed assets	57,363,541	60,437,231
Intangible fixed assets	49,118,488	62,911,753
Right-of-use assets	77,578,905	102,226,024
Equity investments	41,196	41,196
Other fixed assets	105,641	93,927
Fixed assets	**184,207,771**	**225,710,131**
Post employment benefits	(2,978,634)	(3,205,866)
Provisions	(7,352,056)	(2,179,554)
Assets available for sale	4,349,496	-
Long term not financial liabilities	(1,090,833)	(1,397,873)
Deferred tax assets	18,898,568	16,991,324
Deferred tax liabilities	(27,599,221)	(11,527,794)
NET CAPITAL INVESTED	**250,544,489**	**332,713,273**
Share capital	24,606,247	24,606,247
Other reserves	37,467,751	89,606,998
Profits / (Losses) carried-forward	16,392,528	(2,973,651)
Profits / (Loss) for the period	19,328,033	(32,143,947)
Group interest in shareholders' equity	**97,794,559**	**79,095,647**
Minority interests in shareholders' equity	351,818	144,661
Total shareholders' equity	**98,146,377**	**79,240,308**
Cash	(20,818,807)	(14,625,807)
Long term financial liabilities	55,162,234	78,607,579
Short term financial liabilities	33,396,452	88,511,881
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	**67,739,879**	**152,493,653**
Short term lease liabilities	67,483,425	83,187,931
Long term lease liabilities	17,174,808	17,791,381
NET FINANCIAL POSITION	**152,398,112**	**253,472,965**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**250,544,489**	**332,713,273**

NET INVESTED CAPITAL

Compared to December 31, 2023, net invested capital decreased by 24.7%.

Net working capital

Net working capital amounts to 82,109 thousand euros (32.7% on sales) compared with 108,323 thousand euros at 31 December 2023 (34.0% on sales).

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

- the operating net working capital decreases in all by 26.2% (23,505 thousand euros) with an incidence on sales that changes from 28.1% in 2023 to 26.4% in 2024.
- the sum of other receivables and payables increases in all of 2,319 thousand euros compared with the previous year mainly for the decrease in payables vs customers.
  - the sum of tax receivables and tax payables decrease in all of 5,468 thousand euros. Such decrease is mainly due to the lower corporate income tax receivables (IRES) and higher local business tax payables (IRAP).

Fixed assets

The change in fixed assets of 41,502 thousand at December 31, 2024 compared to December 31, 2023, is mainly due to the sale by Aeffe of ownership of the "Moschino" brand in relation to all products belonging to product class 3 of the Nice Classification, to the sale of a boutique in Milan and to the reclassification of the fixed assets of a boutique in Rome to assets available-for-sale.

NET FINANCIAL POSITION

The financial situation of the Group at December 31, 2024 shows a debt of 152,398 thousand euros, including IFRS 16 effects, compared to the debt of 253,473 thousand at December 31, 2023, with an improvement of 101.075 thousand euros. The indebtness at December 31, 2024 relating to IFRS 16 amounts to 84,658 thousand euros, of which 17,175 thousand euros is current and 67,483 thousand euros is non-current. Indebtness net of the IFRS 16 effect at the end of December 2024 amounts to 67,740 thousand euors compared to the indebtness of 152,494 thousand euros at the end of December 2023, recording an improvement of 84,754 thousand euros.

Aeffe Spa and Euroitalia S.r.l. have reached and also executed a framework agreement for Aeffe to transfer ownership of the “Moschino” brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, for an amount of 98,000,000 euros fully paid.

SHAREHOLDERS’ EQUITY

The shareholders’ equity increases by 18,906 thousand euros from 79,240 thousand euros as of December 31, 2023 to 98,146 thousand euros as of December 31, 2024. The reasons for this increase are mainly attributable to the profit of the year. The number of shares is 107,362,504.

The following institutions hold more than 3% of the Aeffe's shares:

Main shareholders	%
COLLOPORTUS S.R.L.	30.899%
FQUATTRO S.R.L.	30.899%
Other shareholders(*)	38.202%

(*) 8.325% of own shares held by Aeffe S.p.A.

RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND NET PROFIT FOR THE PERIOD OF THE PARENT COMPANY AND THE CORRISPONDING CONSOLIDATED AMOUNTS

Pursuant to the Consob Communication of 28 July 2006, the following table provides reconciliation between the net result and equity of Aeffe S.p.A. for the year ended December 31, 2024 and the comparable items on a consolidated basis (portion attributable to owners of Aeffe S.p.A.):

(Values in thousand of EUR)	Shareholders' equity at 31 December 2024	Net profit /loss for the full year 2024
Taken from the corporate financial statements of the parent company	**83,165**	**35,607**
Share of the consolidated subsidiaries's equity and profit /loss attributable to the Group, net of the carrying amount of equity interests	8,542	(16,330)
Effect of business combination reopening	16,823	(1,039)
Reversal of the intercompany inventory margin	(7,969)	929
Transition to parent company accounting policies	-	-
Other adjustments	(2,415)	296
Total consolidation adjustments	**14,981**	**(16,144)**
Group interest in shareholders' equity	**97,794**	**19,328**
Minority interest	**352**	**135**
Total shareholders' equity	**98,146**	**19,463**

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. These costs are charged in full to the Income Statement.

5. GROUP'S OBJECTIVES AND POLICIES ON FINANCIAL RISKS

Regarding the Group's objectives and policies on financial risks refer to the information reported in the Notes.

6. CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Aeffe S.p.A. has aligned its system of corporate governance with the recommendations of the Corporate Governance Code for stock-market listed companies (the "Code") approved in January 2020 by the Corporate Governance Committee of Borsa Italiana.

The Code is aimed at all companies with shares listed on the Mercato Telematico Azionario managed by Borsa Italiana and constitutes an organizational and functional reference model for companies listed on markets organized and managed by Borsa Italiana.

Alignment of the system of governance adopted by listed companies with the recommendations contained in the Code is not currently a legal requirement: adoption of the standards and organisational models proposed therein is therefore voluntary and left to the discretion of the listed companies for which it is intended. Nevertheless, certain recommendations contained in the Code are reflected in current legislation and/or regulations including, more precisely, the Italian Civil Code, Decree 58 dated 24 February 1998 as subsequently amended (the "Consolidated Finance Law"), Consob Regulation 11971 dated 14 May 1999, as amended (the "Issuers' Regulations"), the Regulations for Markets Organised and Managed by Borsa Italiana (the "Market Regulations") and the Market Instructions relating specifically to companies with shares admitted to trading in the STAR segment.

Companies adopt the Code with prevalence of substance over form and apply its recommendations according to the "comply or explain" criterion.

As required by the regulations, Aeffe prepares yearly the Report on corporate governance and corporate structures that companies are required to draw up and publish pursuant to art. 123-bis TUF (the "Report"), which contains a general description of the corporate governance system adopted by the Company and contains information on ownership structures and adherence to the Code and is available on the website www.aeffe.com.

7. TREASURY SHARES

As of December 31, 2024, the Parent Company holds 8.937.519 treasury shares, par value 0.25 euros each, totalling 8.325% of its share capital. During 2024, no treasury shares were purchased.

As of December 31, 2024 the Parent Company does not hold shares of any controlling company either directly or indirectly.

8. 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 28 July 2006, is provided in Note "Related party transactions".

9. CONSOLIDATED SUSTAINABILITY STATEMENT

Summary

GENERAL INFORMATION

DRAFTING CRITERIA

BP-1 – General criteria for drafting sustainability statements

This document constitutes the Sustainability Report of the Aeffe Group, hereinafter also referred to as the ‘Group’ and ‘Aeffe’, drawn up pursuant to Legislative Decree no. 125 of 6 September 2024, which transposed Directive (EU) 2022/2464 (the so-called Corporate Sustainability Reporting Directive, hereinafter ‘CSRD’) into Italian law.

The document has been prepared in order to ensure the comprehensibility of the information concerning the Group's activities, as well as the other qualitative characteristics of the company as set out in ESRS 1, Appendix B, of Delegated Regulation (EU) 2023/2772 implementing the aforementioned European Directive.

The document discloses Aeffe's sustainability information on a consolidated basis, according to the scope and reporting period adopted in the 2024 Annual Report from 1 January to 31 December. Any deviations in the data are reported with appropriate footnotes. Where possible, there is a comparison with the financial years 2022 and 2023. For further details, please refer to the ESRS table that identifies the information in the Sustainability Report.

This Report covers the Group's value chain, which was duly taken into account in conducting the double materiality analysis, also including information on impacts, risks and opportunities (so-called ‘IRO’) generated as part of direct and indirect business relationships along the value chain. In compliance with the principle of materiality, the information included in the Report concerns the most significant aspects of the upstream and downstream value chain; this does not imply the disclosure of information on all players in the value chain, as the Group has decided to make use of the phase-in period granted by both the ESRS principles and Article 4, paragraph 4 of Legislative Decree No. 125 of 6 September 2024 (with the exception of the information reported on Scope 3 emissions, which includes data on the value chain). The value chain has been broken down into several stages, starting with the extraction and/or production of raw materials and culminating with the product's end of life (see page x).

The Group has not availed itself of any of the options to omit information set out in points d) and e) of paragraph 5 of the General Information of Delegated Regulation (EU) 2023/2772 implementing Directive (EU) 2022/2464 mentioned above.

Sustainability Reporting does not include information prescribed by other legislation containing sustainability reporting requirements or generally accepted sustainability provisions.

The Consolidated Sustainability Report, included in the Management Report, is subject to limited assurance by Ria Grant Thornton S.p.A.

The Auditor's Report on the Consolidated Sustainability Report is presented at the end of this document.

BP-2 – Information in relation to specific circumstances

The quali-quantitative information collected is derived from direct surveys, except for some estimates duly reported within the document and made without compromising their accuracy. These estimates were introduced following the Group's inability to find such data, despite the efforts made. In the next few years, Aeffe is committed to reporting this information on the basis of precise and directly measured data, also in consideration of the implementation of initiatives envisaged in the business plan, such as the adoption of an Enterprise Resource Planning (ERP) system at Group level and the development of the Customer Relationship Management (CRM) project. Any certification of the methodology for calculating metrics by third parties is reported in the relevant explanatory notes within the document. As far as environmental reporting requirements are concerned, the data relating to the Group's trading companies contribute to the formation of the consolidated metrics in the form of estimates. The most significant estimates concern the reporting of Scope 3 emissions, despite the use of international standards and frameworks[1]. This is because the measurement of emissions along the value chain, both upstream and downstream, is influenced by several factors that make their quantification complex. Many of the data needed come from third-party or indirect sources and the methodologies currently available for collecting and processing information have inherent limitations. In order to calculate Aeffe's emissions, data from direct sources, such as fuel invoices, energy bills and accounting documents, were collected

[1] The reference databases for emission factors used in the calculation of Aeffe's emissions are DEFRA, TERNA and AIB.

wherever possible to ensure the most accurate measurement. Additional information was acquired through shared internal documents, e-mail communications containing technical data and in-depth meetings with company contact persons. However, although subject to a certain degree of uncertainty, the reporting of Scope 3 emissions is based on recognised scientific principles and represents a valid and reliable analysis for environmental impact assessment purposes.

The Sustainability Report also includes the information required by Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called 'Environmental Taxonomy Regulation') and the related Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486. In drafting the document, the recommendations communicated by the European Securities and Markets Authority (ESMA) in October 2023 with reference to disclosure pursuant to Art. 8 of the Taxonomy Regulation and on climate change issues were taken into account. Aeffe presents, within the reference paragraph 'Disclosure pursuant to Article 8 of Regulation (EU) 2020/852', a description of the analyses carried out in FY 2024 in order to disclose to its stakeholders, through the models provided by the regulator, the data relating to exposures to economic activities eligible and aligned with the Taxonomy for the 6 environmental objectives.

The list of disclosure requirements included by reference and their position in the Annual Report can be found in the Appendix section.

GOVERNANCE

GOV-1 – Role of the administration, management and control bodies

Aeffe S.p.A. adopts a **traditional administration and control system** based on the centrality of the **Board of Directors** (BoD), which plays a guiding role in the strategic direction, and the **Board of Statutory Auditors**, both appointed by the **Shareholders' Meeting**.

In addition, the Board of Directors appointed two endoconsiliar committees, in compliance with the provisions of current legislation and the Italian Stock Exchange's Corporate Governance Code: the **Remuneration Committee** and the **Risk and Sustainability Control Committee**.

The corporate governance system is represented by the set of rules, legal and technical, aimed at ensuring the protection of stakeholders and maximum transparency through the proper management of the Company in terms of governance and control. This system is articulated in a set of codes, subject to continuous verification and updating, to respond effectively to the evolution of the regulatory reference context and national and international best practices. The composition and main functions, competencies and responsibilities of each governance body are set out below:

GOVERNING BODY	N. MEMBERS	FUNCTION
Shareholders' Meeting	variable[2]	The Shareholders' Meeting deliberates in ordinary and extraordinary sessions on matters reserved to it by law and by the Articles of Association.
Board of Directors	10	The Company is managed by a Board of Directors (BoD) composed of 5 executive directors and 5 non-executive directors, in which 4 out of 10 members (40%) are female, resulting in an average ratio of 1.5 to 1.[3]. 50% of the total directors are independent members. The appointment of the members of the Board of Directors is the responsibility of the ordinary Shareholders' Meeting on the basis of lists of candidates presented by the Shareholders themselves, in compliance with the legislation currently in force regarding gender balance. The Board of Directors is invested with the broadest

[2]Since Aeffe is listed on the stock exchange, the number of shareholders varies.

[3]That is, for every woman on the board of directors there are on average 1.5 men.

		powers for the ordinary and extraordinary management of the Company, without exceptions of any kind, and has the power to carry out all the acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those that the law strictly reserves for the Shareholders' Meeting. The directors remain in office for three financial years and expire on the date of the Assembly convened for the approval of the budget relating to the last financial year of their office and are re-eligible. They have skills and professionalism appropriate to the roles assigned to them. The in-depth knowledge of the sectors, products and markets in which the Group operates is guaranteed both by the professional and personal experience of the individual members and by their continuity in office, which has encouraged constant updating and training on strategic issues. Furthermore, during the board meetings, the managing directors provide extensive information on the items on the agenda, ensuring effective and in-depth discussion. Furthermore, the Chairman may invite managers of the parent company or managing directors/general managers of the subsidiaries, as well as the Manager in Charge of preparing accounting and corporate documents, to attend the board meetings, in order to provide appropriate insights into the items on the agenda. Furthermore, if deemed useful to provide appropriate insights into the topics discussed, managers or representatives of the companies most involved in the topic are invited to participate in the meetings.[4].
Board of Auditors	5	The role of the Board of Auditors consists in verifying compliance with the law and the bylaws, with the power to challenge before the court resolutions that do not comply with the law and the bylaws. Furthermore, the auditors verify the adequacy of the administrative and accounting organization and the correct administration of the company, reporting any relevant facts to the meeting. The auditors may report to the court any irregularities found in management.
Remuneration Committee	3	The Remuneration Committee is responsible for formulating proposals to the Board, in the absence of the interested directors, for the remuneration of the managing directors and those who hold specific positions, as well as, upon indication of the managing directors, for the determination of the criteria for the remuneration of the company's top management, including any stock option or share allocation plans, as well as any short and medium-long term MBOs. The Remuneration Committee periodically evaluates the criteria adopted for the remuneration of managers with strategic responsibilities, monitors their application on the basis of the information provided by the managing directors and formulates general recommendations on the matter to the Board.
Risk Control and Sustainability Committee	3	The Risk Control and Sustainability Committee (CCRS) is established in order to support, with adequate investigative activity, of a proactive and consultative nature, the assessments and decisions of the Board of Directors relating to the internal control and risk management system, the approval of periodic financial reports and sustainability, the latter to be understood as the set of processes and initiatives aimed at managing the administration, direction and control of risks, impacts and significant opportunities. The Committee, appointed by the Board of Directors, is composed of 3 non-executive directors, 2 of whom are independent, at least one of whom must have adequate knowledge and experience in accounting and financial matters or risk management as well as in sustainability matters.

[4]Currently, within the administrative, management and control bodies, there are no members representing employees or other workers..

		The Committee remains in office for the period determined from time to time by the Board of Directors or, in the event of failure to determine such period, for the entire period in which its members hold the office of directors of the Company.

In line with Aeffe's commitment to proper management of ESG issues, starting from 2023 the Aeffe Group **Sustainability Governance Procedure** has been defined, with the aim of defining roles, responsibilities and approval processes at Group level on sustainability projects. The procedure incorporates some existing bodies and at the same time establishes new ones:

- The **Sustainability Manager**, who is responsible for connecting the company's sustainability strategy with daily operations. On the one hand, he or she monitors the managers' activities to collect data and information on relevant issues, reporting them to the Risk Control and Sustainability Committee and subsequently to the Board of Directors to guide strategic decisions. On the other hand, he or she translates the directives into concrete actions, supporting the various departments in implementing sustainable processes and ensuring the involvement of internal and external stakeholders. In this sense, the Sustainability Manager provides assistance in defining information and training meetings on relevant sustainability issues.
- The **Sustainability Committee**, which evaluates the proposals of the Sustainability Manager, including spending proposals, validating or rejecting them, and which supports the Board of Directors in defining the strategic lines and sustainability policies and in finalizing the initiatives of the Sustainability Plan. The Committee is composed of:
    - Corporate Executive Chairman;
    - Corporate CEO;
    - Member of the Corporate Executive Committee;
    - Corporate CFO;
    - General Manager Pollini SpA;
    - Chief Operating Officer Aeffe SpA;
    - Group Corporate Human Resources Director;
    - Head of Corporate Sustainability.
- The **Control, Risk and Sustainability Committee** which assists the Board of Directors in the internal control and ESG risk management system.
- The **Board of Directors**, which is committed to promoting the Group's sustainability policy, approves the Sustainability strategies and plans and ensures their application, approves the Materiality Matrix and the Sustainability Reporting and the main procedures on sustainability and conducts the management review of the entire process. In carrying out this role, the Board of Directors makes use of the specialist skills of its members, who have a solid academic background, such as a diploma from Harvard Business School in Sustainable Business Strategy, research experience and publications on sustainability issues, as well as participation in conferences. The integration of these skills, acquired in the academic field, allows the Board of Directors to manage ESG issues efficiently and in an updated manner, ensuring an aware and informed approach to the Group's significant impacts, risks and opportunities.

GOVERNING BODIES AND COMMITTEES Aeffe SpA DIVIDED BY GENDER AND AGE GROUP AS OF 12/31/2024							
	Men	Women	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Board of Directors[5]	6	4	10	0	1	9	10
Remuneration Committee	2	1	3	0	0	3	3
Risk Control and Sustainability Committee	0	3	3	0	0	3	3
Board of Auditors[6]	2	1	3	0	0	3	3
Total	**8**	**5**	**13**	**0**	**1**	**12**	**13**
Percentage	**62%**	**38%**	**100%**	**0%**	**8%**	**92%**	**100%**

GOVERNING BODIES AND COMMITTEES Aeffe SpA DIVIDED BY GENDER AND AGE GROUP AS OF 12/31/2023							
	Men	Women	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Board of Directors	6	4	10	0	1	9	10
Remuneration Committee	2	1	3	0	0	3	3
Risk Control and Sustainability Committee	0	3	3	0	0	3	3
Board of Auditors	2	1	3	0	0	3	3
Total	**8**	**5**	**13**	**0**	**1**	**12**	**13**
Percentage	**62%**	**38%**	**100%**	**0%**	**8%**	**92%**	**100%**

GOVERNING BODIES AND COMMITTEES Aeffe SpA DIVIDED BY GENDER AND AGE GROUP AS OF 12/31/2022							
	Men	Women	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Board of Directors	5	4	9	0	1	8	9
Remuneration Committee	1	2	3	0	0	3	3
Risk Control and Sustainability Committee	1	2	3	0	0	3	3

[5]The members of the internal board committees (Compensation Committee and Control, Risk and Sustainability Committee) are members of the Board of Directors. This information is also confirmed for the years 2022 and 2023.

[6]The data only considers the operational members of the Board of Auditors, without including the substitutes, whose role is foreseen only in the event of replacement. This information is confirmed for the years 2022 and 2023.

Board of Auditors	2	1	3	0	0	3	3
Total	7	5	12	0	1	12	12
Percentage	58%	42%	100%	0%	8%	92%	100%

GOV 2 – Information provided to the administrative, management and control bodies of the company and sustainability issues addressed by them

As reported above, the Board of Directors is informed about sustainability issues during the various meetings of the Board of Directors on the basis of the characteristics and nature of the issues themselves by the most appropriate individuals (managers, employees or consultants responsible for managing the individual issues), following investigation by the CCRS.

During 2024, the bodies supervised the drafting and approved the periodic reporting on sustainability issues, participating in the double materiality analysis process. Dealing mainly with general objectives, the Board of Directors is directly involved in the most relevant and strategic issues and questions relating to the Group's business, while more specific initiatives are carried out by the competent structures under the supervision of the Sustainability Manager (e.g. initiatives aimed at energy saving, research and development of new products). During the period under review, the delegated bodies (with the support of the structures directly involved) informed the Board and, for the topics covered, the various internal committees regarding policies, actions, metrics and objectives regarding sustainability issues during the various meetings within the examination of the items on the agenda. Specific points concerned in particular the double materiality analysis process preparatory to the drafting of the sustainability reporting relating to the 2024 financial year.

The list of relevant impacts, risks and opportunities addressed by the administrative, management and control bodies, and their related committees, during the reference period is reported in the General Information, paragraph "Dual relevance analysis"

GOV-3 – Integration of sustainability performance in incentive systems

Since the 2022 financial year, Aeffe SpA has adopted the "Report on the remuneration policy and compensation paid" which aims to indicate how it contributes to the company strategy, the pursuit of long-term interests and the sustainability of the Company. The "Remuneration Policy" of Aeffe SpA illustrates the institutionalized practice regarding the remuneration of the members of the Board of Directors, members of the Board of Auditors and managers with strategic responsibilities, by which we mean those individuals who are responsible, directly or indirectly, for the planning, management and control of the company's activities.

This policy is primarily inspired by the objective of attracting, motivating and retaining people with the professional qualities needed to contribute to defining the organization's growth strategy and strengthening the Group's long-term interests and sustainability. It is based on the principles of fairness, equal opportunities, meritocracy and competitiveness with respect to the market.

The definition of the remuneration of the company population takes into consideration specific criteria, including the comparison with the external market and the internal equity of the company, the characteristics of the role and the responsibilities attributed, as well as the distinctive skills of the people, always with a view to maximum objectivity, in order to avoid any form of discrimination.

The achievement of the objectives indicated by the Remuneration Policy is defined on the basis of the fundamental principles of sustainability and the alignment of the interests of management with strategic responsibilities with those of the shareholders.

The policy also contributes to the definition of the different components of remuneration that can be recognized and establishes the criteria for the recognition of variable remuneration such as:

- Fixed component;
- Short-term variable component (Management by Objectives, MBOs);
- Long Term Incentives (LTI);
- Non-monetary benefits;
- Treatments provided in the event of termination of office or termination of the employment relationship;
- Insurance, social security or pension coverage other than mandatory.

Although currently, the sustainability theme is integrated only in general strategic terms and there are no quantitative ESG objectives linked to the variable component[7], Aeffe intends to integrate the company incentive systems in this direction during the 2025 financial year[8].

Furthermore, the Board of Directors of Aeffe SpA approved, in July 2021, the Long-Term Incentive Plan, reserved for executive directors and strategic managers of the Group, which includes the sustainability objective linked to the drafting of the Sustainability Statement. Finally, the new 2025-2028 remuneration policy will contain specific quantitative objectives on sustainability for the LTI of top managers.

GOV-4 – Duty of Care Statement

Due diligence is the process by which an organization identifies, prevents, mitigates and communicates how it addresses actual and potential negative impacts on the environment and people related to its activity. The implementation of this process occurs through the adoption of dedicated policies, operational tools and monitoring mechanisms, culminating in the formalization of a due diligence procedure, which summarizes and documents the entire approach adopted. Due diligence can be included in broader systems of risk management of companies.

Although Aeffe has implemented this process only indirectly to date and does not have a structured and detailed due diligence framework formalized in a specific procedure, it has nevertheless adopted several tools inspired by the fundamental procedural elements that make up the due diligence process.

The following table provides a mapping that highlights how and where the main elements and steps of the due diligence process are reflected in the disclosures presented in this sustainability statement, thus providing an overview of the corporate documentation inspired by the implementation of due diligence.

FUNDAMENTAL ELEMENTS OF THE PROCESS	PARAGRAPHS OF THE SUSTAINABILITY STATEMENT
Integrating due diligence into governance, strategy and business model	Reference to: ☒ Role of the administrative, management and control bodies (GOV-1) ☒ Information provided to the administrative, management and control bodies of the company and sustainability issues addressed by them (GOV-2) ☒ Relevant impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3) ☒ Description of processes to identify and assess relevant impacts, risks and opportunities (IRO-1)

[7]And consequently, the objectives related to climate mitigation and adaptation are not included.

[8]For this reason, the Group does not currently present performance assessments with respect to sustainability objectives and/or impacts and consequently does not present related performance metrics.

Involve stakeholders in all key stages of due diligence	Reference to: ☒ Stakeholder interests and opinions (SBM-2) ☒ Description of processes to identify and assess relevant impacts, risks and opportunities (IRO-1)
Identify and assess negative impacts	Reference to: ☒ Description of the process for identifying and assessing relevant impacts, risks and opportunities (IRO-1)
Taking action to address negative impacts	ESRS 2 MDR-A - Paragraphs relating to remedial actions and action plans foreseen for each topic (E1, S1, S4, G1 and Entity-specific)
Monitor the effectiveness of interventions and communicate	ESRS 2 MDR-T - Paragraphs relating to the targets for each topic (E1, S1, S4, G1 and Entity-specific)

GOV-5 – Risk management and internal controls on sustainability reporting

The Aeffe Group has an internal control and general risk management system that is deemed by the Board of Directors of Aeffe to be adequate to the size and nature of the business carried out, suitable for effectively monitoring the main areas of risk typical of the business and the reporting process and capable of contributing to the sustainable success of the Group. In order to equip itself with an organizational structure even more suitable for the effective management of the reporting process, the Board of Directors of Aeffe SpA during the 2025 financial year will adopt specific guidelines and procedures aimed at ensuring that the Sustainability Reporting included in the Management Report complies with the applicable regulations and reference standards, which will be formally included within this system. These tools will integrate all the measures necessary for effective management of the risk associated with the sustainability reporting process. The correct implementation of the guidelines also contributes to improving the reliability and transparency of quantitative and qualitative data and information available to governance actors for making informed and sustainable decisions, useful for the continuous improvement of the organization.

The following illustrates the phases of the process currently implemented, aimed at ensuring the accuracy of the data and the compliance of the document with the reporting principles, in line with the applicable standards and the approach envisaged by the Group's internal control and risk management system:

- **Preliminary**: preparatory phase in which the consolidated sustainability reporting setup and perimeter analysis are defined;
- **Design**: operational phase of detailed design of the consolidated sustainability reporting activity;
- **Editorial Staff**: information gathering, document writing and validation phase;
- **Certification**: control and verification phase by the designated Legal Auditor;
- **Approval** and publication: approval of the consolidated sustainability reporting by the Board of Directors, together with the consolidated financial statements and publication.

STRATEGY

SBM-1 – Strategy, Business Model and Value Chain

The Aeffe Group operates internationally in the fashion and luxury sector and is active in the creation, production and distribution of a wide range of products. The Group develops, produces and distributes, with a view to constant attention to uniqueness and exclusivity, its own collections both with its own brands, including “Alberta Ferretti”, “Philosophy di

Lorenzo Serafini", "Moschino" and "Pollini", and with brands for which it is a licensor [9]. The Group has in fact licensed to primary partners the production and distribution of accessories and products, with which it completes its offering (perfumes, glasses and more).

The Group's activity is divided, on the basis of the different product lines and brands that make up its offer, into **two segments**: prêt-à-porter footwear and leather goods.

The **prêt-à-porter** division operates mainly in the creation, production and distribution of luxury prêt-à-porter clothing collections and lingerie, beachwear and loungewear collections. In this segment, the activity is carried out by Aeffe, both with regard to the production of products with brands owned by the Group ("Alberta Ferretti", "Philosophy di Lorenzo Serafini", "Moschino", "Boutique Moschino" and "Love Moschino"). Aeffe also manages the distribution of all the products of the division, which takes place both through the Retail channel and the wholesale channel.

In addition, Aeffe creates and distributes underwear and beachwear collections, and in particular lingerie, underwear, beachwear and loungewear collections for both men and women. The collections are produced and distributed with brands owned by the Group, mainly the "Moschino" brand.

The prêt-à-porter division also manages licensing agreements granted to companies external to the Group for the creation of product lines bearing brands owned by Aeffe and Moschino, such as, in particular, the licensing agreement for the "Moschino" brand relating to the Love line, perfumes and eyewear.

The **footwear and leather goods** division, which is made up of the Pollini corporate entity and the companies it controls, operates mainly in the creation, production and distribution of footwear, small leather goods, bags and coordinated accessories, characterised by exclusive materials.

The operational activity is mainly carried out by Pollini, which directly takes care of the conception, production and distribution of its own brand products, as well as the production and distribution of brands received under license from Group companies.

The footwear and leather goods division also manages the licensing agreements granted to companies outside the Group for the production of product lines under the "Pollini" brand, such as the licensing agreements for the production of umbrellas, scarves and ties.

The Aeffe Group adopts an **integrated business model** for the management of its main brands, including Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino and Pollini. Each brand has a dedicated team, responsible for the development of collections, marketing strategies and sales, ensuring a distinctive identity for each brand.

The Group's organizational model is characterized by the creative and stylistic independence of the individual maisons. Research and experimentation are in fact an essential element of the thinking of each designer, without prejudice to the possibility of centrally managing multiple brands within a single organizational structure, from production to distribution of product lines. This allows for the unified organization of procurement, production and distribution management, to control costs and to adopt uniform policies within the organization.

The goal of respecting the individuality of each fashion house is pursued through an "**island**" organizational model. This organizational model provides, for each designer, a style office dedicated to the creation of the design and a research and development department that supports the style office throughout the creative process, up to the production of samples, which always takes place within the Group's production facilities.

The creative development of the products is entrusted to the stylists of the respective style offices, who proceed to the conception of the collections on the basis of their individual intuitions and experiences, supported by the market trend lines detected by the internal structures of the Group.

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[9] The main licenses are: POLLINI SpA (footwear and accessories); ANDREA MONTELPARE SpA (Moschino children's footwear); SAFILO SpA (Moschino glasses); DROPS SpA (Moschino umbrellas); LARIOSETA SpA (Moschino scarves, gloves, ties and scarves); MONNALISA SpA (Philosophy children's line).

Within Aeffe, the Research and Development department plays a fundamental role in determining the direction and strategy of the company and is closely related to the entire production department which allows the objectives set to be concretely achieved.

The Group continues to invest constantly in new products with the aim of adapting to market demands and making improvements and refinements in absolute terms to maintain a high level of quality and competitiveness.

Operational activities

The group's operational activities cover the entire production and commercial chain. It starts with the creation of prototypes and samples of the collections, followed by sales campaigns to present the products to distributors and retailers. Production can be managed internally or entrusted to external suppliers, always with careful quality control and efficient logistics management.

The distribution of the Group's products occurs mainly through three channels:

- **Physical Retail** which includes stores managed directly by the Group Companies;
- **Direct online** which includes the sale of goods through the online store and the best marketplaces on the market;
- **Wholesale**, represented by important multi-brand stores, franchises, department stores as well as direct showrooms and showrooms of agents and importers.

Retail sales are carried out through directly managed points of sale (DOS) by the Group and located in prestigious and strategic positions both from an image and commercial point of view, mainly in Europe, the USA, China and Korea.

Through the Wholesale channel, the Aeffe Group maintains long-term commercial relationships with international clients, all characterised by extensive experience in the fashion and luxury sector and a significant share in their reference markets such as China, the Far East, the Middle East, Western and Eastern Europe, and the USA.

The Group is constantly committed to strengthening its presence in the markets it already covers and in further geographical expansion through the consolidation of the positions achieved in the reference markets by developing relationships with important distributors and importers and further penetration and development in markets with high growth potential such as the Far East, Middle East and Eastern Europe, Japan. In 2024, the Group strengthened its presence in the mature reference markets for its portfolio Brands and is able to govern the entire value chain of the brand, from product to quality, from distribution to communication. Direct management of distribution in China, given the importance of this market, will allow for timely control of the brand image on site, attentive customer service and, above all, to accelerate commercial penetration on the basis of a development plan that includes new openings and the strengthening of travel retail.

Clients

Nowadays, fashion companies operate in an increasingly volatile and complex environment, characterized by market turbulence and growing product/customer/market combinations. In such a situation, the Aeffe Group, through the omnichannel management of all contact points between companies and customers, does not ignore the interests of already loyal customers and at the same time approaches those of the new generations, paying particular attention to new market scenarios.

The main clients of the Aeffe Group can be divided into two macro-families:

- **End Customer** (B2C): they are not only consumers of products, but also users of luxury experiences.
- **B2B Client**: for example, selected retailers, who are typically among the most important customers in the fashion & luxury sector.

Thanks to increasingly innovative proposals, the Aeffe Group is therefore able to satisfy the different needs of the market through products that are increasingly suited to customer requests, special treatments of materials, aesthetic details and creative choices.

Number of employees by geographic area

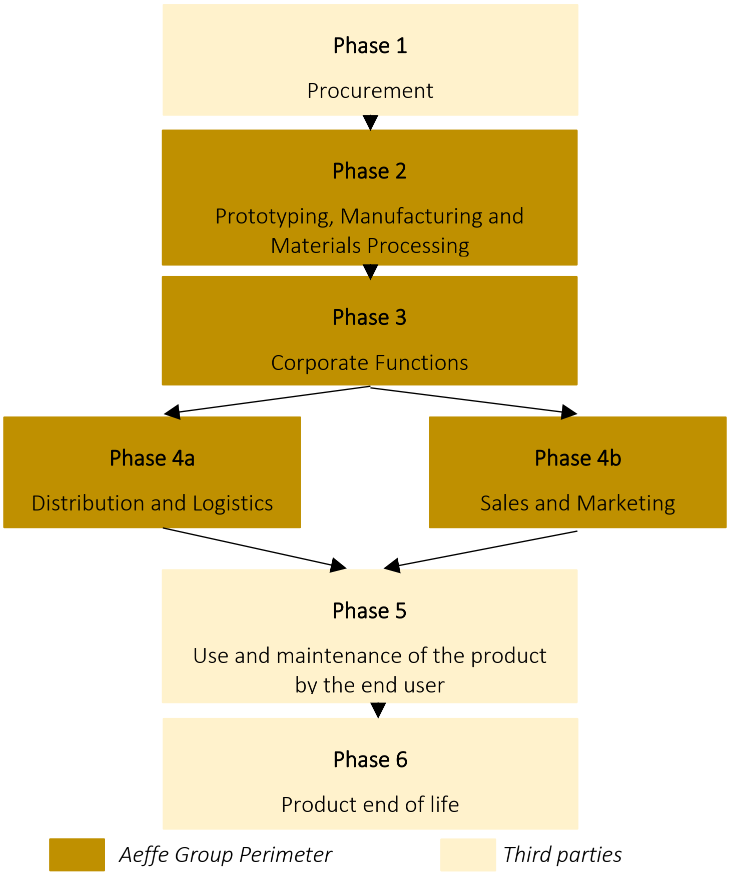
For the following information, please refer to the Annex “Tables S1-6”in Appendix.

Value chain

The main phase of the upstream value chain of the Aeffe Group is represented by the procurement of raw materials from third parties to the company. The subsequent phases - Prototyping, Production and Processing of Materials and Corporate Functions - are, instead, internal to the company and managed directly, as are the phases of Distribution and Logistics and Sales and Marketing.

The main phases of the downstream value chain of the Aeffe Group are represented by the use and maintenance of the product by the final consumer and by the management of the end of life of the products.

Below is a schematic representation of the Group's value chain.



Schematic representation of Aeffe's value chain

The information used to represent the Aeffe Group's business model and value chain, both upstream and downstream, was collected through a combination of internal documentation and comparisons with the Working Group, conducted during the relevance analysis.

The analysis carried out allowed us to precisely identify the impacts, risks and opportunities along the value chain, providing a more accurate assessment. This approach, in a forward-looking perspective, also contributes to the implementation of processes and/or actions aimed at creating value for the Group.

As regards detailed information and data on the value chain, instead, please refer to the use of the phase-in provided for by the standard, as described in paragraph “BP-1 – General criteria for drafting the sustainability statement”.

PRODUCTION AND DISTRIBUTION CHANNELS

AEFFE SpA deals with the production and distribution of clothing lines (Alberta Ferretti, Moschino, Philosophy di Lorenzo Serafini), underwear and beachwear. The company has a production plant of 55,264 square meters in San Giovanni in Marignano (Rimini), where the following production phases are carried out:

- ☒ Project
- ☒ Prototyping
- ☒ Sampling
- ☒ Quality control
- ☒ Logistics

Production and other production phases are outsourced.

Aeffe's main licensees are:

- ☒ POLLINI SpA (footwear and accessories)
- ☒ ANDREA MONTELPARE SpA (children's shoes)
- ☒ SAFILO SpA (glasses)
- ☒ EUROITALIA Srl (fragrances)
- ☒ DROPS SpA (umbrellas)
- ☒ LARIOSETA SpA (scarves, gloves, ties and scarves)

Pollini SpA deals with the production and distribution of footwear and leather accessories lines. While logistics is outsourced, the company has a 39,214 m2 production plant in Gatteo (Forlì) where the following production phases are carried out:

- ☒ Project
- ☒ Prototyping
- ☒ Leather cutting
- ☒ Assembly
- ☒ Finish

The Aeffe Group's distribution channels reach 60 countries worldwide and are divided into Wholesale and Retail. The Aeffe Group's Retail commercial structure is structured as follows:

- ☒ MONOBRAND RETAIL GROUP consisting of 81 boutiques:
  - No. 46 Brand Moschino
  - N° 2 Brand Alberta Ferretti
  - N° 1 Brand Philosophy
  - N° 18 Brand Pollini
  - No. 14 Multibrand
- ☒ GROUP FRANCHISING MONOBRAND consisting of 66 boutiques:
  - No. 45 Brand Moschino
  - N°5 Brand Alberta Ferretti
  - No. 16 Pollini Brand

Improvement goals

During 2024, the Aeffe Group continued its commitment to environmental and social issues, keeping sustainability at the center of its business strategies. In the context of the implementation of the new 2025 strategic plan, the Group also updated its founding values, integrating social and environmental responsibility among its **core values** and adapting the Code of Ethics accordingly. In particular, Aeffe's activity will be based on new principles, including:

- ☒ **Passion and Dreams:** Passion for work is the engine that fuels ideas and creative thinking, fostering a stimulating environment based on collaboration and sharing.
- ☒ **Respect and Integrity:** Activities are carried out with respect and integrity, promoting a work environment based on listening and trust. Relationships with stakeholders are based on fairness and transparency.
- ☒ **Quality:** Attention to quality is a daily commitment, which is reflected in the ideas, processes and details of the products.
- ☒ **Creativity:** Originality and innovation guide the daily work, through the observation of events and situations from different perspectives. The adoption of new tools and models allows to face the market changes with agility and continuous improvement.
- ☒ **Sustainability and Innovation:** The company's operations are driven by sustainability and innovation, developing practices and products that meet the needs of the present without compromising the future.

These values will guide not only the new 2025-2028 Industrial Plan (for more information, please refer to paragraph 13 called “Foreseeable Evolution of Management"), but also the update of the Sustainability Plan. Starting from 2023, in fact, Aeffe has structured its sustainability strategy and consequently updated the **Sustainability Plan**, initially drawn up in 2021, which represents the management's strategic vision in response to some of the global challenges of the United Nations SDGs, aligned with the most relevant issues for the Group and its stakeholders. The update of the Plan will allow us to define specific strategic sustainability objectives during the next financial year.

Although the plan has not, to date, set specific quantitative objectives, it complements the Group's sustainability strategy by identifying the following three fields of future action (so-called pillars):

- ☒ **Planet and Environment**
- ☒ **Product and Supply Chain**
- ☒ **People and Community**

Alongside these three areas, there is Governance, that is, the organization and procedures that make it possible to achieve the objectives that Aeffe has set for itself, since without an organizational structure with clear rules it would not be possible to carry out concrete actions with a significant impact.

In particular, in the two-year period 2023-2024, key tools have been defined to consolidate sustainability governance, including the appointment of a Sustainability Manager, the development of the Sustainability Plan and the introduction of a Code of Conduct for suppliers to promote ethical standards along the supply chain. The Sustainability Governance Procedure and the Sustainability Manifesto have also been formalized, together with the implementation of an ESG Rating and a section dedicated to sustainability within the company website.

In 2024, the company also strengthened transparency and reporting, carrying out a *Double Materiality Analysis* to identify the most relevant impacts from an ESG perspective and implementing the new *Corporate Sustainability Reporting* (CSRD) framework, supported by a structured reporting procedure.

In 2025, long-term sustainability goals will be integrated into incentive systems, to increasingly align corporate strategy with sustainability goals.

Looking to the future, in the period 2027-2028, Aeffe intends to strengthen its global commitment by joining initiatives such as the *UN Global Compact* or *The Fashion Pact*, strategic for promoting sustainable practices in the fashion sector at an international level.

The new governance structure of the Group's sustainability has allowed us to structure a path of continuous improvement, which will enhance what has already been done in the past in the coming financial years.

The Planet & Environment pillar brings together the main actions in favor of the planet. Energy efficiency, calculation, reduction and compensation of emissions, waste management, support of biodiversity and attention to animal welfare are the main themes to be addressed.

In this area, in the two-year period 2023-2024, the company has strengthened its commitment to environmental sustainability through the adoption of a *Fur-Free Policy*, the measurement of the corporate carbon footprint (*Corporate Carbon Footprint Scope 1-2*) and the improvement of waste management. Actions have also been implemented to reduce single-use plastic, optimize the management of textile waste, limit paper consumption and develop *Mobility Management* initiatives to reduce the environmental impact of company travel.

In 2025, the company will continue to pursue its sustainability goals in the *Planet & Environment* pillar, expanding the measurement of the carbon footprint to *Corporate Carbon Footprint Scope 3*, which includes indirect emissions along the production chain. *Extended Producer Responsibility* (EPR) strategies will also be implemented to promote more responsible management of the end of life of products, in addition to the evaluation of the adoption of the *Kangaroo Leather Free Policy*, aimed at eliminating the use of kangaroo leather in its collections.

In 2026, measures will be introduced to accelerate the transition to a low-carbon model, including increasing the use of *Green Energy*, defining a Transition Plan and launching the *Net-Zero Strategy* for the reduction and compensation of carbon emissions. The company will also launch the *SBTi Submission Process*, adhering to science-based standards for the containment of global warming, and will consider implementing an *Exotic Free Policy*, aimed at eliminating the use of exotic skins in its collections.

Looking ahead, in the period 2027-2028, initiatives for *Carbon Footprint Compensation* will be developed, investing in emissions compensation projects, in addition to the installation of *Car Charging Stations* and the transition to a hybrid and electric corporate fleet, further strengthening the commitment to more sustainable mobility.

The second pillar, Product & supply chain, poses the challenge of making the product sustainable, combining creativity and design with the search for materials and solutions that allow us to guarantee aesthetic and qualitative excellence, but also less impact on the environment and on people. A commitment that obviously does not only concern the Group, but must necessarily also involve the entire value chain.

In the 2023-2024 two-year period, the company has laid the foundations for a more sustainable supply chain through strategic initiatives such as the introduction of sustainable packaging for e-commerce, the definition of a **Restricted Substances List** and the implementation of a chemical risk analysis of materials. In addition, the supplier qualification and risk mapping processes have been strengthened, supported by a monitoring plan to ensure high standards throughout the supply chain.

In 2025, the company will continue its commitment to sustainability in the Products and Supply Chain pillar, as outlined in the updated 2024 sustainability plan. Key initiatives include strengthening supply chain traceability, launching a pilot for the Digital Product Passport, and increasing the use of sustainable raw materials. It will also take steps to reduce the use of virgin plastic in packaging and implement a supplier monitoring process, ensuring greater control and transparency throughout the supply chain.

In 2026, the company will intensify its commitment with the introduction of a *Chemical Testing Plan* for the control of chemical substances in products, in addition to the assessment of the environmental impact of product lines through an LCA (*Life Cycle Assessment*) analysis. Looking ahead, between 2027 and 2028, the *Digital Product Passport* is planned to be implemented on a larger scale. In addition, the company will work on the development of a *carbon-neutral* product line and a *circular* line, promoting an increasingly sustainable and responsible approach throughout the entire life cycle of products.

The third pillar, People & community, touches all stakeholders closely, especially collaborators: to achieve the objectives, a collective effort is necessary, which presupposes the involvement of all the people in the Group, at all levels and in all functions. Also present in the third pillar is the theme of commitment to the territory in which the Group operates, through activities that enhance the local artisanal and cultural heritage and that support the evolution of the communities that live there.

In the 2023-2024 two-year period, the company has launched initiatives to promote well-being and inclusion, including *Corporate Volunteering* programs, analysis and training on *Diversity & Inclusion*, incentives for sustainable mobility and training paths on sustainability at different levels.

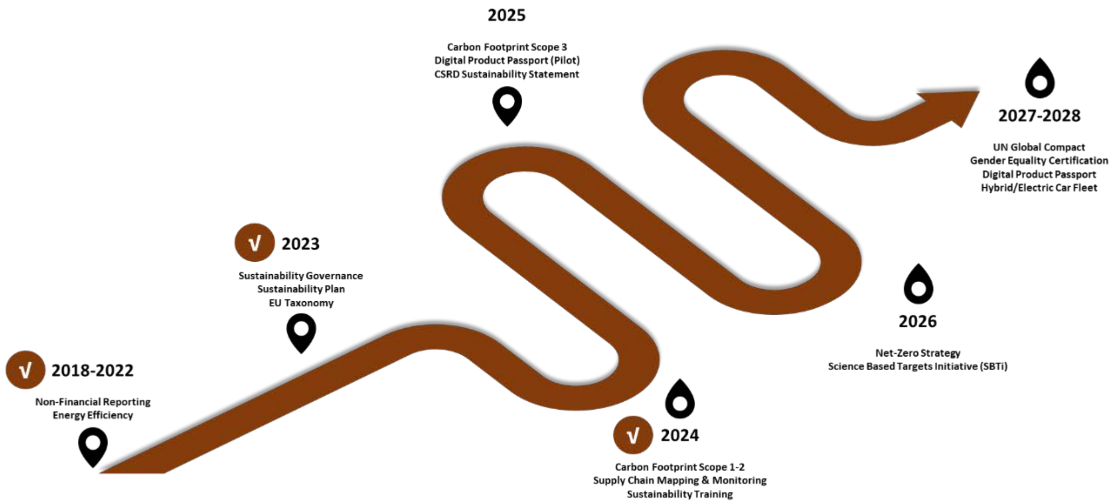
In 2025, the commitment will intensify with the introduction of a *Technical Training on Sustainability*, to deepen technical skills in environmental and social matters, and the extension of the *D&I Context Analysis & Training* to the entire Group.

In 2026, a *Charity Policy* will be implemented to more effectively structure solidarity initiatives, together with the expansion of *Corporate Volunteering* programs at Group level.

Looking ahead, in the period 2027-2028, the company will focus on obtaining the *Gender Equality Certification*, strengthening its commitment to gender equality and inclusion in the workplace.

With reference to the specific qualitative and quantitative objectives for each pillar that will be further detailed in the next financial year, management will define specific actions and, in order to ensure and monitor the achievement of the objectives set, the Group will identify targets and timeframes within the Sustainability Plan. The objectives identified in the Plan will be reviewed periodically starting from the results achieved, adding new objectives in line with the new needs that will emerge over time.

Below is a graphic representation of the macro-objectives of Aeffe's **Sustainability Roadmap**:

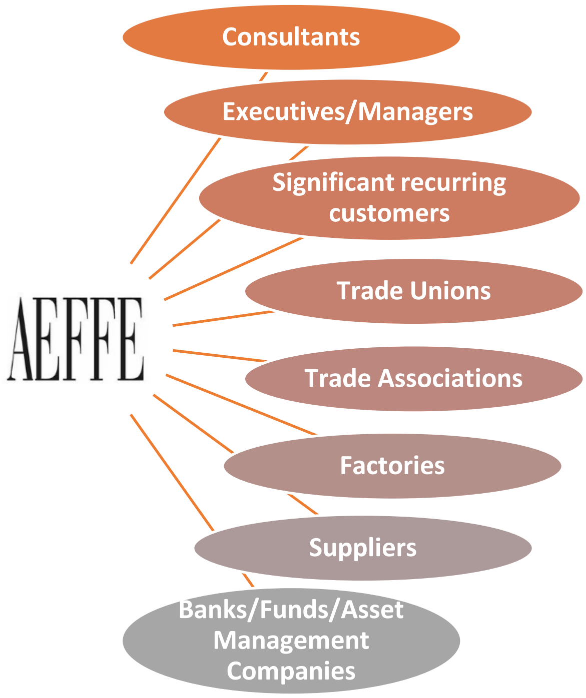


SBM-2 – Stakeholders' interests and opinions

Aeffe has implemented a mapping and identification process of the categories of stakeholders of priority interest for the Group. The analysis was carried out with reference to the criteria defined by the **AccountAbility 1000 (AA1000) Standard**. The variables considered in identifying the level of relevance of the stakeholders were:

- **Influence**: exercised by the stakeholder on the Group;
- **Dependence**: of the stakeholder from the activities and decisions of the Group itself.

For both variables, a scale from 1 (min) to 5 (max) was used. The combination of the two assessments, with a **threshold** set at 3, allowed us to define a map depicting the main reference stakeholders.



During 2024, following the analysis described above and carried out with the involvement of the main functions of the Group, the **stakeholder tree** was developed. The tool represents the list of the Group's stakeholders, divided into categories and subcategories, identifying the main stakeholders of interest for Aeffe. Furthermore, the tree supports the management of their involvement by ensuring the collection of their opinions and interests, key elements for the definition of the Group's strategy. In fact, Aeffe continuously seeks dialogue with its stakeholders, with the aim of facilitating occasions in which shareholders, customers, collaborators, opinion leaders and other stakeholders can enter into dialogue with the Group. In order to collect and enhance this information, Aeffe has implemented various listening and structured involvement initiatives of the main stakeholders, which are presented below.

Ways to Engage

Stakeholder	Thematic scope	Main dialogue tools
Consultants	- Innovation, Operational Efficiency, Compliance	- Targeted consultations, thematic workshops, participation in corporate projects
Managers/executives	- Corporate governance, strategic development	- Periodic meetings - Collaborative decision making processes
Significant recurring customers	- Consumer trust and satisfaction - Product quality and safety	- Institutional website - Consumer satisfaction assessment - Complaints Management - After-sales customer service - Commercial communications - Participation in fairs and events
Trade unions and trade associations	- Industrial relations, working conditions	- Information and negotiations - Periodic negotiating tables
Manufacturers and suppliers	- Transparency - Ethical Responsibility - Human rights and working conditions - Continuity of the relationship - Qualification and evaluation - Terms of Business	- Institutional website - Participation in initiatives and events - Business relations

	- Partnership Development	
Banks/Funds/Asset Management Companies	- Corporate Governance - Transparency - Economic and financial performance - Ethics, integrity and compliance	- **Institutional website** - **Information on request** - **Reports and Balance Sheets** - **Press releases**

The interests and opinions of stakeholders considered **strategic** on the basis of the above assessment, were also analyzed and taken into account during the dual relevance assessment process and the results of this activity were shared with the internal Working Group set up as well as with the Working Group and Board of Directors. For further details, please refer to paragraph."IRO-1 – Description of the process for identifying and assessing relevant impacts, risks and opportunities – Dual relevance analysis”.

In addition, it is reported that Aeffe is deeply committed to respecting and promoting human rights, a commitment that is clearly reflected in its corporate strategy. Human rights are considered a fundamental value for the company, which believes that creating a respectful and inclusive work environment is essential for the well-being of its employees and for long-term success. Aeffe has implemented specific policies that guarantee freedom of association, non-discrimination, health and safety at work, and the prohibition of child labor.

The company also regularly conducts analyses to identify and address potential human rights risks in its operations, collaborating with non-governmental organizations, trade unions and other stakeholders to continuously improve its practices. In the area of Diversity, Equity and Inclusion (DE&I), Aeffe is actively implementing programs to promote diversity and inclusion at all levels of the organization. Respect for human rights is a top priority for the company, which is committed to promoting a culture in which these rights are always valued and respected. Finally, Aeffe, in order not only to consider the interests of workers along its value chain, but above all to protect them, has defined and launched for the first time, in December 2024, an ESG audit plan described in the following paragraphs.

SBM-3 – Relevant impacts, risks and opportunities and their interaction with the strategy and business model

The Aeffe Group has identified its impacts, risks and opportunities relevant to sustainability issues through a dual relevance analysis. The results of this assessment are summarised in the tables in the Appendix.

The DMA[10] 2024 carried out by Aeffe has provided greater granularity in the identification of IROs. The material topics described in the 2023 NFS are fully covered and assessed at a more detailed level in this Sustainability Report, taking into account sub-topics and sub-sub-topics in accordance with the requirements of the CSRD.

All identified IROs are covered by the ESRS reporting requirements, with the exception of two material issues: *Brand protection and enhancement* and *Technological innovation and digitalisation*. These issues are addressed in specific chapters as entity-specific disclosures.

With regard to the resilience of the Group’s strategy and business model with regard to the management of the identified significant impacts, risks and opportunities, please refer to the paragraph “Objectives for improvement”.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

IRO-1 – Description of processes to identify and assess relevant impacts, risks and opportunities – Double Relevance Analysis

The Aeffe Group identifies the sustainability issues on which to focus reporting based on the principle of double relevance, identifying and evaluating both the impacts that corporate activities are able to generate on the environment and people (“*impact materiality*”), and the implications connected to a more or less effective management of ESG aspects on the

[10]Double Materiality Assessment: double relevance analysis process as named by the main reference regulations.

resilience and *business continuity* of the Group (*"financial materiality"*). A sustainability issue is relevant if it is a priority according to the perspective of *impact materiality*, *financial materiality* or both.

The process

The materiality assessment was carried out in response to the mandatory requirements of the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG). The process adopted to respond to these obligations followed a methodological approach structured into **4 main phases** (represented in the figure below) and is aligned with the dictates of the EFRAG Implementation Guidance[11]:

Phase 1 Understanding the context	**Phase 2** Identification of IRO's	**Phase 3** Evaluation of IROs	**Phase 4** Reporting
☒ Analysis of the **Organization's activities**, **business model**, **commercial relationships** and **value chain**; ☒ Defining the **stakeholder engagement strategy**.	☒ Identification of **ESRS issues potentially relevant to Aeffe** starting from the list of aspects reported in Appendix A of ESRS 1 ☒ **Detailed mapping of impacts, risks and opportunities (IRO)** connected to ESG issues potentially relevant for Aeffe	☒ **Impact materiality assessment** ☒ **Financial materiality assessment** ☒ Processing of results and **identification of relevant ESG issues** for FY 2024.	☒ **Description of the methodological approach adopted** for the performance of the DMA ☒ **Identifying data points** to be reported in the 2024 Sustainability Statement.

Phase 1: Understanding the context

The Group has conducted a context analysis and a benchmark analysis to identify sustainability issues relevant to its sector. This analysis allows to identify the sector context in which the Group operates and offers valuable information functional to the subsequent phases of the process.

Specifically, the relevance assessment was carried out starting from a **preliminary analysis of the context** in which the Group operates, which included an assessment of internal documents, policies, management systems, as well as a series of interviews with the Management to integrate the document analysis.

Subsequently, a **benchmark analysis** was carried out in order to identify sustainability issues potentially relevant for the Group. The benchmark analysis took into consideration the list of sustainability issues covered in the thematic ESRS, broken down into themes, sub-themes and sub-sub-themes (ESRS 1, Appendix A, RA 16 of Delegated Regulation (EU) 2023/2772).

For the analysis relating to the sphere of *impact materiality*, 7 competitors and comparables of Aeffe were identified and evaluated in relation to the themes that emerged as material in the 2023 Sustainability Reports.

For the analysis relating to *financial materiality*, the benchmark analyses Aeffe's internal strategic documents (ERM, Strategic Plan, Scenario Analysis etc.), reference ESG reporting frameworks in the financial sector (TCFD[12], TNFD[13],

[11] «EFRAG IG 1 – Materiality Assessment» published by EFRAG in May 2024.

[12] Task Force on Climate-related Financial Disclosures.

[13] Taskforce on Nature-related Financial Disclosures.

SASB[14]), observers and research on ESG issues (Global risk report 2024[15], Business & Human Rights Research Centre[16], Copernicus (EU) Climate Change Service - World Meteorological Organization[17], Again[18]and European Environment Agency (EEA) - ISPRA[19]) and sustainability rating (Ecovadis[20], GRESB[21]and CDP[22]).

The 38 sustainability issues that emerged from the benchmark constituted the areas on which to focus attention with respect to the themes, sub-themes and sub-sub-themes listed by the standard itself and associated with the ESRS Topical Standards. In addition, Aeffe also identified some “entity specific” themes, on the basis of which it then developed specific information for its own reality regarding the impacts, risks and relevant opportunities not covered by the ESRS.

Phase 2: Identification of IROs

As part of the IRO mapping, **a structured analysis** was conducted to ensure a rigorous and proactive approach in identifying a representative set of ESG variables to consider. This analysis considered several key factors, including the evolving regulatory environment, industry trends and potential market developments. In particular, upcoming regulations and directives that could impact the business were examined, such as the EUDR on deforestation, the proposed Green Claims Directive and the EU Regulation 2024/1781 on Ecodesign (ESPR). Furthermore, data from recognized international databases, including Encore and the *Business & Human Rights Research Center*, were analyzed in order to identify best practices and industry trends. These findings were further integrated with inputs from the review of internal strategic documentation, ensuring a complete and in-depth picture of the ESG factors that impact and are impacted by Aeffe's activities.

This analysis allowed us to **identify a sample of direct impacts** deriving from the Group's business as well as **indirect impacts** that occur or may occur along the most relevant steps of the value chain, in application of the principle of relevance. The impacts thus identified were traced back to the topics included in the ESRS 1 table, Appendix A, RA 16, classified in application of the ESRS provisions and, therefore, grouped into themes. Each impact identified was classified in terms of: direct/indirect, positive/negative, actual/potential. The perimeter of the impact itself was defined, understood as the perimeter within which the impacts, positive or negative, actual or potential, have effects (with consequent repercussions on the stakeholders concerned).

With the same logic, a **list of potentially relevant risks and opportunities** associated with the Group's business was drawn up, also taking into account their connection with the impacts and dependencies already identified. In particular, the analysis examined the connections between impacts and risks, assessing how negative impacts, both generated and suffered by the company, can transform into potential risks for the Group's business model, value chain and competitiveness. At the same time, the relationship between dependencies and opportunities was explored in depth, considering how the need for natural, social or economic resources can constitute not only a vulnerability, but also an opportunity for growth and innovation for the company. The risks and opportunities thus identified were traced back to the topics included in the ESRS 1 table, Appendix A, RA 16, classified in application of the ESRS provisions and, therefore, grouped into themes.

Phase 3: Evaluation of IROs

Impact relevance

As regards the assessment of the identified **impacts**, a detailed analysis was carried out through an internal focus group composed of executive and independent members of the Board of Directors and members of the restricted Working Group, to whom a specific questionnaire was submitted. Once all the assessments had been collected, they were aggregated and appropriately reworked (numerically) in order to obtain the list of impacts relevant to Aeffe. In particular,

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[14]SASB Standards.

[15]World Economic Forum – Global Risks Report 2024 - 19th Edition.

[16]Business & Human Rights Resource Centre.

[17]Copernicus (EU) Climate Change Service - World Meteorological Organization.

[18]ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).

[19]European Environment Agency (EEA) – European Climate Risk Assessment.

[20] The leading sustainability intelligence platform for global supply chains | EcoVadis.

[21] Welcome - GRESB.

[22] Scores and A-Lists - CDP.

once the survey results had been reworked, the relevant impacts obtained were defined on the basis of specific relevance thresholds identified with reference to the nature of the impacts themselves.

Below is an example table of the criteria considered in the evaluation of the various types of impact and the explanation of each term:

Evaluation criteria for each type of impact			
Actual positive impact	Potential positive impact	Actual negative impact	Potential negative impact
Magnitude *Extent*	*Magnitude* *Extent*	*Magnitude* *Extent* *Remediability*	*Magnitude* *Extent* *Remediability*
	Probability		*Probability*

- ☒ **Magnitude** refers to how severe the negative impact is or how beneficial the positive impact is for people or the environment (scale from 1 to 5);
- ☒ **Extent** we mean how widespread the impact is (for example, in the case of a negative environmental impact, scope can be understood as the extent of the environmental damage at a geographical level) (scale from 1 to 5);
- ☒ **Remediability** means to what extent, if it is possible, the negative impact that has occurred can be remedied (scale from 1 to 5);
- ☒ **Probability** refers to the possibility or otherwise that such an impact will occur (scale from 1 to 3).

As described within the standard, in the case of a potential adverse impact on human rights, the severity of the impact outweighed its likelihood.

The same impacts were subsequently subjected to evaluation by **external stakeholders** in order to be able to make more qualitative considerations on the results emerging from the internal analysis. In particular, the analysis of the relevance of stakeholders described in paragraph "SBM-2 – Interests and opinions of stakeholders" identified the following categories as strategic, and therefore to be involved in the impact assessment: employees, suppliers, banks and consultants.

The assessment by stakeholders was carried out through a further simplified questionnaire, with a numerical assessment scale consistent with that prepared internally, in which the assessment of magnitude was requested, understood as a concept that encompasses the factors of magnitude, extent and irremediable nature of the impact, and the probability of occurrence of potential negative and positive impacts. The results of this assessment, obtained through (numerical) re-elaboration on the basis of specific relevance thresholds, allowed qualitatively validating the impacts found to be relevant by the focus group activity carried out with the members of the Board of Directors and the internal working group.

Financial relevance

With regard to **risks and opportunities**, the assessment was carried out by involving the CFO, the COO and the Sustainability Manager of the Aeffe Group by compiling an ad hoc tool, combining the magnitude of the possible financial effects and the probability that the risk/opportunity has of occurring.

In detail, through the **magnitude** (with a score from 1 to 5) it was assessed how much the risk or opportunity has a significant influence on the development of the Organization, on its financial situation, on the economic result, on the financial flows, on the access to financing or on the cost of capital in the short, medium or long term. With regard to the

risks[23], for the assessment of relevance, the inherent risk is taken into consideration, which, as prescribed by the ESRS, does not take into account any monitoring methods already adopted by the Group. The assessment of **probability** (with a score from 1 to 3) was carried out taking into account the probability that the risk/opportunity in question has of occurring. Finally, the time horizon was also taken into consideration, evaluating how much the risk/opportunity changes in a given period. In particular, the change in the medium-long term (over 5 years) was assessed. The results of this assessment were then reworked (numerically) and the risks and opportunities relevant to the Group were defined, on the basis of the respective relevance thresholds appropriately defined.

The results

As described above, in order to obtain the list of impacts, risks and opportunities (IRO) relevant to the Group, each category of IRO was assigned a specific **relevance threshold** obtained by calculating the average[24] of the "overall scores" achieved by each IRO belonging to the category in question.

Any IRO with an “overall score” equal to or above the threshold thus defined is considered relevant, and any sustainability issue with at least one impact, risk or opportunity considered relevant is also considered relevant.

Following the assessment, of the 38 potentially material issues that emerged from the benchmark analysis, **35** were found to be **material**, for which the Group discloses information in accordance with the corresponding disclosure requirements of the relevant thematic ESRS.

The results of the dual relevance analysis were then discussed with the internal Working Group and subsequently approved by the Board of Directors. In addition, the analysis will be subject to an annual review to ensure it is continuously updated, so as to adequately reflect the changes that the company will undergo over time. This review may be more or less thorough based on the circumstances of the moment and the evolution of the business and regulatory context.

The following table describes, for each relevant issue, the related impacts (positive and negative), risks and opportunities that have exceeded the relevance threshold and therefore made the aforementioned issue relevant.

[23]The Group manages and prioritises sustainability risks identified through the DMA qualitatively, as part of the overall strategic management of the Group”.

[24]The average was determined by calculating the arithmetic mean of the average ratings provided by each stakeholder for each individual impact, risk and opportunity.

LIST OF RELEVANT ISSUES AND RELEVANT IROs					
SUBJECT	RELEVANT QUESTION	SIGNIFICANT NEGATIVE IMPACTS	SIGNIFICANT POSITIVE IMPACTS	SIGNIFICANT RISKS	RELEVANT OPPORTUNITIES
E1 - CLIMATE CHANGE	Adaptation to climate change			Concern by stakeholders about Aeffe's ability to cope with the consequences of climate change (e.g. concentration of production plants in geographical areas impacted by sea level rise), with consequent increase in insurance premiums and potential reduction in the availability of insurance on assets in "high risk" locations, undermining the company's access to credit and insurability	
				Extreme weather events that may compromise the continuity and quality of products/services, cause damage, malfunctions or interruptions to the activity of production plants and logistics and distribution systems	
	Climate change mitigation	Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal	Overall reduction of greenhouse gas emissions and mitigation of the effects of climate change through the use of low-emission technologies in production processes		
	Energy	Inefficient use of energy resources in production and logistics processes due to a failure to adapt the systems and lack of awareness among company personnel and stakeholders	Reducing the energy footprint thanks to efficiency initiatives and conversion to renewable sources		
E2 - POLLUTION	Air pollution	Emissions of substances such as fine particulate matter, VOCs and other toxic substances that degrade air quality, negatively impacting the	Reduction of volatile chemical emissions and improvement of air quality in industrial areas, with benefits for public health, thanks to the implementation of advanced filtration		

		territory and the health of the communities involved	systems for particulate and VOC emissions (e.g. bag filters, activated carbon filters, catalytic oxidizers, etc.)		
	Water pollution	Compromised water quality and public health and damage to the ecosystem with negative consequences on biodiversity and the livelihood of local communities due to the spillage of chemical residues (e.g. dyeing processes)			
	Soil pollution	Contamination by harmful chemicals used in production processes and use of fibres from intensive crops which cause pollution and soil degradation with consequent loss of biodiversity and damage to the surrounding affected communities		Incurrence of civil and/or criminal liability and exposure to lawsuits initiated by local populations damaged by soil contamination caused by Aeffe's production activities	
	Substances of concern		Safeguarding the environment and people through proper management, use and disposal of substances of concern due to the control and verification of the presence of certain substances in the products treated by AEFFE, the implementation of more efficient machines or the use of healthier alternatives.	Regulatory restrictions on the use of substances of concern and consequent increase in operating costs for product and process adaptation	
	Microplastics	Damage to health caused by the dispersion of microplastics in the air, water and soil (e.g. during washing) resulting from the treatment of synthetic fabrics (e.g. polyester or nylon)			
E3 – WATERS AND MARINE RESOURCES	Water consumption	Intensive water consumption in the raw material production phase and during the fabric manufacturing processes with consequent reduction of local water reserves			

	Water withdrawals	Depletion of natural water reserves due to excessive water withdrawals that cause drought situations, compromising the survival of local biodiversity and the livelihood of the affected communities			
	Water discharges	Contamination of water bodies due to discharge of untreated industrial water resulting in damage to local fauna and flora and repercussions on public health of the affected communities			
E4 - BIODIVERSITY AND ECOSYSTEMS	Direct exploitation	Exploitation of animal species for the production of clothing (e.g. leather) resulting in serious losses of biodiversity and alteration of natural balances			Adoption of raw materials that do not involve animal exploitation (e.g. synthetic fur, recycled fibres, etc.) with positive effects on the brand image and on revenues deriving from the acquisition of new customers
	Impacts on the extent and condition of ecosystems (Pollution, Impacts and dependencies in terms of ecosystem services)	Impoverishment of ecosystem services with serious consequences for natural balances and the livelihood of local communities due to collaborations with suppliers who are not committed to environmental protection			Adoption of procurement practices and production processes with less impact on ecosystems with a consequent increase in market share (sustainability-conscious customers) and improvement of relationships with the communities involved
E5 – CIRCULAR ECONOMY	Resource inflows, including resource use			Fluctuations in the price of strategic raw materials for Aeffe (cotton, natural leather, etc.) or shortages of the same with consequent increase in supply costs	
	Outflows of resources related to products and services	Excessive generation of production waste due to inefficient use of materials resulting in waste of resources and preventable waste	Elimination of waste and efficiency of raw materials thanks to an efficient use of production waste and unused materials	Failure to comply with the measures provided for by future Ecodesign directives (Framework legislation ESPR) and consequent sanctions and reduction in competitiveness	

	Waste	Environmental and social degradation, contamination of natural resources, damage to the health of affected communities due to overproduction, pollution from inadequate disposal of textile waste		Introduction of Extended Producer Responsibility (EPR) requirements, which leads to increased management and disposal costs	
				Reputational damage, reduction in revenues and incurring sanctions due to Aeffe's contribution to the overproduction of textile waste and non-compliance with emerging Ecodesign legislation (e.g. Ecodesign for Sustainable Products Regulation - ESPR)	
S1 – OWN WORKFORCE	Job creation and maintenance (Secure employment, Working hours, Adequate wages)	Economic insecurity of employees and fragility of the standard of living of families due to fixed-term contracts or unstable and frustrating working conditions	Guarantee of stable employment characterized by decent hours, adequate wages and a peaceful working environment thanks to the stipulation of stable contracts and the creation and support of corporate welfare initiatives	Low employee retention due to unstable and inadequate working and economic conditions and consequent increase in staff management and training costs	Employee well-being through the guarantee of secure employment, decent working hours and adequate wages and consequent greater retention of talent with positive impacts on labor costs
	Work-life balance		Improvement of employees' mental and physical well-being thanks to company policies that promote initiatives such as flexible hours, remote and part-time work, the right to disconnect, parental leave and paid leave.		Improved psycho-physical well-being of employees thanks to a better balance between professional and private life and consequent increase in productivity and work efficiency
					Increased corporate attraction and retention and decreased absenteeism thanks to company policies that promote flexible hours, remote and part-time work, the right to disconnect, parental leave and paid leave
	Health and safety		Greater safety in the workplace thanks to the correct implementation of health and safety regulations, effective		

			employee training and consequent rigorous management of safety devices		
	Training and skills development	Job insecurity and precariousness and consequent loss of employee know-how due to obsolescence of skills caused by a lack of attention by Aeffe to the issue of training and development of skills through the failure to listen to its resources and the failure to provide the right support for employee development	Employee satisfaction, increased career advancement opportunities and long-term employability through investments in continuous training of resources and their professional development	Obsolescence of skills and know-how with negative consequences on productivity and brand competitiveness	Development of employee potential through investments in their training and consequent increase in productivity and company competitiveness
	Promoting diversity and equal opportunities (Diversity, Gender equality and equal pay, Employment and inclusion of people with disabilities, Measures against violence and harassment)		Creation of a dynamic, change-friendly, safe and inclusive work environment, where diversity (including gender, personality, disability, sexual orientation, etc.) is protected, respected and enhanced thanks to Diversity & Inclusion policies and the diffusion of a corporate culture that promotes differences and equal opportunities		
	Respect for human rights in business activities (Child labor, Forced labor)		Guarantee and promotion of respect for the human rights of employees through the adoption of anti-exploitation measures and practices, in compliance with international standards on the subject		Monitoring of the organization's activities and consequent greater traceability and awareness of operations, reducing costs
S2 – WORKERS IN THE VALUE CHAIN	Health and safety	Increased risk of injury and illness for workers contributing to the production of the brand's clothing due to inadequate implementation of health and safety systems along Aeffe's supply chain and lack of control by the same			
	Equal treatment and opportunities for all (Secure employment,				Careful monitoring of compliance with equal treatment and opportunities for all workers along the supply chain and

	Working hours, Adequate wages, Work-life balance)				reduction of exposure to scandals and sanctions with positive repercussions on reputation.
	Respect for human rights in the supply chain (Child labor, Forced labor)		Protection of minors, strengthening of dignity and improving the social conditions of workers along the Aeffe value chain thanks to the collaboration with commercial partners committed to respecting human rights		Request to all business partners to adopt practices that guarantee respect for human rights in order to protect Aeffe from scandals and sanctions and increase stakeholder trust
S4 – CONSUMERS AND END USERS	Access to (quality) information	Reduced consumer awareness due to the absence and/or inadequacy of information relating to the clothing items produced			
	Personal safety of consumers and/or end users (Health and safety, Personal safety)				Use of safe and high-quality raw materials and treatments, increase consumer confidence and increase sales
	Responsible Business Practices		Customer protection and satisfaction through corporate behaviors, policies and actions that promote product quality and safety, sustainability and respect for human rights.		
G1 – BUSINESS CONDUCT	Corporate culture		Aeffe disseminates solid ethical and sustainability principles along the entire value chain for the benefit of the environment, workers and communities through a corporate culture that integrates ESG criteria		Integration of sustainability issues into the corporate strategy and consequent improvement of information and procedural flows with consequent reduction of operational and decision-making inefficiencies that lead to a waste of time and investments
	Whistleblower Protection		Prevention of unethical behavior and consequent benefits for all parties involved thanks to the adoption of mechanisms and tools suitable for the protection of whistleblowers throughout the perimeter of the organization's value chain		Adoption of tools and mechanisms for the protection of whistleblowers and consequent increase in the probability of identifying any illicit activities and preventing the waste of company resources and possible sanctions

	Animal welfare	Animal suffering and negative consequences on biodiversity caused by a supply policy that involves animal exploitation			Adoption of cruelty-free and animal friendly materials and consequent improvement of the company image and increase in market share
	Active and passive corruption		Protection of legality and prevention of illicit behavior (e.g. reinvestment of profits from illicit activities, extortion, etc.) thanks to corruption prevention and identification systems		
	Supplier relationship management, including payment practices	Endorsement of unethical, environmentally harmful work practices and violation of human rights along the supply chain due to a lack of management, selection and evaluation of suppliers that does not take into account AEFFE's ethical principles and ESG standards	Protection of human rights, the environment and prevention of unethical behavior through the implementation of responsible supply chain management and responsible sourcing processes and collaboration with suppliers to ensure compliance with high ESG standards and the organization's principles	Evolution of geo-political dynamics in countries where strategic partners are present with possible negative consequences for Aeffe's business continuity	Sustainable supply chain management and benefits for Aeffe operations
				Behaviour of a qualified supplier or a third party not compliant with Aeffe's quality and sustainability standards and with current regulations (e.g. CSDDD, Critical Raw Materials Act) with negative consequences on the reputation	Diversification of suppliers and resulting reduced exposure to supply chain disruptions
OTHER QUESTIONS	Brand protection and enhancement	Exposure of the company to possible damage to its image (e.g. uncontrolled production of counterfeit products)	Increased corporate reputation, strengthening customer trust and improving brand perception in the market leading to competitive advantage and consumer loyalty.	Damage to the distinctive capacity of the brand ("corrosion") and consequent decrease in sales	

		and loss of credibility with customers and stakeholders, compromising trust and market opportunities.			
				Inadequate measures to prevent the spread of counterfeit products with negative consequences on the brand image and its reputation	
	Technological innovation and digitalization	Reduced traceability of materials, production of products through obsolete and inefficient methods that lead to a decrease in product quality and consequent impact on consumers	Improving customer experience by offering personalized services (e.g. augmented reality for virtual garment trying) and increasing transparency in the supply chain (e.g. use of technological platforms) leading to customer loyalty and improving the organization's impact on the supply chain	Poor use of innovation in the processes, materials and technologies used which determine increased costs and poor competitiveness resulting in loss of market share	Streamlining business methods resulting in a reduction in operating and monitoring costs of operations
					Access to financing and incentives (Industry 5.0)

The last phase of the dual relevance analysis established which qualitative and quantitative information relating to material issues should be reported in this Consolidated Sustainability Report. To this end, the Group followed the methods governed by ESRS 1 (including Appendix E), by the Implementation Guidance «EFRAG IG 1 – Materiality Assessment» and by the additional paper «Links between AR16 and disclosure requirements».

The material issues Brand protection and enhancement and Technological innovation and digitalisation, not attributable to any ESRS, are addressed within the paragraph "*Potential additional information specific to the entity*" and entity-specific KPIs (key performance indicators) are used, using best practices and/or available reporting frameworks or principles.

IRO-2 – ESRS disclosure requirements covered by the corporate sustainability statement

With reference to the list of disclosure obligations that Aeffe has fulfilled in drafting this Report based on the results of the relevance assessment, please refer to the Index of this section of the Management Report.

Please refer to the **Attachment** to view the following information:

- ☒ **EU Data Point Table**, table of all information elements derived from other EU legislative acts listed in Appendix B of the ESRS 2 reporting obligation ("General information") of Delegated Regulation (EU) 2023/2772.

MDR-P – Policies adopted to address relevant sustainability issues

Aeffe's policies for each relevant sustainability issue are designed to prevent, mitigate and remedy actual and potential impacts, address risks and seize opportunities.

An overview of policies related to specific sustainability aspects is provided below. The reporting on actions and resources (MDR-A) is reported in relation to each thematic ESRS in the following pages.

Politics	Description of key contents	Scope of politics	Implementati on Manager	Internationally recognized instruments	Accessibility	Reference in text
Procedure for the preparation of the Consolidated Sustainability Report	- Purpose and scope - Roles and responsibilities - Stages of the RCS reporting process - Moments of verification and control during the process	Aeffe Group	Board of Directors and Board of Auditors	Legislative Decree 125/2024, Delegated Regulation (EU) 2023/2772 of 31 July 2023	Corporate intranet	GOV-5
Code of Ethics	- Core ethical values - Principles of conduct in relationships with various stakeholders, in the treatment of confidential information, and in other cases - Implementation methods and sanctions	Aeffe Group	Board of Directors	Legislative Decree 321 of 2001	Public website	G1-1
Whistleblowing Policy	- Definition of criteria and rules for managing reports - Bodies and functions involved in managing reports - Reporting channels	Aeffe Group	Board of Directors	L. 30 November 2017, n. 179 containing "Provisions for the protection of authors of reports of	Public website	G1-1

	- Objective perimeter and content of the report - Beneficiaries of the reporting systems - How to manage the report			crimes or irregularities of which they have become aware in the context of a public or private employment relationship", Legislative Decree 231 of 2001, EU Directive 2019/1937		
Remuneration Policy	- Purposes pursued with the Remuneration Policy - Definition of the different components of remuneration - Definition of the criteria for the recognition of variable remuneration - Definition of the elements from which it is possible to derogate in the presence of exceptional circumstances and of the procedural conditions under which, without prejudice to the provisions regarding transactions with related parties, the derogation can be applied	Aeffe Group	Board of Directors	Art. 123-ter of the Consolidated Law on Finance, art. 84-quater of the Issuers Regulation	Public website	GOV-3
Privacy Management System	- Creation of a Privacy Team with representatives from all company sectors - Definition of data processing policy and data breach management - Preparation of models for the designation of authorised persons pursuant to art. 29 GDPR - Drafting of information pursuant to articles 13 and 14 GDPR - Register of treatments pursuant to art. 30 GDPR and risk assessment using the ENISA method - Appointments of data controllers pursuant to art. 28 GDPR and mapping of the subjects involved - Privacy management for Whistleblowing (Legislative Decree 24/2023)	Aeffe Group	Data Protection Officer	Regulation (EU) 2016/679 (GDPR) – Articles 13, 14, 28, 29, 30	Public website	S4

	- Privacy compliance for video surveillance, especially in points of sale - Consulting for promotion, marketing and corporate operations - Providing advice in accordance with the tasks of the DPO					
Supplier Code of Conduct	General principles underlying relationships with contractual partners	Aeffe Group	Chief Operating Officer	Declaration Universal Declaration of Human Rights, Fundamental Conventions of the International Organization of Labour (ILO), ILO Declaration on Fundamental Principles and Rights at Work	Public website	G1-2
Code of conduct for corporate information to the market	- Regulation, with binding effect, of the management and treatment of privileged information - Procedures to be observed for the communication, both inside and outside the company, of documents and information regarding Aeffe and the companies it controls with particular reference to Privileged Information	Aeffe Group	Board of Directors	Regulation (EU) No. 596/2014, Consolidated Law on Finance, Issuers' Regulation, Stock Exchange Regulation	Public website	-

1. ENVIRONMENTAL INFORMATION

Information pursuant to Article 8 of Regulation (EU) 2020/852

The Aeffe Group reports in the following paragraph the information in compliance with Regulation (EU) 2020/852 as a company subject to Legislative Decree 6 September 2024, n. 125, which implemented the Corporate Sustainability Reporting Directive, relating to the obligation to publish a Sustainability Report.

The Taxonomy Regulation identifies uniform EU-wide criteria for defining environmentally sustainable economic activities, in relation to the six environmental objectives:

1. Climate change mitigation;
2. Adaptation to climate change;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Prevention and reduction of pollution;
6. Protection and restoration of biodiversity and ecosystems.

For FY 2024, the reporting of **Turnover**, **CapEx** and **OpEx** KPIs is expected, as defined by the Delegated Regulation (EU) 2021/2178, associated with the activities aligned with all taxonomic objectives.

Eligible activities correspond to any activity explicitly included in the lists of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 and Annexes I-IV of Delegated Regulation (EU) 2023/2486, regardless of whether that economic activity satisfies any or all of the technical screening criteria set out in the delegated regulation defining the criteria for alignment with the objectives of the Taxonomy.[25].

Aligned activities correspond to activities that, in addition to being eligible, are eco-sustainable pursuant to art. 3 of Regulation (EU) 2020/852 and therefore jointly satisfy the following criteria:

- ☒ **Substantial Contribution** to achieve one or more of the environmental objectives;
- ☒ absence of significant harm to any of the other environmental objectives (**DNSH** principle[26]);
- ☒ compliance with the **Minimum Safeguard Guarantees (MSS)**[27].

The European Environmental Taxonomy for the Aeffe Group

The Aeffe Group has carried out an analysis of all its economic activities, assessing the consistency both with the NACE codes of the Companies belonging to the Group and with the descriptions reported in the Delegated Regulations (EU) 2021/2139 and 2023/2486, in relation to its business activities and activities connected to company operations.

The analysis of the NACE codes did not reveal any correspondence, confirming that the Aeffe Group sector is not strictly connected to the activities mapped by the delegated regulations of the Taxonomy.

The Group therefore also took into account expenses related to the purchase of products or services deriving from eligible economic activities, which are not directly connected to the Group's core business, but rather to secondary activities related to the ordinary management of the operations of its offices and the efficiency of its buildings and company assets. This analysis confirmed the list of activities attributable to the Aeffe Group identified in the previous financial year associated with the climate change mitigation objective (CCM).

The table below shows the KPIs required by the Taxonomy Regulation relating to eligible activities referred to FY 2024. The numerator and denominator of the ratio, defined to arrive at the percentage of admissibility, are calculated in

[25]Ineligible activities include by contrast any economic activity for which technical screening criteria are not yet available.

[26]Do No Significant Harm.

[27]Minimum Social Safeguard.

accordance with the accounting criteria defined in paragraph 1.1 of Annex I of Delegated Regulation (EU) 2021/2178. These percentage shares are obtained by considering the eligible expenses or revenues for the specific activity in Aeffe SpA and Pollini SpA as the numerator, and the consolidated values of the Aeffe Group as the denominator.

Activities pursuant to Reg. (EU) 2021/2139	Eligible Activities for the Aeffe Group	Turnover	CapEx	OpEx
Reg. (EU) 2021/2139 Annex I, 4.1 Electricity production with photovoltaic solar technology	Presence of photovoltaic systems in company premises	0.10%	-	0.01%
Reg. (EU) 2021/2139 Annex I, 6.5 Transport of motorcycles, cars and light commercial vehicles	Company car fleet with leased/rental and owned vehicles	-	14.11%	-
Reg. (EU) 2021/2139 Annex I, 6.6 Road freight transport services	Presence of Euro VI goods transport vehicles	-	4.27%	-
Reg. (EU) 2021/2139 Annex I, 7.3 Installation, maintenance and repair of energy efficiency equipment	Relamping activities	-	0.79%	-
Reg. (EU) 2021/2139 Annex I, 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings.	Presence of a temperature monitoring and control system	-	-	0.07%
Reg. (EU) 2021/2139 Annex I, 8.1 Data processing, hosting and related activities	Servers and Cloud Hosting	-	-	0.52%
Total		**0.10%**	**19.17%**	**0.60%**

With respect to the individual activities considered, the following is a summary of the cost and revenue items included in the numerator of the indicators:

- ☒ **4.1 (CCM) Electricity production with photovoltaic solar technology**: revenues from photovoltaic panels installed in the offices derive from the share of energy generated and not consumed and operating expenses are related to periodic maintenance contracts and costs incurred for the GSE data monitoring service;

- ☒ **6.5 (CCM) Transport of motorcycles, cars and light commercial vehicles**: the CapEx expenses indicated refer to the increases in the account relating to the rights to use company cars for the value of the vehicles registered in leasing in 2024 for Pollini SpA (16% of the total of the item included in the numerator for the activity in question) and Aeffe SpA (84%);

- ☒ **6.6 (CCM) Road freight transport services**: the CapEx expenses indicated refer to the increases in assets for the value of vehicles registered in leasing in 2024 for Aeffe SpA;

- ☒ **7.3 (CCM) Installation, maintenance and repair of energy efficiency equipment:** with reference to the CapEx share, we highlight the purchase of LED lamps, used to replace neon lighting with more energy-efficient solutions;

- ☒ **7.5 (CCM) Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings**: the operating expenses incurred refer to Aeffe SpA and are related to the maintenance of the probes in the remote temperature monitoring systems;

☒ **8.1 (CCM) Data processing, hosting and related activities**: Operating costs refer to the rental costs of local servers as well as the costs related to the hosting upgrade for the ERP (Enterprise Resource Planning) and SFA (Sales Force Automation) systems in the cloud for Aeffe SpA and the costs to upgrade the new Business Intelligence (BI) in Microsoft Azure, using this Microsoft cloud infrastructure to manage, analyze and visualize its business data.

To complete the analysis conducted in compliance with Regulation (EU) 2020/852, **to verify the alignment of the eligible activities identified**, an assessment was carried out with respect to the technical screening criteria presented in Delegated Regulation (EU) 2021/2139, which concern, as anticipated, compliance with the **Substantial Contribution** to one of the climate objectives and the **Do No Significant Harm** principle, i.e. the verification through the technical screening criteria that this activity does not negatively influence the achievement of the other five environmental objectives of the Taxonomy Regulation.

The criteria for substantial contribution to climate change mitigation have been met for:

☒ **4.1 (CCM) Electricity production with photovoltaic solar technology;**

☒ **7.3 (CCM) Installation, maintenance and repair of energy efficiency equipment;**

☒ **7.5 (CCM) Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings.**

Finally, it is specified that the technical screening criteria of the Delegated Regulation (EU) 2021/2139 relating to the eligible activities identified by the Aeffe Group provide for a robust assessment of climate risk and vulnerability to examine the relevance of climate and physical risks for the economic activity. For the purposes of the analysis, the Aeffe Group assessed the classification of climate-related hazards, divided into chronic and acute, which are presented in the relevant appendices of the Delegated Regulations, noting that these risks are not significant in relation to the scope and geolocation of the eligible activities; however, to date no structured and quantitative analysis has been conducted with respect to the activities in question, also in light of the negligible impact in terms of economic relevance and relevance to the Group's business.

For the expenses found eligible pursuant to Annex I point 1.1.2.2. point c and 1.1.3.2. point c, i.e. as they relate to the purchase of products deriving from economic activities eligible for Taxonomy, it is noted that it was difficult to find the information necessary to verify the technical screening criteria at third-party suppliers of the said goods or services.

Finally, with reference to the criterion relating to **Minimum Safeguards** under Article 18 of Regulation (EU) 2020/852, the Aeffe Group believes that it carries out its activities in compliance with the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (including the principles and rights established by the eight core conventions identified in the ILO's declaration on fundamental principles and rights at work)[28] and the Principles and Rights established by the International Bill Of Human Rights. In this regard, it is represented that the Group has adopted several instruments inspired by the procedural elements that make up the due diligence process, however, it is deemed necessary to implement a structured human rights due diligence process to deem the MSS criterion satisfied.

In light of these considerations, following a conservative and prudential approach, the selected activities were not considered aligned with Taxonomy. The Aeffe Group will evaluate the possibility of carrying out a solid analysis of climate risks for the activities connected to the Group's business if they are integrated by future amendments to the delegated regulation that illustrates the technical screening criteria. Given the relevance and urgency that the approach to climate risk management is acquiring at a global level, in 2023 the Aeffe Group carried out an initial analysis of the so-called sustainability risks according to the European Commission Guidelines on the reporting of climate-related information, which can be consulted in the "*Focus: Climate Risks*" section.

Below are the table models developed in compliance with Annexes II and XII of Delegated Regulation (EU) 2021/2178.

[28] Forced Labour Convention, 1930 - (ratified by L. 274/1934); Freedom of Association and Protection of the Right to Organise Convention, 1948 - (ratified by L. 367/1958); Right to Organise and Collective Bargaining Convention, 1949 - (ratified by L. 367/1958); Equal Remuneration Convention, 1951 - (ratified by L. 741/1956); Abolition of Forced Labour Convention, 1957 - (ratified by L. 447/1967); Discrimination (Employment and Occupation) Convention, 1958 - (ratified by L. 405/1963); Minimum Age Convention, 1973 - (ratified by L. 157/1981); Convention on the Worst Forms of Child Labour, 1999 - (ratified by L. 148/2000).

MODELS EX ANNEX II DELEGATED REGULATION (EU) 2021/2178

Turnover

FY2024				Criteria for the substantial contribution						DNSH (Do No Significant Harm) criteria									
Economic activity (1)	Code (2)	Turnover (3)	Portion of turnover, 2023 (4)	Mitigation of climate change (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards	Taxonomy-aligned (A.1.) or eligible (A.2.) turn-over, 2023 (18)	Category qualifying activity (19)	Category transitional activity (20)
Text		*Currency*	*%*	*Yes; No; N/AM*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*Q*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Eco-sustainable activities (taxonomy aligned)																			
Turnover of eco-sustainable activities (taxonomy aligned) (A.1)		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%								0,00%		
Of which qualifying		- €	%	%	%	%	%	%	%								%	Q	
Of which transitional		- €	%	%													%		T
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
Electricity generation using solar photovoltaic technology				*EA*	*N/EA*	*N/EA*	*N/EA*	*N/EA*	*N/EA*										
Turnover of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)	CCM 4.1	258.931,10 €	0,10%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,08%		
A. Turnover of taxonomy-eligible activities (A.1 + A.2)		259.040,93 €	0,10%	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%								0,08%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		259.040,93 €	0,10%	0,10%	0,00%	0,00%	0,00%	0,00%	0,00%								0,08%		
Turnover of taxonomy non-eligible activities																			
Turnover of activities not eligible for the taxonomy		250.539.696,75 €	99,90%																
Total		250.798.737,68 €	100%																

CapEx

FY2024				Criteria for the substantial contribution						DNSH (Do No Significant Harm) criteria									
Economic activity (1)	Code (2)	CapEx (3)	Portion of CapEx, 2023 (4)	Mitigation of climate change (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category quali-fying activi-ty (19)	Category transitional activity (20)
Text		*Currency*	*%*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*Q*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Eco-sustainable activities (taxonomy aligned)																			
CapEx of eco-sustainable activities (taxonomy aligned) (A.1)		**- €**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**%**		
Of which qualifying			**%**	**%**	**%**	**%**	**%**	**%**	**%**								**%**	**Q**	
Of which transitional			**%**	**%**													**%**		**T**
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
				EA	*N/EA*	*N/EA*	*N/EA*	*N/EA*	*N/EA*										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	475.255,00 €	14,11%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								4,97%		
Freight transport services by road	CCM 6.6	143.800,00 €	4,27%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,06%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	26.744,00 €	0,79%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,06%		
CapEx of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)		**645.799,00 €**	**19,17%**	**19,17%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**								**5,09%**		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		**645.799,00 €**	**19,17%**	**19,17%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**								**5,09%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		**2.723.201,00 €**	**80,83%**																
Total		**3.369.000,00 €**	**100%**																

OpEx

FY2024				Criteria for the substantial contribution						DNSH (Do No Significant Harm) criteria									
Economic activity (1)	Code (2)	OpEx (3)	Portion of CapEx, 2023 (4)	Mitigation of climate change (5	Adaptation to climate change (6	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy-aligned (A.1.) or eligible (A.2.) Opex 2023 (18)	Category qualifying activity (19)	Category transitional activity (20)
Text		*Currency*	*%*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes; No; N/EA*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*Q*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Eco-sustainable activities (taxonomy aligned)																			
OpEx of eco-sustainable activities (taxonomy aligned) (A.1)		**- €**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**%**		
Of which qualifying			**%**	**%**	**%**	**%**	**%**	**%**	**%**								**%**	**Q**	
Of which transitional			**%**	**%**													**%**		**T**
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																			
				EA	*N/EA*	*N/EA*	*N/EA*	*N/EA*	*N/EA*										
Electricity generation using solar photovoltaic technology	CCM 4.1	2.112,00 €	0,01%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,02%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	21.193,00 €	0,07%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,01%		
Data processing, hosting and related activities	CCM 8.1	151.297,90 €	0,52%	EA	N/EA	N/EA	N/EA	N/EA	N/EA								0,19%		
Operating expenditure on taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)		**174.602,90 €**	**0,60%**	**0,60%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**								**0,22%**		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		**174.602,90 €**	**0,60%**	**0,60%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**								**0,22%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Operating expenditure on taxonomy non-eligible activities		**28.802.639,26 €**	**99,40%**																
Total		**28.977.242,16 €**	**100%**																

MODELS PURSUANT TO ANNEX XII DELEGATED REGULATION (EU) 2021/2178

Activities related to nuclear energy		
1	The company conducts, finances or has exposure to research, development, demonstration and construction of innovative power generation plants that produce energy from nuclear processes with minimal fuel cycle waste.	NO
2	The company carries out, finances or has exposures towards the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements to their safety, with the aid of the best available technologies.	NO
3	The undertaking operates, finances or has exposures to the safe operation of existing nuclear installations generating electricity or process heat, including for district heating or for industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	NO
Fossil gas related activities		
4	The company operates, finances or has exposure to the construction or operation of power generation facilities that use fossil gas fuels.	NO
5	The company operates, finances or has exposure to the construction, redevelopment and operation of combined heat and power generation plants using fossil gaseous fuels.	NO
6	The company operates, finances or has exposure to the construction, redevelopment and operation of heat generation plants that produce heat/cold using fossil gaseous fuels.	NO

The AEFFE Group, not presenting economic activities referred to in Annexes I and II, sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Delegated Regulation (EU) 2021/2139 (i.e. activities related to nuclear energy or fossil gases), does not present models 2,3,4,5 of Annex XII of Delegated Regulation (EU) 2021/2187.

ESRS E1 - CLIMATE CHANGE

E1 GOV-3 - Integration of sustainability performance in incentive systems

With reference to this information, please refer to paragraph "GOV-3 – Integration of sustainability performance in incentive systems".

E1 SBM-3 - Relevant impacts, risks and opportunities and their interaction with the strategy and business model

With reference to this disclosure, please refer to paragraph "SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model".

Focus: Climate Risks

It is clear that the extreme climate events that characterize our present represent a complex and urgent challenge, destined to have a strong impact on the future of the planet and society. Such events entail significant costs not only at an economic level, but also at an environmental and social level, and consequent impacts and repercussions on companies.

Although climate change affects almost all economic sectors, the level and type of exposure and impact of climate-related risks differ by sector, industry, geography and organization. The financial impacts of climate-related issues are driven by specific risks and opportunities to which the organization is exposed. In fact, its strategic decisions must be aimed at managing these risks (i.e. mitigation, acceptance, or control) and exploiting related opportunities

To this end, the Task Force on Climate-Related Financial Disclosures (TCFD) has structured disclosure recommendations that focus on four key thematic areas relevant to all types of organizations. These key elements are designed to connect and inform each other.

The four overarching recommendations are supported by eleven recommended disclosures that build the framework that will help investors and others understand how organizations assess climate-related risks and opportunities. Recognizing that climate-related financial reporting is still evolving, the Task Force's recommendations aim to improve the quality of traditional financial reporting on the potential impacts of climate change on organizations today and in the future, and to increase investor engagement with boards and senior management on climate-related issues.

In terms of risks, the Task Force divided climate-related risks into two main categories: (1) risks related to the transition to a low-carbon economy and (2) risks related to the physical impacts of climate change.

1. **Transition risks** are risks to the business that arise from the transition to a low-carbon and climate-resilient economy. These include:
    a. policy risks, such as those resulting from the imposition of energy efficiency requirements, carbon pricing mechanisms that increase the price of fossil fuels, or policies aimed at encouraging sustainable land use;
    b. legal risks, such as the risk of litigation if measures are not taken to avoid or reduce adverse impacts on the climate or if climate change is not adapted;
    c. technological risks, for example where a more climate-damaging technology is replaced by a less climate-damaging one;
    d. market risks, for example if consumers and business customers shift towards less climate-damaging products and services;
    e. reputational risks, such as the difficulty of attracting and retaining customers, employees, business partners and investors if the company has a poor environmental reputation.

Generally speaking, the company with a greater negative impact on climate will be more exposed to transition risks.

2. **Physical risks** are risks to the business that arise from the physical consequences of climate change. They include:
    a. acute physical risks, which arise from particular phenomena, especially meteorological ones, such as storms, floods, fires or heat waves, which can damage production plants and interrupt value chains;

b. chronic physical risks, which arise from longer-term climate change, such as changes in temperature, sea level rise, reduced water availability, loss of biodiversity and changes in soils and land productivity. A company's exposure to physical risks does not directly depend on whether it has a negative impact on the climate.

Efforts to mitigate and adapt to climate change also create opportunities for organizations, for example, through resource efficiency and cost savings, adoption of low-carbon energy sources, development of new products and services, access to new markets, and strengthening resilience.

Although the Group has identified and assessed as relevant in its dual relevance process a transition risk and an expected physical risk related to adaptation to climate change[29], has not yet conducted a climate change resilience analysis of its strategy and business model. However, Aeffe is considering integrating these tools into its risk management and sustainability strategies. In line with the evolution of best practices and the improvement of available tools, more in-depth assessments will be progressively developed to identify and proactively address the challenges posed by climate change.

E1 IRO-1 - Description of processes to identify and assess relevant impacts, risks and opportunities

With reference to this information, please refer to paragraph “IRO-1–Description of the process for identifying and assessing relevant impacts, risks and opportunities”.

E1-1 – Transition plan for climate change mitigation

Although Aeffe does not currently have a transition plan, in 2023, it launched a three-year action plan within its new strategic sustainability plan, aimed at quantifying and reducing emissions both internally and along the value chain, with the goal of reaching net-zero emissions and building a long-term sustainability path. In 2024, Aeffe calculated Scope 3 for the first time and started the activities aimed at formalizing a transition plan for climate change mitigation. Therefore, the emissions reduction strategy, currently being defined, will be addressed during 2025 and adopted within the timeframes set by current legislation.

Through this plan, the Group intends to orient its sustainability strategy and its business model so that they can become compatible with the transition to a sustainable economy and with the objectives of limiting global warming to 1.5°C, in line with the Paris Agreement, and achieving climate neutrality by 2050.

E1-2 – Policies related to climate change mitigation and adaptation

With regard to environmental aspects, the Aeffe Group, although it has not defined a formalized policy, through its organizational system ensures full compliance with the laws and reference standards, in addition to intervening, for several years, with staff awareness and energy efficiency activities to reduce its environmental footprint.

The company organizational system, in application of Legislative Decree 231/01 with reference to the provisions of the Aeffe SpA Code of Ethics at point 3.12 "In the protection of health and safety at work and the environment", is expressed in activities similar to those envisaged for the ISO 14001 Certification even if the implemented system has not, to date, been subjected to the certification process.

In recent years, the company management has undertaken a path aimed at improving, in a concrete way, the environmental sustainability of the Aeffe Group by directly involving employees and collaborators in various initiatives with the aim of inducing a common awareness that allows to reduce the environmental impact of the company's production activities by conveying habits of good practices to all personnel.

[29]As specified in the table in Appendix “ESRS 2 SBM-3”.

In terms of raising awareness of these issues, in 2024 the Aeffe Group continued its campaign to involve its employees in issues of reducing its environmental footprint. With the establishment of an internal newsletter dedicated to sustainability issues, the company continued to communicate information, data and objectives to make its employees increasingly aware of how everyone's contribution is increasingly important and necessary.

E1-3 – Actions and resources in relation to climate change policies[30]

The Group has implemented several measures to reduce its climate impact. In fact, in recent years, an energy efficiency project has been activated at the Aeffe Group production sites in San Giovanni in Marignano and Gatteo, aimed at reducing consumption through remote monitoring and management of air conditioning systems, as well as replacing part of the traditional lighting systems by converting them to LED, thus allowing for a reduction in related consumption and avoiding the emission of a significant amount of CO2 into the atmosphere[31]. In addition, a new generation photovoltaic system has been installed at the Gatteo production plant, which, given the positive results obtained, will most likely be expanded in the near future. The projects launched have entailed a significant commitment both in terms of availability of resources and in terms of their allocation, requiring careful planning and efficient management to ensure the achievement of the objectives set.

In 2024, Aeffe also continued its commitment to energy efficiency, adopting new and specific measures. In particular, the annual appointment of the person responsible for the conservation and rational use of energy (Energy Manager) was made. The functions of the person responsible are:

- identify actions, interventions, procedures and anything else necessary to promote the rational use of energy;
- ensure the preparation of energy balances also based on economic parameters and final energy uses;
- prepare energy data to verify interventions carried out with state funding.

In 2023, the Energy Manager renewed the energy diagnosis of the Aeffe Group according to Legislative Decree 102/2014. The sites analyzed correspond to the 4 most impactful locations of the Group, namely:

- Via delle Querce 51, 47842 San Giovanni in Marignano (RN);
- Via Gaetano Donizetti 48, 20122 Milan;
- Via San Gregorio 28, Milan;
- Pollini SpA - Via Erbosa 3, 47043 Gatteo (RN).

E1-4 – Objectives relating to mitigation and adaptation to climate change

The Group has not currently defined specific quantitative objectives related to the significant impacts identified along the value chain, in particular with regard to climate change mitigation and adaptation objectives.

However, the issue is an integral part of the “Planet & Environment” pillar within the Sustainability Plan. In the coming financial years, the Group is committed to defining targeted objectives for each relevant topic, ensuring a structured and measurable approach. For more information, please refer to the paragraph “Improvement objectives”.

[30]The actions described fall mainly under the following decarbonisation levers: energy efficiency and use of energy from renewable sources (technology-based solutions). With regard to the significant monetary amounts of CapEx and OpEx, necessary to implement the actions undertaken or planned, please refer to the section “Disclosure pursuant to Article 8 of Regulation (EU) 2020/852”.

[31]Among the actions implemented to mitigate climate change, the Group has not foreseen the reduction of actual or expected GHG emissions.

E1-5 – Energy consumption and mix

The following is the company's energy consumption data[32].

STATIONARY COMBUSTION (in MWh)[33]	FY 2024
Natural gas	3.479
Diesel for generators	2
MOBILE COMBUSTION (in MWh)	
Diesel	1.221
Gas	59
PURCHASED ENERGY CONSUMPTION (in MWh)	
Electricity purchased from national mix[34]	5.481
Total fossil fuels	10.242
Fossil fuel share (in %)	94%
SELF-PRODUCED ENERGY CONSUMPTION FROM RENEWABLE SOURCES (in MWh)[35]	
Self-produced electricity[36]	640
Renewable energy share (in %)	6%
Total energy consumption	**10.882**

No energy covered by a Guarantee of Origin or for which the emission factor was specified in the supply contract was purchased. Furthermore, no biofuels are used in the company's activities.

[32]All energy consumption included in the reporting scope was considered to have a high climate impact as the Group companies belong to the same business sector. The data reported in the chapter directly included the companies: Aeffe SpA Italia, Pollini SpA, Pollini Retail SpA, Moschino Kids Srl, Aeffe Group Inc., Aeffe Germany Gmbh, Aeffe Spagna Slu, Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd., Pollini Austria Gmbh, Moschino Shanghai Ltd. The data was estimated for the companies Aeffe Netherlands BV and Pollini Suisse Sagl, which represent approximately 2.3% of the Group by number of employees. Specifically, starting from the direct data, energy consumption per employee was calculated, multiplied by the number of employees of the companies for which the direct data was not available. It should be noted that this estimate is highly uncertain. Consumptions related to stationary and mobile combustion (for direct data) are calculated on the basis of raw data converted into MWh by conversion factors derived from the UK Government GHG Conversion Factors for Company Reporting (2024 version), published by the Department for Energy Security and Net Zero of the United Kingdom (previously developed by the so-called DEFRA). It was not possible to include the comparison with the consumptions of the previous year as the reporting perimeter does not match.

[33] The Group has no consumption of fuel from coal and coal products or consumption from nuclear sources.

[34]That is, for which there are no Guarantees of Origin, contractual information or a specific emission factor.

[35]The data refers to the companies Aeffe SpA and Pollini SpA as they are the only two companies equipped with photovoltaic systems.

[36]Of this, approximately 80% is consumed, while the remaining 20% is sold online.

In addition, energy intensity[37] associated with activities in sectors with high climate impact[38] is equal to 0.0000434 (MWh/euro).

E1-6 – Total GHG emissions and Scope 1, 2, 3

Starting from 2023, within the new strategic sustainability plan of the Group, Aeffe has defined and then launched a three-year action plan, that is, a path of quantification and reduction of emissions both internally and along the value chain, in order to build a long-term sustainability path.

The planned activities range from measuring the corporate carbon footprint in compliance with the international reference frameworks to the definition of a long-term commitment to achieving net-zero emissions.

As a first step, a new way of collecting data on Scope 1 emissions has been defined.[39]and 2[40], through the support and use of a technological platform provided by a specialized greentech that allows the company to independently monitor its annual emissions, calculating impacts and tracking progress in decarbonization. This new methodology has led to an initial inventory analysis and the identification of the main aspects on which to act and therefore to the definition of strategic action priorities on which the mitigation and compensation strategy for future years can focus.

With particular reference to Scope 2 emissions, linked to the purchase and consumption of electricity, they have been calculated using both the “location-based” and “market-based” approaches. While the **location-based** methodology considers the average intensity of greenhouse gas emissions of the networks on which energy consumption occurs, using mainly data relating to the average emission factor of the network, the **market-based** methodology considers emissions from electricity that the organization has intentionally chosen with a contractual form.

In 2024, the Group also calculated **Scope 3** emissions for the first time[41], consolidating its commitment. During 2025, Aeffe will continue on this path to define a Net-Zero strategy that will allow the company to communicate its commitments and objectives by adhering to the SBTI initiative. In 2024, Scope 1 emissions generated by the Aeffe Group amounted to **1,149.07 tons CO2 eq**. The values of Scope 2 emissions, on the other hand, stood at **1,840.35 tons CO2 eq** (location based) and **1,968.92 tons CO2 eq** (market based). Scope 1 and 2 emissions recorded an increase compared to the previous year, due to the expansion of the data collection perimeter[42].

As regards refrigerant gas emissions, 32.6 tonnesCO2eq were estimated in 2024 [43] (approximately 1% of total Scope 1 emissions). However, there are no CO2 emissions covered by certified ETS.

As anticipated, in 2024 the Group also calculated Scope 3 emissions for the first time, equal to **34,919.29 tons CO2eq**. The calculation was carried out by analyzing the main categories of the Group's value chain, in compliance with the

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[37]Energy intensity is calculated as the total consumption reported in MWh over the total net revenues associated with activities in sectors with a high climate impact. For the net revenues of companies, refer to note 23 “Revenues from sales and services” of the Management Report.

[38]All energy consumption included in the reporting scope was considered to have a high climate impact as the Group companies belong to the same business sector.

[39]Direct GHG emissions: emissions generated within the company perimeter. This category includes emissions from the use of fossil fuels in heating systems, those related to the consumption of fuel for company transport or generators and those due to leaks of fluorinated greenhouse gases from cooling systems.

[40]Indirect GHG emissions from the generation of electricity, heat and steam purchased and consumed by the company.

[41]They concern sources not directly controlled by the company but linked to its activity. Scope 3 includes emissions upstream and downstream of the value chain, such as those of suppliers and customers, excluding those already considered in Scope 2. The reporting perimeter of Scope 3 emissions has undergone a limitation due to the possibility of finding the data for each category included in the calculation. Please refer to the footnotes relating to the category for the definition of the corporate perimeter with respect to the consolidated data for each.

[42]For 2024, the data on Scope 1 and 2 emissions concern the companies: Aeffe SpA Italia, Pollini SpA, Pollini Retail SpA, Moschino Kids Srl, Aeffe Group Inc., Aeffe Germany Gmbh, Aeffe Spagna Slu, Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd., Pollini Austria Gmbh, Moschino Shanghai Ltd. The data were estimated for the companies Aeffe Netherlands BV and Pollini Suisse Sagl, which represent approximately 2.3% of the Group by number of employees. Specifically, starting from the direct data, emissions per employee were calculated, multiplied by the number of employees of the companies for which the direct data was not available. It should be noted that this estimate is highly uncertain.

[43]In the absence of specific data on refrigerant gas emissions, the calculation is based on average losses per type of cooling system, as indicated by the GHG Protocol. The sizing of the system is estimated assuming a surface area of 5 m² per employee and the presence of one air conditioner every 10 m², or one for every two employees.

provisions of the Greenhouse Gas Protocol Standard[44]. In line with the provisions of the standard, the selection of the relevant categories was carried out through a significance analysis based on three main criteria:

- **Contribution potential**, according to which categories whose estimated emissions exceed 10% of total emissions are considered relevant;
- **Level of influence**, which assesses the Group's ability to monitor and reduce emissions associated with each category and/or to prepare reduction plans based on literature data and specific company characteristics;
- **Data availability**, which considers the Group's actual ability to obtain specific and reliable data for each category.

The analysis, referring to the entire consolidated perimeter of the Group, was conducted through a workshop involving the main corporate functions responsible for sustainability. Based on the information collected and the level of significance attributed to each subcategory of Scope 3, the following priority categories were identified[45]:

Selected categories	Quantity (ton CO2 eq.)
3.1 Purchased goods and services[46]	27,303.46
3.2 Capital goods[47]	1.593,23
3.4 Upstream transport and distribution[48]	1029,55
3.5 Production waste and refuse[49]	69.47
3.6 Business trips[50]	261.59
3.7 Employee movements[51]	947,22
3.9 Downstream transport and distribution[52]	531,42
3.14 Franchise[53]	3.183,33

[44]You can view the standard at the following link:Corporate-Value-Chain-Accounting-Reporing-Standard_041613_2.pdf.

[45]The selected categories included only the companies as specified in the following notes based on the results of the significance analysis, which considered the entire perimeter. Categories 3.1 to 3.7 inclusive include the upstream activities of the value chain, while the remaining categories included are to be considered related to downstream activities.

[46]Only for Aeffe SpA and Pollini SpA as the only production sites.

[47]For all companies in the perimeter.

[48]Only for Aeffe SpA and Pollini SpA, as they are the only production sites. For Aeffe SpA a direct figure was calculated while for the calculation of Pollini SpA emissions relating to transport and distribution an estimate was calculated (1001 ton CO2eq). The estimate was inserted considering 5% of the company's expenditure on transport as suggested by the study by the Bank of Italy "Survey on international freight transport". It is specified that the estimate is highly uncertain.

[49]Only for Aeffe SpA and Pollini SpA, as they are the only production sites.

[50]Only for Aeffe SpA and Pollini SpA, as they are the only production sites.

[51]Only for Aeffe SpA and Pollini SpA

[52]Only for Aeffe SpA and Pollini SpA as they centrally manage downstream distribution.

[53]For all companies in the perimeter.

The total Scope 3 emissions of the Aeffe Group in 2024 is, therefore, **34,919.29 tons CO2 eq**.

GHG emissions[54]	Quantity (ton CO2 eq.)
Scope 1 GHG gross emissions	1.149,07
Scope 2 GHG gross emissions - Location based	1.840,35
Scope 2 GHG gross emissions – Market based	1.968,92
Scope 3 GHG gross emissions	34,919.29
TOTAL GHG EMISSIONS (LB)	37.908,71
TOTAL GHG EMISSIONS (MB)	38.728,56

The following table contains information on the energy intensity of GHG emissions (in tonnesCO2 eq) on net revenues (in euros)[55]:

GES intensity relative to net revenues	FY 2024
Total GHG emissions (Location-based) vs. net revenues (tCO2eq/euro)	0.00015115
Total GHG emissions (Market-based) vs. net revenues (tCO2eq/euro)	0.00015442

ESRS E2 - POLLUTION

E2 IRO-1 – Description of processes to identify and assess relevant impacts, risks and opportunities related to pollution

With reference to this information, please refer to paragraph "IRO-1–Description of the process for identifying and assessing significant impacts, risks and opportunities". Furthermore, it should be noted that, as part of the definition of the calculation of Scope 3 emissions described above, the Group, in addition to conducting an in-depth analysis of all its activities to identify significant categories, has initiated an assessment of its sites and related business operations, with the aim of identifying potential impacts, risks and opportunities related to pollution issues. Various methods have been organized to involve the communities concerned, both during the dual relevance analysis and through the listening and discussion mechanisms illustrated in the chapter "SBM-2 – Interests and opinions of stakeholders".

[54]The emission factors used to calculate the Scopes refer to DEFRA - Department for Environmental, Food & Rural Affairs (for the calculation of Scopes 1, 2 and 3), TERNA as the national operator in the management of electricity transmission networks (for the calculation of Scope 2 location-based approach) and AIB - Association of Issuing Bodies (for the calculation of Scope 2 of purchased energy). It was not possible to include the comparison with the consumption of the previous year as the reporting perimeter does not coincide.

[55]For the net revenues of the companies, please refer to note 23 "Revenues from sales and services" of the Management Report.

E2-1 – Pollution policies

Although Aeffe has not adopted a specific Policy dedicated to the issue of pollution to date, this choice is the result of a careful analysis of its production sites, from which no significant direct environmental impacts emerged. Nonetheless, the company maintains a strong commitment to managing and monitoring indirect impacts, i.e. those potentially deriving from the activities and behaviors of the actors along its value chain. This aspect plays a central role, since through responsible management of its activities, Aeffe promotes the spread of sustainable practices, extending its commitment beyond the company boundaries.

The Group carefully selects its suppliers, favoring collaborations with entities that adopt concrete measures to minimize their impact on the environment and society. The Group's suppliers are required to comply with all applicable environmental regulations and, where required, to maintain documented environmental policies and procedures. Furthermore, they agree to be monitored for both environmental and social responsibility.

In particular, Aeffe expects its suppliers to adopt active strategies for the reduction of pollution and greenhouse gas emissions, through energy efficiency initiatives, self-production or the purchase of energy from renewable sources. Likewise, a concrete commitment is required in reducing water consumption through water recycling and in responsible waste management, minimizing the amount destined for landfills.

Aeffe's attention to the protection of biodiversity and animal welfare is also reflected in its procurement choices. Suppliers of raw materials are required to guarantee the traceability of materials, ensuring that compliance with national and international standards on environmental sustainability and animal welfare is extended to all phases of the supply chain.

E2-2 – Pollution-related actions and resources

In June 2024, Aeffe adopted a concrete measure against pollution, to protect the oceans and seas through the installation of a "**Seabin**" device in the waters of Marina di Cattolica. The initiative, in collaboration with Lifegate, required an investment in financial resources and a significant effort from an operational point of view, with the direct involvement of the corporate Sustainability and Communication teams. This innovative "plastic-eating bin", thanks to a pump connected to the base of the unit, is able to treat over 25 thousand liters of water per hour and capture approximately 500 kilos of plastic waste per year, including microplastics up to 2 mm in diameter and microfibers up to 0.3 mm.

As of February 12, 2025, the Seabin has collected a total of approximately 204 kilos of floating waste, equivalent in weight to approximately 13,610 0.5-liter plastic bottles removed from the water. The environmental and scientific results obtained in the months from June to October 2024 highlight a collection concentrated on materials that are highly harmful to the marine ecosystem.

The analysis of the waste captured by the Seabin shows a heterogeneous composition, including bottles, caps, straws, glasses, food containers and teaspoons, microplastics up to 2 mm in diameter, metallic materials such as cans, cigarette butts and wet organic mass contaminated by fragments of microplastics, polystyrene and hydrocarbons.

In the four months of monitoring, a significant percentage of wet organic mass contaminated by microplastics and polystyrene emerged, closely related to the proximity of the city canal that flows into the Marina di Cattolica. In the months of rain and bad weather, this accumulation phenomenon is particularly marked, with an increase in organic material transported by the water.

Removing microplastics is a key action to prevent their further disintegration into nanoparticles, which can penetrate fish muscles, with harmful effects for both marine fauna and human health.[56]

E2-3 – Pollution-related objectives

The Group has not currently defined quantitative objectives related to the significant impacts identified along the value chain, with reference to pollution prevention.

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[56] The action presented can be traced back to the mitigation hierarchy level of restoration and regeneration of aquatic ecosystems and water bodies. Currently, no information is available on the type of financial resources allocated.

Once the specific objectives related to the reference pillar "Planet & Environment" have been defined, it will be possible to define a multi-year action plan. For more information on this, please refer to the paragraph "Improvement objectives".

E2-4 – Air, water and soil pollution

Data on pollutants emitted into air, water and soil (with the exception of GHG emissions which have been reported in accordance with ESRS E1 Climate Change) are not currently available. Aeffe is committed to obtaining more information on this topic in the coming financial years in order to meet the requirements of the standard through direct data or estimates.

E2-5 – Substances of concern

Similarly to the information relating to air, water and soil pollution, data relating to substances of concern are not currently available. Aeffe intends, in the coming financial years, to further investigate the collection of information on the topic, with the aim of ensuring compliance with the requirements set out in the standard, through the use of direct data or, where necessary, estimates.

ESRS E3 - WATER AND MARINE RESOURCES

E3 IRO-1 — Description of processes to identify and assess relevant impacts, risks and opportunities related to water and marine resources

With reference to this information, please refer to paragraph "IRO-1–Description of the process for identifying and assessing relevant impacts, risks and opportunities".

E3-1 – Policies related to water and marine resources

With reference to this information, please refer to paragraph "E2-1 – Pollution policies".

E3-2 – Actions and resources related to water and marine resources

With reference to this information, please refer to paragraph "E2-2 – Pollution-related actions and resources".

Furthermore, no actions have been taken or resources allocated in relation to areas at water risk, including those with high water stress, as the latter have not been identified.

E3-3 – Objectives related to water and marine resources

The Group has not currently defined quantitative objectives connected to the significant impacts identified along the value chain, with reference to the protection of water and marine resources.

However, the topic refers to the "Planet & Environment" pillar of the Sustainability Plan currently being defined, which will define specific monitoring objectives. For more information on this, please refer to the paragraph "Improvement objectives".

E3-4 – Water consumption

For the Aeffe Group, with regard to water consumption, the one relating to Aeffe SpA and Pollini SpA is reported, as it is significant in relation to the total perimeter of reference for the company activities.[57]. In the period under review, approximately **6,444 cubic meters of water** were consumed, exclusively by municipal water suppliers. Wanting to

[57]Direct data on water consumption only involves the companies listed above.

estimate[58] water consumption also for the other companies of the Group, the total consumption is 9,080 cubic meters of water.

With regard to water discharges, it is confirmed that, given the absence of processes that involve the risk of releasing potentially dangerous dissolved products or substances, they are to be considered comparable to urban ones.

Furthermore, there are no water recycling or storage systems. Water intensity (in cubic meters of water) on net revenues (in euros)[59] is 0.0000362.

ESRS E4 - BIODIVERSITY AND ECOSYSTEMS

E4-1 – Transition plan and attention to biodiversity and ecosystems in the strategy and business model

To date, the company has not formalized a Transition Plan in relation to biodiversity and ecosystems.

E4 SBM-3 - Relevant impacts, risks and opportunities and their interaction with the strategy and business model

With reference to this information, please refer to paragraph "SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model"[60].

E4 IRO-1 — Description of processes to identify and assess relevant impacts, risks and opportunities related to biodiversity and ecosystems

With reference to this information, please refer to paragraph "IRO-1 – Description of the process for identifying and assessing relevant impacts, risks and opportunities"[61].

E4-2 – Biodiversity and ecosystem policies

With reference to this information, please refer to paragraph "E2-1 – Pollution policies".

E4-3 – Actions and resources related to biodiversity and ecosystems

Fur Free[62]

The Aeffe Group pays deep attention to the delicate issues related to the animal world. For this reason, starting from 2023, it has decided to publicly commit and permanently abolish the use of animal fur from all its products starting from the spring/summer 2024 season, although this practice has been in place for some time. In any case, in order to avoid waste, the stock will continue to be sold until it runs out.

Since 2024, all the Group's brands have not used, sold, advertised or promoted any item of clothing, accessory, footwear or other item containing real animal fur. Aeffe has also committed to eliminating angora wool from all its collections.

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[58]Water consumption per employee was calculated and multiplied by the number of employees of companies for which direct data is not available.

[59]For the net revenues of the companies, please refer to note 23 "Revenues from sales and services" of the Management Report.

[60]At present, no further analysis is available to: provide a list of sites relevant to its operations, including sites under its operational control; specify the activities that adversely affect biodiversity sensitive areas; provide a breakdown of sites based on the impacts and dependencies identified, as well as the ecological status of the areas concerned, and identify the sensitive areas involved so that their location and competent authority can be determined. Furthermore, there is not yet sufficient information available to determine the effects of the operations on threatened species, while no significant negative impacts in terms of land degradation, desertification or sealing have been identified.

[61]There is currently no additional analysis needed to inform consultations with affected communities on the sustainability of shared biological resources and ecosystems, or the use of biodiversity scenario analysis to assess risks and opportunities. In addition, there is not yet sufficient data available to determine the location of sites in sensitive areas, adverse impacts on species and habitats, or the possible need for biodiversity mitigation measures.

[62]Currently, there is no information available regarding the type of financial resources allocated.

To strengthen this commitment, Aeffe has joined, through the Lega Anti Vivisezione (LAV) Italia, the Fur-Free Retailer Standard which defines specific guidelines that will be strictly followed by all the Group's brands.

The company says it has not used biodiversity offsets in its action plans.

E4-4 – Biodiversity and ecosystems objectives

The Group has not currently defined quantitative objectives connected to the significant impacts identified along the value chain, with reference to biodiversity and ecosystems.

However, the topic refers to the “Planet & Environment” pillar of the Sustainability Plan currently being defined, which will define specific monitoring objectives. For more information on this, please refer to the paragraph “Improvement objectives”.

E4-5 – Impact metrics related to biodiversity and ecosystem changes

The company has not identified any sites located within or in close proximity to biodiversity sensitive areas that may be directly or indirectly impacted. However, it recognises the need to conduct a more in-depth analysis in order to assess in detail any environmental risks and implement appropriate mitigation measures if necessary.

In particular, the main impacts identified concern the protection of animal species and the safeguarding of ecosystem services along the Group's value chain. However, no significant impacts related to land use change or to the extension or state of conservation of ecosystems have been identified. Consequently, specific metrics related to this area are not currently applicable.

ESRS E5 – USE OF RESOURCES AND CIRCULAR ECONOMY

E5 IRO-1 — Description of processes to identify and assess relevant impacts, risks and opportunities related to resource use and the circular economy

With reference to this information, please refer to paragraph “IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities”.

E5-1 — Policies related to resource use and circular economy

The Aeffe Group, with regard to environmental aspects and in particular those related to the use of resources and the circular economy, although it has not defined a formalized policy, through its organizational system ensures full compliance with the laws and reference standards, in addition to intervening, for several years, with awareness-raising activities for staff and other activities to reduce its environmental footprint.

Aeffe adopts an approach aimed at reducing the impact of packaging and efficiently managing waste. In particular, packaging optimization is aimed at reducing the volume of packaging to improve transport efficiency and reduce the quantity of materials used. The company is also gradually replacing virgin plastic with post-industrial recycled plastic and introducing FSC-certified paper for packaging and customer communications. On the waste management front, Aeffe has launched actions to improve separate waste collection at its sites, with the aim of eliminating unsorted waste by 2025. At the same time, the company is reducing the use of single-use plastic, eliminating it from packaging and introducing compostable alternatives for internal consumption. These initiatives are part of a continuous improvement path aimed at minimizing the environmental impact of company activities.

E5-2 — Actions and resources related to resource use and circular economy

Approaches to packaging procurement and management have progressively improved over time in terms of the environmental impact of materials; some packaging has been renewed to optimize saturation and compliance with the content and to reduce costs and the quantity of material used. In order to avoid waste, in fact, over time we have moved from using oversized packaging for small quantities of goods to using boxes designed to better respond to the volume of the products and the content inside them.

In the past years, the use of different oversized packaging has led to non-optimized transportation, resulting in a lack of efficiency and a significant amount of CO2 emissions generated. Determining the optimal combination of primary, secondary and tertiary packaging has allowed us to adopt a systematic approach in order to reduce the amount of packaging as much as possible, while respecting customer needs.

In 2024, some important projects, started in 2023, were carried forward, which in the coming years will involve all the brands and all the product categories of the Group. In particular:

- We have proceeded with the complete replacement (approximately 200,000 meters per year) of virgin plastic bags with recycled plastic bags from the post-industrial circular economy, used for the packaging of our hanging garments.
- For the underwear and beachwear collections, starting from the spring/summer 2024 season, a gradual replacement of all virgin plastic polybags has begun. To date, over 95% of these are made of recycled plastic.
- For the e-commerce of the brands Moschino, Alberta Ferretti and Philosophy di Lorenzo Serafini, in 2023 an important restyling and resizing project of the packaging with which the products are shipped to end consumers began. In particular, the single-use virgin plastic previously used as filler material (air bubbles and protective film) was completely eliminated, replaced with 100% recyclable paper. Furthermore, the gradual transition from traditional paper to FSC-certified paper for the boxes began, with the goal of total replacement by the end of 2025; to date, 58% of the boxes are made of FSC-certified paper. All the “Thank you cards” that are inserted inside the boxes as a thank you for the purchase were also replaced with cards of a smaller format and, also in this case, the material used is FSC-certified paper instead of the plastic cards used previously. Finally, 90% of the tissue paper used to wrap garments inside boxes sent to end consumers has switched from traditional paper to FSC certified paper.

In 2024, the Aeffe group also continued to record data relating to print production in its four main locations in Italy, i.e. those with the largest number of employees. The analysis of print volumes highlights not only a significant decline compared to previous years, but also an important reflection on environmental commitment and the awareness of the entire company staff regarding sustainability.

Overall, the total number of copies printed at Aeffe locations was 4,281,470, a decrease of 16.1% compared to the previous year. A decrease that also extends to 2022 where the print volume fell by 28.1%. These numbers are divided between color copies (1,077,777) and black and white copies (3,203,693). In particular, the San Giovanni in Marignano location produced the largest volume of copies (2,399,863), but suffered the strongest contraction, with a decrease of 19.3% compared to 2023.

These data reflect a growing awareness within the group of the need to reduce the use of resources and optimize business processes, but also a tendency to review the way in which print volumes are managed, aiming for more efficient and eco-sustainable solutions.

One of the most significant aspects of this analysis concerns the environmental impact related to the production of prints. Despite the decrease in copies, the resources needed for production remain significant. Approximately 21 tons of paper were used with a consequent estimated consumption of 162,696 kWh of energy, equivalent to approximately 54 trees felled to produce the paper used and over 9 million liters of water consumed. These numbers not only provide an overview of the environmental impact related to production, but also constitute an invitation to reflect on how it is possible to further reduce the ecological footprint of the group.

The company has recognized the importance of sharing this data with all employees of the sites involved, in order to raise awareness of each individual on their role in reducing environmental impact. In fact, the active participation of each employee is essential to make the group's environmental commitments concrete. Through internal communication initiatives, meetings and information campaigns, the Aeffe group has implemented a process of education and direct involvement of staff, aiming to spread the culture of sustainability and the importance of daily actions that contribute to a more responsible management of company resources.

Initiatives to reduce unnecessary printing have also been promoted, encouraging employees to rely more on digital solutions for internal and external communications, and to reduce the use of paper for documents that do not need to be printed.

In addition to reducing the overall number of prints, the group is focusing on new technological and management solutions to optimize the use of paper, energy and other resources. The adoption of more efficient printing systems, such as low-energy devices and technologies with a reduced environmental impact, is one of the strategic priorities for the coming years. Furthermore, the group is evaluating the introduction of paperless offices to further reduce the use of paper, with the aim of gradually digitizing company documents.

The company is also exploring the possibility of switching to renewable energy sources to power its printing and other operations, further reducing its environmental impact and improving its energy efficiency.

2024 represents a year of reflection and concrete action for the Aeffe group in terms of sustainability and environmental commitment. Reducing printing is an important step, but the real challenge lies in continuing to raise awareness and involve staff in a process of change that becomes an integral part of the corporate culture. Only with everyone's commitment will it be possible to significantly reduce the environmental impact and promote a more sustainable future for the company and the community.

Thanks to these actions, the Aeffe group is not only reducing its operating costs, but is also creating a more environmentally conscious corporate culture, capable of facing the ecological challenges of the future with a collective and concrete commitment [63].

Furthermore, the topic of responsible waste management and disposal has been the subject of some targeted communications that have led to a significant improvement in separate waste collection at the Group's sites, which currently produce a much more limited portion of unsorted waste. The goal is to increasingly reduce the share of unsorted waste in order to try to eliminate it definitively by the end of 2025.

Another virtuous example was the continuation of the initiative to use compostable water bottles in distributors, and the installation of water dispensers at the headquarters in San Giovanni in Marignano and at the Moschino fashion house. These initiatives allow to reduce the quantity of plastic attributable, indirectly, to the production activities carried out by Aeffe SpA

Furthermore, Aeffe is committed to reducing textile waste and to responsible management of the life cycle of products. Two key initiatives fit into this direction: participation in the project “Re-Waste. Circular Ecosystems in Textile Chain”, aimed at valorizing waste and adopting circular strategies in the fashion supply chain, and membership in the Re.Crea Consortium, which promotes innovative solutions for recycling textile waste in line with European regulations on extended producer responsibility.

Project "Re-Waste. Circular Ecosystems in Textile Chain"

Since January 2023, Aeffe SpA has been a partner in the project “Re-Waste. Circular Ecosystems in Textile Chain”, coordinated by the University of Florence as part of the Extended Partnership 11 “Made in Italy Circolare e Sostenibile” and financed by the Ministry of University and Research thanks to the funds made available by the European Union under the NextGenerationEU program.

The “Re-Waste" project aims to reduce waste in the textile and fashion industry, investigating current management methods and identifying new strategies and methodologies that allow the valorization and reintroduction of materials into the supply chain. Through a design-driven approach, the project aims to identify and strengthen the best practices of fashion production systems in Italy, supporting the dialogue between small and large producers according to industrial symbiosis logics. The project operates in an ecosystemic vision in which companies, professionals, research and training institutes collaborate with the aim of adapting the Italian production system to current and future environmental and social needs.

After an initial phase of analysis of the scientific literature by the universities involved in the project (University of Florence, Polytechnic of Milan, University of Bologna, University of Palermo), the project developed into a field research project involving Aeffe SpA: through a series of online meetings and a visit by researchers to the headquarters in San Giovanni in Marignano, a mapping of the current work flows involving the various production departments was created,

[63] Currently, there is no information available regarding the type of financial resources allocated.

which made it possible to highlight the crucial role of the cutting room with respect to the production of textile waste. Subsequently, between July and September 2023, a fifteen-day collection campaign of the waste produced by the cutting room was conducted; this made it possible to weigh the quantity of waste produced by automatic cutting, in which the materials are not always separated punctually, and by manual cutting, which instead allows the fabric to always be separated from the paper. The analysis phase on the results was developed in the first months of 2024 involving some of Aeffe's proximity suppliers, more involved in the prototyping and production phases, thus extending the research to the company's supply chain. The analysis allowed us to define guidelines for waste reduction and valorization, which will be transmitted and adopted by the company and its suppliers in the future.

Re.Crea Consortium

On the subject of textile waste management, since the beginning of 2023, Aeffe has joined the Re.Crea Consortium, launched by CNMI (National Chamber of Italian Fashion) in synergy with the main players in Italian fashion: a project that aims to work for the management of the entire life cycle of products in the textile sector and to promote research and development of innovative recycling solutions. Re.Crea is part of the European directives regarding the extended responsibility of the producer in the field of textile waste and the national implementing legislation on this topic.

The issue of waste in the world of the fashion industry is a pressing topic, if we consider that in total, as stated in the report “L'Italia del riciclo 2021”, published by Mite and Ispra at the end of 2022, the textile waste disposed of and officially recorded in 2020 was approximately 480 thousand tons. Of these, 284 thousand are industrial waste from the textile supply chain, cutting and clothing scraps; instead, post-consumer waste was 146 thousand tons.

In the fashion industry, the topic of sustainability is taking on an increasingly central role, with particular attention to the management of pre- and post-consumption of textile products. Companies, including Aeffe, are adapting to an evolving regulatory context, characterized by the imminent implementation in Italy of the Extended Producer Responsibility (EPR) legislation.

The concept of pre-consumer refers to waste generated during production, such as fabric scraps, defective materials and unsold products. On the other hand, post-consumer refers to clothing and accessories that have finished their life cycle in the hands of consumers and require recovery, recycling or sustainable disposal processes.

The European Union introduced the EPR as a tool to make producers responsible throughout the entire life cycle of their products, obliging them to manage and finance the end-of-life of materials placed on the market. Italy is currently working on the implementation of this directive, which will impose new responsibilities on fashion system brands, encouraging them to implement circular economy strategies.

E5-3 – Objectives related to resource use and circular economy

The Group has not currently defined quantitative objectives connected to the significant impacts identified along the value chain, with reference to the use of resources in the circular economy.

However, the topic refers to the “Planet & Environment” and “Product & Supply chain” pillars of the Sustainability Plan currently being defined, which will define specific monitoring objectives. For more information on this, please refer to the paragraph “Improvement objectives”.

These pillars include aspects such as, among others, measuring and reducing production waste and refraining from purchasing fur for clothing. Furthermore, on the packaging front, Aeffe is committed to gradually replacing virgin plastic with recycled materials and various standard packaging materials with other certified ones.

E5-4 – Incoming resource flows

The Aeffe Group has always been committed to using raw materials that comply with environmental standards and that constantly guarantee the quality and safety of the products that are marketed.

The company places product quality at the center of its business strategy and ensures compliance with high standards thanks to the skills and expertise of its resources, capable of meeting the different expectations of its stakeholders. Safety, reliability and guarantee of high quality of the products offered are fundamental and are based on the continuous development and innovation of the products themselves to ensure maximum customer satisfaction.

The care in selecting raw materials is supported by specific measures such as the compilation of a technical sheet for each raw material with the aim of highlighting its physical-performance characteristics and compliance with rigorous protocols such as GB-18401. This standard was introduced to regulate the safety and quality of textile products imported into China, which must pass through a process that includes verification, by accredited third-party bodies, of requirements relating to labelling and textile composition, as well as customs controls and any random inspections once the product is placed on the shelf. The raw materials are therefore subjected to specific tests to ensure compliance with these protocols and therefore to allow the marketing of the products in the markets served by the Group.

The style and research offices of the Group's brands have been committed for several seasons to selecting raw materials with sustainable characteristics, such as organic cotton and silk, wool from responsible farms, recycled synthetic raw materials. This path has intensified during 2024, in line with the Group's sustainability plan, which places Aeffe's commitment to creating unique clothing items that have a lower impact on the environment and are designed to last as long as possible at the forefront.

Even in 2024, the Group's brands continued to work on lines produced in a conscious way, thus favoring organic cottons and recycled cashmere; in particular, Alberta Ferretti has continued to use organic chiffon for several seasons now.

During the year 2024, Aeffe SpA started the production and launch of a total of 764,712 garments. Of these, a share of 125,925 garments (equivalent to 16% of the total) were made using main fabrics with sustainability characteristics, i.e. certified, organic or recycled materials, with a reduced environmental impact.

The company's overall production is divided into two macro-categories, which represent the two main ways of producing garments in the fashion sector:

- **Industrialized**: this method requires Aeffe to directly purchase the raw materials and accessories needed to produce the garments. Once the materials have been acquired, the processing phases can be carried out internally by the company or entrusted to specialized third parties. This approach allows for greater control over quality, production processes and material selection, ensuring a final product that complies with company standards.

- **Direct-sourced**: in this case, Aeffe relies on external suppliers to purchase ready-made garments, without directly intervening in the production phases. This model, widespread in the fashion industry, allows for the rapid expansion of the product offering, optimizing time and costs, while maintaining careful control over the selection of suppliers and the qualitative characteristics of the garments intended for sale.

In the industrialized production, the total number of garments produced was 250,136 units. Of these, 26,667 garments were produced using sustainable materials, representing approximately 11% of the entire industrialized production.

As for the direct-sourced production, the total number of garments produced and distributed was 514,576 units. Of these, 99,258 garments were made with sustainable fabrics, corresponding to 19% of the production actually placed on the market.

An in-depth analysis of the raw materials used by Aeffe SpA in 2024 shows an increasing use of biological, organic and recycled materials for the production of garments.

Specifically, 102,622 garments were made with fabrics of biological or organic origin, from crops without pesticides or harmful chemicals, or with materials certified for their lower environmental impact. This choice represents 13% of the company's total production, highlighting a greater attention towards the selection of more sustainable raw materials.

At the same time, 8,604 garments were produced using recycled materials, obtained from the recovery of pre-existing textile fibres or industrial waste. Although these garments represent approximately 1% of the overall production, the use of recycled fabrics contributes to reducing the use of new resources and limiting waste.

The adoption of organic and recycled materials is part of a broader strategy of Aeffe SpA aimed at reducing the environmental impact of the production process. The company pays attention to the responsible use of resources, the reduction of waste and the choice of more sustainable solutions to meet the new needs of the fashion industry. This direction is part of a path of innovation and responsibility that aims to combine quality, aesthetics and respect for the environment.

During the 2024 fiscal year, Aeffe SpA purchased a series of raw materials divided into different categories, with particular attention to the organic and recycled origin of these materials.

- **Cotton**: 44,346 kg total, of which 579 kg technical and biological materials (1.31%) and 1,107 kg recycled materials (2.50%).
- **Silk**: 2,420 kg total, with 394 kg of organic origin (16.28%).
- **ABS**: 19,954 kg total, with 11,436 kg coming from recycled materials (57.31%).
- **Cashmere**: 946 kg total, of which 928 kg from recycled materials (98.13%).
- **Wool**: 34,982 kg total, with 5 kg derived from bio-based materials (0.01%) and 48 kg from recycled materials (0.14%).
- **Wool/mohair blend**: 2,179 kg total, with 447 kg of recycled material (20.51%).
- **Wool/synthetic blend**: 6,623 kg total, with 4,115 kg recycled materials (62.12%).
- **Polyethylene**: 5,169 kg total, with 3,250 kg coming from recycled materials (62.87%).
- **Polyester**: 26,949 kg total, with 1,588 kg recycled materials (5.89%).

This data refers only to materials with organic or recycled origin. In particular, with regard to materials with organic origin of textile products, these are all subject to certifications that ensure that they are made with natural fibers grown without the use of pesticides or harmful chemicals. These certifications verify the entire production chain, from harvest to processing, including rigorous environmental and social criteria. Furthermore, they guarantee the traceability of materials and compliance with ethical standards throughout the supply chain. It is important to underline that there are other materials used that do not belong to these categories and that are reported separately in the table. Aeffe SpA has however recorded a significant use of recycled materials, in particular for synthetic materials such as ABS and polyethylene, and for cashmere.

MATERIALS USED BY WEIGHT – Aeffe SpA	Unit of measurement	FY 2024				
		Total materials used	Technical and biological materials used (parts of the total)	Recycled materials used (parts of total)	% Organic	% Recycled
COTTON	Kg	44.346	579	1.107	1.31%	2.50%
SILK	Kg	2.420	394	-	16.28%	0.00%
ABS	Kg	19.954		11,436	0.00%	57.31%
CASHMERE	Kg	946		928	0.00%	98.13%
WOOL	Kg	34.982	5	48	0.01%	0.14%
WOOL AND MOHAIR MIX	Kg	2.179		447	0.00%	20.51%
WOOL AND SYNTHETIC MIX	Kg	6.623		4.115	0.00%	62.12%
POLYETHYLENE	Kg	5.169		3.250	0.00%	62.87%

POLYESTER	Kg	26.949	1.588	0.00%	5.89%
Fabrics					
100% nylon	Kg	1.941		0.00%	0.00%
> 60% viscose	Kg	7,553		0.00%	0.00%
> 60% nylon	Kg	5.360		0.00%	0.00%
100% viscose	Kg	4.980		0.00%	0.00%
100% ramie	Kg	57		0.00%	0.00%
> 60% acetate	Kg	3.848		0.00%	0.00%
> 60% linen	Kg	661		0.00%	0.00%
> 60% cupro	Kg	227		0.00%	0.00%
> 60% modal	Kg	2.525		0.00%	0.00%
> 60% acrylic	Kg	263		0.00%	0.00%
100% linen	Kg	597		0.00%	0.00%
100% lyocell	Kg	450		0.00%	0.00%
100% acetate	Kg	3.348		0.00%	0.00%
synthetic mix	Kg	12.171		0.00%	0.00%
Non-seasonal haberdashery					
100% nylon	Kg	19		0.00%	0.00%
100% metal	Kg	102		0.00%	0.00%
100% silicone	Kg	23		0.00%	0.00%
100% PVC	Kg	249		0.00%	0.00%
> 60% viscose	Kg	25		0.00%	0.00%
100% polyurethane	Kg	1.498		0.00%	0.00%
> 60% rayon	Kg	2		0.00%	0.00%
100% cellulose	Kg	17,676		0.00%	0.00%
synthetic mix	Kg	76		0.00%	0.00%
Seasonal haberdashery					
100% nylon	Kg	81		0.00%	0.00%
100% horn	Kg	123		0.00%	0.00%

100% corozo	Kg	53		0.00%	0.00%
100% malachite	Kg	44		0.00%	0.00%
100% metal	Kg	1.922		0.00%	0.00%
100% methacrylate	Kg	2		0.00%	0.00%
100% mother of pearl	Kg	224		0.00%	0.00%
> 60% nylon	Kg	906		0.00%	0.00%
> 60% glass	Kg	7		0.00%	0.00%
100% viscose	Kg	129		0.00%	0.00%
> 60% viscose	Kg	482		0.00%	0.00%
100% silicone	Kg	374		0.00%	0.00%
100% rayon	Kg	7		0.00%	0.00%
> 60% rubber	Kg	6		0.00%	0.00%
> 60% cellulose	Kg	49		0.00%	0.00%
100% calf	Kg	2		0.00%	0.00%
> 60% calf	Kg	0		0.00%	0.00%
> 60% polypropylene	Kg	0		0.00%	0.00%
100% acetate	Kg	0		0.00%	0.00%
100% brass	Kg	0		0.00%	0.00%
100% PVC	Kg	16		0.00%	0.00%
> 60% metal	Kg	642		0.00%	0.00%
synthetic mix	Kg	150		0.00%	0.00%
Non-seasonal interiors					
100% polyurethane	Kg	23		0.00%	0.00%
100% nylon	Kg	1.349		0.00%	0.00%
> 60% rayon	Kg	10		0.00%	0.00%
100% cellulose	Kg	7,539		0.00%	0.00%
synthetic mix	Kg	538		0.00%	0.00%
Linings					
100% viscose	Kg	1.319		0.00%	0.00%

> 60% nylon	Kg	31			0.00%	0.00%
100% nylon	Kg	76			0.00%	0.00%
> 60% acetate	Kg	853			0.00%	0.00%
100% cupro	Kg	164			0.00%	0.00%
acetate and viscose mix	Kg	229			0.00%	0.00%
mixed cupro	Kg	14			0.00%	0.00%
Row						
100% nylon	Kg	6			0.00%	0.00%
> 60% nylon	Kg	320			0.00%	0.00%
Yarns						
100% viscose	Kg	974			0.00%	0.00%
100% nylon	Kg	231			0.00%	0.00%
> 60% viscose	Kg	1.207			0.00%	0.00%
> 60% nylon	Kg	95			0.00%	0.00%
> 60% linen	Kg	12			0.00%	0.00%
wool and non-synthetic mix	Kg	1.744			0.00%	0.00%
synthetic mix	Kg	29			0.00%	0.00%
100% linen	Kg	5			0.00%	0.00%
Total weight of materials used	Kg	229.206	978	22.918	0.43%	10.00%

MATERIALS USED – Pollini SpA (in euro)	FY 2024		
	Total materials used	Recycled/reused materials used (parts of total)	% Recycled
Plastic	€411,901.65	-	0%
Metal	€1,240,581.96	-	0%
Paper	€378,244.19	€75,648.00	20%
Cotton	€169,921.16	-	0%
Rubber	€208,065.00	-	0%
Skin	€4,095,009.33	-	0%

Synthetic fabrics + Agglomerates (e.g. reinforcements/insoles)	€1,010,300.01	-	0%
Total value of materials used	**€7,514,023**	**€75,648**	**1%**

The data relating to the materials used by Pollini SpA are currently only available in monetary units, for this reason they have been reported in euros spent on their purchase.

Data on incoming materials relating to other companies in the perimeter were not collected as their activity is purely commercial and therefore not connected to the relevant IROs identified by the company.

E5-5 – Outgoing resource flows[64]

With regard to production waste, the Group companies, in full compliance with the regulations and laws for the sector, work continuously to reduce the incidence and quantity of waste produced. As required by the regulations and laws of reference, with reference to the rules of good technique, in addition to the due separate waste collection activity, staff awareness has been raised at a motivational level in order to reduce the impact of the waste produced.

The suppliers of the waste disposal service are those already in use and qualified to operate with the companies of the Aeffe Group in compliance with the regulations in force for the disposal of waste produced. The most significant waste, in terms of reporting for the Non-Financial Data of the Consolidated Financial Statement, is that produced in the Aeffe SpA plants in San Giovanni in Marignano and Pollini SpA in Gatteo.

Data on outgoing resource flows relating to the other companies in the perimeter were not collected as their activity is purely commercial and consequently not connected to the relevant IROs identified by the company.

FY 2024										
WASTE GENERATED	Unit of measurement	Total waste generated	of which not intended for disposal (recovered)				of which destined for disposal			
HAZARDOUS WASTE			Preparing for reuse	Recycling	Other recovery operations	Total waste recovered	Incineration	Landfill disposal	Other disposal operations	Total waste for disposal
NEON TUBES	kg	69			69	**69**				-
SPRAY CANS OUT OF STOCK	kg	48			48	**48**				-
EX MASTIC/PAINT DRUMS	kg	400				-			400	**400**
WASTE ADHESIVES AND SEALANTS	kg	162				-			162	**162**

[64] The data presented refers to the companies Aeffe SpA and Pollini SpA. The other companies of the Group only produce waste similar to urban waste.

WASTE/UNUSED PAINTS	kg	20				-			20	**20**
SOLVENTS FOR CLEANING AND WASHING	liters	41				-			41	**41**
OTHER ENGINE OILS	liters	74			74	**74**				-
NON-HAZARDOUS WASTE			Preparing for reuse	Recycling	Other recovery operations	Total waste recovered	Incineration	Landfill disposal	Other disposal operations	Total waste for disposal
PAPER AND CARDBOARD PACKAGING	kg	139,450			139,450	**139,450**				-
PLASTIC PACKAGING	kg	21,360			21,360	**21,360**				-
WOOD	kg	16,640			16,640	**16,640**				-
PROCESSED TEXTILE FIBERS	kg	14,490			14,490	**14,490**				-
COMPONENTS REMOVED FROM DISMISSED EQUIPMENT	kg	2.300			2.300	**2.300**				-
MIXED WASTE FROM CONSTRUCTION AND DEMOLITION ACTIVITIES	kg	0			0	**0**				-
MIXED UNSORTED WASTE	kg	21,420			21,420	**21,420**				-
ALKALINE BATTERIES	kg	20			20	**20**				-
SLUDGE FROM LEATHER PROCESSING	kg	168				-			168	**168**
SLUDGE PRODUCED IN PARTICULAR BY THE ON-	liters	4,500				-			4,500	**4,500**

SITE TREATMENT OF EFFLUENTS CONTAINING CHROME						
LEATHER SCRAPS	kg	15,240		-	15,240	**15,240**
MIXED METALS	kg	3.830	3.830	**3.830**		-
ALUMINUM	kg	255	255	**255**		-
COPPER, BRONZE AND BRASS	kg	60	60	**60**		-
IRON AND STEEL	kg	3.400	3.400	**3.400**		-
PLASTIC WASTE	kg	2.000	2.000	**2.000**		-
OUT OF PRINTING TONERS	kg	24	24	**24**		-
TOTAL WASTE PRODUCED		245.971		225,440		20,531
Percentage of waste not recycled						8.35%

2. SOCIAL INFORMATION

ESRS S1 - OWN WORKFORCE

S1 SBM-2 – Stakeholder interests and opinions

With reference to the method of involving the workforce, please refer to paragraph "SBM-2 – Interests and opinions of stakeholders".

S1 SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model

With reference to the description of impacts, risks and opportunities connected to the company's own workforce, please refer to paragraph "SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model".

Workers, regardless of their contractual type, are a fundamental resource for the long-term success and sustainability of the company. The well-being, professional growth and development of employees' skills are central to the company's strategy, as their direct contribution is essential to maintaining high standards of performance and adapting to market challenges. The company recognizes that the valorization of the workforce not only improves productivity, but also promotes a healthy and motivating work environment, which contributes to the stability and competitiveness of the business in the long term.

The Group uses different types of contracts, thus ensuring flexible management that is appropriate to the different organizational and personal needs. The types of contracts used include the permanent contract, which represents the stable basis of company resources, the fixed-term contract to meet temporary needs, the part-time contract to promote a balance between private and working life, and the seasonal contract, in particular to cope with peaks in activity linked to certain seasons.

The company also uses various categories of external workers, who provide specialized skills and temporary support. These include external collaborators, including consultants and freelancers, who provide occasional services or are employed under coordinated and continuous collaboration contracts. In addition, the company uses workers from temporary employment agencies, as well as interns, who represent an important resource for promoting generational turnover and the integration of young talents into the world of work.

All Aeffe's own workers involved in its activities are included in the scope of the information pursuant to ESRS 2.

S1-1 – Policies relating to your workforce

Aeffe recognizes the importance of responsible management of the significant impacts on its workforce, aware of the risks and opportunities that arise from it. In line with the principles of integrity, transparency and legality that guide the company's activity, Aeffe has adopted a Code of Ethics that defines the principles and guidelines of behavior to which all employees and collaborators[65]must comply. In addition, the Code operationally branches out into a series of internal policies, regulations, procedures and processes, which consolidate and disseminate the company's sustainable approach to its workforce.

[65]Employees and collaborators are the type of workforce subject to significant impacts identified in the relevance phase of the process, which includes permanent, fixed-term, part-time and seasonal employees and non-employee workers such as external collaborators, temporary agency workers and interns.

Although Aeffe has not drawn up policies in which it has committed itself to the requests of the main international instruments[66]in favor of respect for human rights, the Group, with the aim of promoting respect for these issues along the supply chain, has integrated them among the principles of its Supplier Code of Conduct[67].

Currently, Aeffe does not have a workplace accident prevention policy.

S1-2 Processes for engaging with your workforce and worker representatives on impacts

Aeffe's workforce engagement occurs through the proactive work of the HR department and employee representatives. The engagement methods vary based on the topic addressed and the level of participation required.

Employees are promptly informed about organizational changes, new procedures or company policies through internal communications addressed to all group personnel. At the same time, the involvement of workers' representatives is achieved through:

- ☒ Industrial relations, which promote a constructive dialogue with trade union representatives to protect workers' rights.
- ☒ Collective bargaining, which defines collective labor agreements, ensuring shared decisions on working conditions.
- ☒ Information and consultation, through which representatives are involved in relevant issues such as the introduction of new technologies, organizational changes and diversity & inclusion policies.

Employee communications are made in the event of new developments whenever significant events requiring disclosure occur, while meetings with trade union representatives and workers' organizations were particularly frequent in 2024, with an average of at least one meeting per month. The entire Group Human Resources Department has operational responsibility for managing significant impacts and ensuring the involvement of its workforce and its representatives.

In terms of human rights, the company has formalized its commitment through the supplementary contract, which refers to the Universal Declaration of Human Rights and the Fundamental Conventions of the ILO (International Labour Organization). This agreement with the social partners underlines the importance of a growth model that combines corporate value and excellence with respect for people, human and social rights, safety at work and sustainable development.

Furthermore, to better understand the perspectives of the most vulnerable workers or those at risk of marginalization, Aeffe has started a collaboration with Fondazione Libellula, promoting an initiative dedicated to the fight against violence against women and gender discrimination. In this context, an anonymous survey was conducted among all employees to collect feedback on the topic, with the aim of developing a plan of Diversity, Equity & Inclusion (DE&I) initiatives tailored to their needs and expectations.

S1-3 – Processes to remediate adverse impacts and channels for workforce to report concerns

Aeffe SpA has adopted a structured system to address and remedy any significant negative impacts on its workers, promoting a working environment based on transparency, integrity and respect for people's rights.

66Key international instruments for the respect of human rights include the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

67Including the monitoring of issues such as human trafficking, forced or compulsory labor and child labor.

In particular, collaborators who believe they have been subjected to harassment or discrimination - related to age, sex, race, health status, nationality, political opinions or religious beliefs - can report the incident to their direct manager, who will inform the Supervisory Body.

A fundamental step in this process was the implementation of the **whistleblowing** system, activated in compliance with **Legislative Decree no. 24/2023**. This system allows employees and collaborators to report, in a secure and confidential manner, any irregularities or improper conduct, through **dedicated internal channels**, both written and oral. To further strengthen the protection of whistleblowers, reports can also be made anonymously, guaranteeing the confidentiality of the identity of the whistleblower, the people involved and the content of the report.

The management of reports is entrusted to an **Internal Reporting Management Committee**, composed of internal and external figures with specific expertise in whistleblowing. The committee ensures an impartial and accurate analysis of cases, assessing the validity of the reports and implementing the necessary corrective measures. In order to inform and involve all internal and external recipients, the activation of the whistleblowing procedure was officially communicated in January 2024, with the introduction of a **dedicated platform** accessible via the official websitewww.aeffe.com. For further information, see paragraph "ESRS G1 – Conduct of businesses".

In addition to the reporting system, workers can communicate their concerns or needs directly to the **HR department**, contacting the HR Manager of reference for their business unit or company department. Alternatively, they can contact the **company RSU**, thus ensuring different channels of listening and support.

Aware of the importance of a corporate culture that promotes listening and respect, Aeffe is committed to carrying out a **training project** aimed at all internal and external recipients of the organization, with the aim of strengthening knowledge of the tools available for the protection of rights and the management of reports.

S1-4 – Actions on material impacts on workforce, management of risks and opportunities and their effectiveness

At Aeffe, the value of people is at the heart of the company strategy. For this reason, the company has implemented a series of initiatives and is planning further actions aimed at enhancing its human capital, reducing risks related to workforce management and seizing opportunities for growth and innovation.

The following are the main areas of action on which the company focuses its approach to its workforce:

- **Staff selection and hiring**: The selection process is based on the valorization of skills and merit, guaranteeing equal opportunities and preventing any form of discrimination. Each hiring is regulated by clear and transparent employment contracts, fully compliant with current regulations.

  In particular, an important milestone in 2024 was the implementation of the first official HR procedure, aimed at defining in a clear and structured way the company processes related to personnel search and selection, training, compensation policies and administrative management of employees (payroll). This initiative has made it possible to standardize and optimize HR practices, ensuring greater transparency and efficiency in human resources management.

- **Training and development**: A constant investment in continuous training is promoted, offering employees and collaborators opportunities for both professional and personal growth, with paths aimed at acquiring and enhancing skills.

- **Health and safety**: The protection of health and safety at work is an absolute priority. The company guarantees a safe and healthy working environment, adopting all the necessary preventive measures to protect its employees and collaborators.

- **Privacy Policy**: Maximum confidentiality is ensured in the processing of personal data of employees and collaborators, in full compliance with current regulations on data protection.

- **Integrity and respect**: Aeffe promotes a work environment based on principles of mutual respect, integrity and fairness, combating any form of discrimination, harassment or behavior that is harmful to the dignity of the person.

The following paragraphs illustrate a series of practices and initiatives implemented by Aeffe and aimed at ensuring the protection and well-being of its workers.

Wellbeing and welfare

In order to prevent and/or mitigate the potential negative impact relating to the economic insecurity of employees and the fragility of the standard of living of families in the event of recourse to fixed-term contracts or unstable and frustrating working conditions, the industrial companies of the Aeffe Group[68]have adopted a comprehensive corporate welfare plan, developing a strategy aimed at creating a better working environment, promoting a balance between professional and personal life and promoting the development of human capital. Through economic support measures and targeted initiatives, the Group is committed to improving the well-being of employees and their families, while strengthening the sense of corporate belonging.

During the second level bargaining that took place in 2023, the issues of welfare and organizational well-being were priorities. The most significant **innovations** in the supplementary company contract of the Group's headquarters are configured on the following issues: inter-company canteen, working hours, measures to support parenthood, positive actions[69], corporate volunteering, performance bonuses, corporate welfare, supplementary insurance coverage for executives, smart working.

Aeffe[70] adopted a **new corporate welfare plan** in 2024, providing welfare credit through an innovative formula compared to the past. Aeffe has in fact decided to collaborate with Satispay: an application that offers digital corporate welfare solutions that can be spent in a large network of physical and online stores and services. The amount planned for 2024 was €400.00 but having reached the objective relating to the Group Sustainability Performance Bonus, the overall spendable value was €650.00. The Welfare credit was recognized starting from November 2024 to workers with permanent and fixed-term contracts, as well as temporary workers provided that they have worked for at least 6 months, in force in the month of disbursement, who have passed the contractual probationary period.

Among the main welfare initiatives, aimed at increasing employee well-being, we find:

Working hours

Flexibility in and out

For the commercial, administrative and corporate departments of Aeffe SpA and for service, the company has experimented with the use of flexible entry and exit hours of half an hour, both for the San Giovanni in Marignano office and for the two Milan offices, with the prospect of extending this facility to the Operations department as well.

Smart working

The company intends to continue to improve the context in which its collaborators are called to perform their work, promoting the well-being of people and, in particular, facilitating work-life balance.

Therefore, in 2024 the company renewed an agreement with the union representation on smart working. The parties examined the criteria and frequency of use of the tool: the work performance can be carried out in Smart Working mode for a total of 4 days per month, which can only be used as full days, for a maximum of 2 days per week, taking into account the inevitable organizational needs of the company and, in particular, the cases in which the presence of the worker on site is essential. The company has started an experimental phase aimed at all employees who hold a role and therefore an activity that can be carried out remotely, involving more than 200 collaborators, which ended on 03/31/2024.

Overtime management

The company tries to limit the use of overtime as much as possible, possibly improving the organization of work or proceeding with employment increases also with fixed-term contract forms. Through union agreements signed over time, the organization has improved two regulatory systems such as the Hours Bank and the Flexibility Institute, through a company-wide supplementary contract.

Part Time Quote (Part-time hours)

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[68]The information relating to this paragraph refers only to the companies Aeffe SpA, Pollini SpA and Pollini Retail Srl

[69]Additional paid leave hours for preventive oncology visits and for chronic diseases.

[70]The information relating to this paragraph refers only to the companies Aeffe SpA, Pollini SpA and Pollini Retail Srl

The company has agreed with the social partners to evaluate the acceptance of percentages of temporary part-time quotas, higher than those foreseen by the applied CCNL, giving priority to employees who live in some specific conditions.

Holidays and additional permits

Extension of leave hours

Upon request of the individual collaborator (full-time and part-time), additional and paid leave hours are granted annually for preventive oncology visits and for chronic pathologies. The new supplementary contract has extended the maximum limit from six hours to eight.

Volunteer Day

In 2024, the planning of an initiative was started that aims to promote and enhance social and solidarity activities. The main objective is to allow workers involved in individual volunteering initiatives (in particular, at entities certified by the third sector register) to benefit from the recognition of one paid day per year. In this way, forms of support could be created for projects of social utility that see future involvement, including corporate, in the context of initiatives/partnerships through organizations, aimed at implementing projects and activities on environmental and social issues (for example: fight against poverty, inclusion and diversity, health, food waste, civil protection, animal welfare) possibly privileging local communities.

Holiday Calendar

The Company Holiday Calendar is defined within the month of March of each year. This constant periodicity allows the entire organization and the employee to plan the amount of holidays due.

Bank of Hours and Flexibility Institutes

The number of hours of the Bank of Hours institute provided for by the CCNL provides for 32 hours. Over the years, the company has increased this amount to 40 hours per year.

The Flexibility Institute is designed to cope with variations in the intensity of work activity. Companies and Trade Unions define different working hours regimes in particular periods of the year, with the contractual working hours being exceeded up to the limit of 70 hours per year. Such exceeding of the contractual working hours will correspond, during the year and in periods of lower working intensity, to an equal amount of reduction in hours.

Solidarity hours

In the event of extremely serious events involving children and/or first-degree relatives of employees, the possibility of activating the transfer of "solidarity hours" by colleagues has been introduced, in accordance with the provisions of Legislative Decree no. 151 of 2015, art. 24.

Disease integration

Workers who are blue-collar workers are guaranteed sickness benefit integration of up to 75% of their normal wages from the first to the third day of absence; while employees are guaranteed sickness benefit integration of up to 75% of their normal wages for the fifth and sixth month of absence from work.

Services

Company Recreation Committee for Workers (C.R.A.L.)

Aeffe provides employees with a fund for cultural, recreational, training, information and sports activities that is managed by a commission of some designated employees. Every year, the CRAL undertakes to organize dinners, aperitifs and events of various kinds of social nature. In addition, the committee stipulates agreements with various types of businesses every year, applying discounts reserved for members only.

Purchase of company products

Aeffe allows all staff the possibility to purchase, at advantageous prices, company products (Pollini footwear and leather goods, underwear and summer, clothing and accessories) at the relative warehouses. This possibility is allowed twice a year during sales shifts in periods communicated by the company and is also extended to family members.

CAF Services and Tax Assistance

Every year, in the month of May, all employees are given the opportunity to avail themselves of tax assistance (model 730) through an agreement with Confindustria. The declaration is filled out directly in the company during working hours with a double advantage: the first is to free up private time, while the second is to be able to take advantage of discounted rates.

TFR advance and transfer

For employees only who were members of the contractual supplementary pension scheme and were employed by the company before 2007, the possibility of requesting an annual advance on the TFR to be allocated to the fund itself was permitted in order to allow for an increase and greater income from the supplementary pension scheme.

Conventions

Aeffe has entered into agreements to offer discounts aimed only at Group employees; among these, some examples are agreements with Financial Institutions, gyms and private schools present on the national territory.

Study permits and scholarships

For workers enrolled in university courses and masters, including private ones (related to the job/role performed), upon request and within the hours provided for by the current CCNL, unpaid leave is granted to be used in blocks of two days, preceding exams, in addition to what is provided for in a paid form by the CCNL. Through the fund that the Company has established, scholarships for scholastic merit are made available every year, intended for the children of workers, enrolled in lower and upper secondary school and university.

Sustainable mobility

Aeffe SpA has decided to follow and concretely support sustainable mobility: a trend that is constantly growing even among companies. Starting from July 2023, 10 e-bikes have been made available, which can be used by the entire company population of San Giovanni in Marignano to make the home-work commute, lunch break or simply for recreational purposes in free time more sustainable. The rental and use of e-bikes is completely free for employees.

The double relevance analysis has identified a further potential negative impact related to insecurity, job insecurity and loss of employee know-how due to the obsolescence of skills, which in turn is the consequence of Aeffe's lack of attention to the issue of training and skills development, the failure to listen to its resources and the failure to provide the right support for employee development. To prevent and/or mitigate this scenario, Aeffe has adopted an approach aimed at continuous training, skills development and the valorization of diversity and inclusion.

Training

During 2024, Aeffe launched an important **Performance Management** project, a system of assessment and development of skills that aims to foster constant dialogue between employees and management. It is a structured process that encourages continuous improvement of individual and corporate performance. This project will see its full implementation during 2025, representing a strategic tool for the professional growth of all collaborators.

At the same time, Aeffe is investing heavily in training and skills development. The desire to offer increasingly accessible learning opportunities has led the company to design a **Group e-learning** platform, with a wide catalogue of courses available to all employees. The implementation will begin in the Italian companies and will later be extended to foreign offices, thus ensuring continuous and personalised training for the entire company population.

Diversity and inclusion

Aeffe recognizes the importance of the concept of **Diversity, Equity and Inclusion (DE&I)** in creating a positive, stimulating and respectful work environment for all. Although the Group has not adopted a specific policy, the DE&I theme is mentioned in the Code of Ethics, which shows the Organization's belief that an inclusive context, in which each individual feels valued and accepted, is fundamental for the well-being of employees and for the company's success.

As a demonstration of this commitment, Aeffe has joined the **Network of the Libellula Foundation**, an organization that promotes the fight against violence against women and gender discrimination. This collaboration represents a significant step in the company's journey towards a culture of respect and equality, recognizing the key role of business as a driver of social change.

Starting from 2023, with the support of the Libellula Foundation, Aeffe has started a concrete **path of awareness and training**, starting from Aeffe SpA, with the aim of spreading an inclusive culture. The main initiatives developed concern:

- ☒ **Awareness and sensitization**: The company has promoted information campaigns and training activities to raise awareness on key issues such as gender violence and discrimination, in the belief that knowledge and open dialogue are essential tools to promote change.

- ☒ **Inclusion and equal opportunities**: Aeffe guarantees all its employees the same opportunities. In particular, the Code of Ethics establishes that employees and collaborators operate **in full respect of the personal characteristics of each individual, encouraging and rewarding integrity and a sense of responsibility, valuing diversity and rejecting any form of discrimination.**

  The provisions of the Code of Ethics expressly prohibit any discrimination based on: race and ethnic origin; skin color; sex; sexual orientation; gender identity; disability; age; religion; political opinions; national origin or social extraction; any other form of discrimination provided for by EU legislation and national law.

- ☒ Although Aeffe has not made any direct commitments regarding the inclusion of people from vulnerable groups in its workforce, in the face of such cases, the Group is committed to ensuring an inclusive and respectful work environment, where each person is valued for their skills and competences, regardless of their personal characteristics, as established by the principles of the company's Code of Ethics. In particular, with a view to actively involving staff, an **internal survey on gender-based violence** was launched, which recorded a high participation rate and highlighted the importance of constant dialogue on these issues. In addition, a **working group** was established, composed of ten representatives from the various offices of Aeffe SpA, which participated in training sessions dedicated to DE&I during 2024. This team has developed a **two-year initiative plan**, which will be presented by the first quarter of 2025.

The **Human Resources** department, in close collaboration with the **Libellula Foundation** and with the support of the Ferretti family, is responsible for the management and implementation of the project, ensuring constant monitoring of the progress and actions introduced.

Finally, a section dedicated to harassment and violence in the workplace and outside the organization has been included in the company supplementary contract for many years now. In fact, implementing the framework agreement of the European Social Partners of 26 April 2007, training and information activities have been identified aimed at raising awareness, in the workplace, regarding harassment and gender violence, the internal procedure for supporting victims, and the most favorable provisions for victims of gender violence. The company annually grants one hour of paid assembly in addition to the contractual hours for awareness campaigns and the use of the company fund for training initiatives is foreseen.

Aeffe has not identified any actual negative impacts relating to its workforce that need to be remedied.

These initiatives, designed to translate the principles pursued by the Group into action, aim to ensure that its business practices do not generate or contribute to significant negative impacts on its workforce. The measures adopted by Aeffe for the well-being and protection of employees not only help prevent and mitigate negative impacts on their working conditions, but also reduce risks for the company related to its workforce, such as high turnover, loss of strategic skills and decreased productivity. At the same time, these actions foster a more motivating and inclusive work environment, creating new opportunities for growth, innovation and competitiveness for the company. They originated from **Aeffe S.p.A.**, which represents the entity with the largest number of employees within the Group. However, the aim is to gradually extend these measures to all the companies of the Group, both in Italy and abroad, so that each employee can benefit from a work environment that is increasingly attentive to well-being and professional growth.

The planned actions are accompanied by the values that lead to the realization of the **Industrial Plan** which, with a gradual implementation, has a four-year validity. To realize these projects, the company has allocated dedicated financial resources. The Performance Management project, for example, provides a specific budget that includes the support of a consulting and training company[71].

[71]Currently, there is no information available regarding the type of financial resources allocated.

S1-5 – Objectives to manage material negative impacts, advance positive impacts and manage risks and opportunities

The Group has not yet defined quantitative objectives related to the significant impacts identified with reference to the management of its own workforce. However, the topic refers to the "People & Community" pillar of the Sustainability Plan currently being defined, which will define the objectives, any qualitative or quantitative indicators and the processes through which progress will be monitored. For further information on this, please refer to the paragraph "Improvement objectives".

The company recognizes that investing in human capital is a fundamental strategic lever and, for this reason, has already structured a series of initiatives capable of improving the quality of the working environment, developing key skills and promoting a corporate culture based on inclusion and well-being, as communicated in the previous paragraph.

One of the main objectives concerns, in fact, the improvement of **Performance Management**, designed during 2024 to align employee performance with the company's strategic objectives, through a continuous feedback and support mechanism. Performance Management not only allows you to monitor results, but actively promotes professional development, creating a virtuous circle between individual growth and company success. Its goal is to make each employee an active part of the improvement path, encouraging accountability and involvement.

At the same time, the company is committed to strengthening the **training and skills development** system and, in particular, to making the Group's e-learning platform accessible to all employees, regardless of where they work. In a constantly evolving market, investing in professional growth means ensuring employees have the tools they need to face the challenges of the future. This project represents a significant step towards continuous and widespread training, with particular attention to new technologies and transversal skills, which are essential to address changes in the sector.

Aeffe's commitment also extends to the continuous promotion of **diversity, equity and inclusion (DE&I)**, recognized not only as an ethical principle, but as a true driver of innovation. In this direction, Aeffe aims to finalize and implement the **Group's DE&I policy**, which will define guidelines and objectives to build a corporate culture that is increasingly equitable and respectful of diversity. In parallel, **awareness-raising and training** initiatives on these issues are planned, aimed at all company levels, to spread greater awareness and promote lasting cultural change.

Another key aspect of Aeffe's strategy concerns **well-being and the conciliation between professional and private life**. For this reason, the company is committed to maintaining and strengthening initiatives aimed at supporting physical and mental well-being, including health screening programs for disease prevention, flexible hours and the confirmation of the smart working policy.

S1-6 – Characteristics of the company's employees[72]

Aeffe firmly believes that workers, in all their contractual forms, are a fundamental resource for the company and that their well-being and development are central to the sustainability of the business.

Different types of contracts are adopted within the Group, each designed to respond effectively to company needs and at the same time guarantee flexibility and job stability. Among these, the **permanent contract** represents the most stable form of employment, offering continuity of work and greater guarantees for employees. Alongside this type, there is the **fixed-term** contract, used to deal with specific and temporary needs, such as fixed-term projects or production peaks.

To meet specific organizational needs and promote greater work-life balance, the group also provides **part-time** contracts, which allow for a reduced work commitment compared to full-time hours. Finally, to better manage the alternation of production activities related to certain periods of the year, **seasonal** contracts are used, which are particularly widespread in sectors characterized by strong seasonality of demand.

[72] All employee data is reported in number of people (headcount) as of 12/31/2024.

At the end of 2024, the workforce includes **1,316 employees**, with a strong female presence, representing 79% of the company population considered. At the end of 2024, permanent contracts are approximately 74% of the total (972 contracts) while fixed-term contracts are only 26%.

The female composition records almost 90% of part-time contracts, a fact resulting from the actions undertaken with the Social Parties, which have increased the acceptance quota through the company-wide collective bargaining of the transformations of working hours provided for by the CCNL.

TOTAL EMPLOYEES BY GENDER AND COUNTRY	2024				
	Woman	Man	Other[73]	Not reported	Total
Aeffe SpA - Italy	573	171	0	0	**744**
Pollini SpA	142	48	0	0	**190**
Pollini Retail SpA	98	11	0	0	**109**
Moschino Kids Srl	0	0	0	0	**0**
Aeffe Group Inc.	12	5	1	0	**18**
Aeffe Germany GmbH	10	2	0	0	**12**
Aeffe Spain Slu	8	3	0	0	**11**
Aeffe Netherlands BV	17	5	0	0	**22**
Fashoff UK Ltd.	11	4	0	0	**15**
Moschino Korea Ltd.	31	4	0	0	**35**
Moschino France S.A.R.L.	10	4	0	0	**14**
Moschino Asia Pacific Ltd.	15	1	0	0	**16**
Pollini Suisse Sagl	5	4	0	0	**9**
Pollini Austria GmbH	11	5	0	0	**16**
Moschino Shanghai Ltd	95	10	0	0	**105**
Total employees	1.038	277	1	-	1.316[74]

[73]Gender as specified by the employee himself.

[74]The reported value is updated to 12/31/2024. Please refer toparagraph 3 “Group Management Performance”, section “Personnel Cost”, where the same value is determined on the basis of an average.

Below is the data regarding employees by type of contract divided by gender and region[75]. The following table shows the data of all the companies included in the consolidated financial statements in an aggregate manner. The details of the data for each individual company are shown in the "Attachments" section.

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024														
	ITALY					ABROAD					TOTAL				
	W	M	OT	NR	TOT	W	M	OT	NR	TOT	W	M	OT	NR	TOT
Permanent contract	771	66	0	0	837	103	31	1	0	135	874	97	1	0	972
Fixed-term contract	42	164	0	0	206	122	16	0	0	138	164	180	0	0	344
TOTAL	813	230	-	-	1.043	225	47	1	-	273	1.038	277	1	-	1.316
Full time contract	667	216	0	0	883	185	40	0	0	225	852	256	0	0	1.108
Part time contract	146	14	0	0	160	40	7	1	0	48	186	21	1	0	208
Contract with variable hours	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
TOTAL	813	230	-	-	1.043	225	47	1	-	273	1.038	277	1	-	1.316

NEW HIRES AND TURNOVER	FY 2024				
	No. of employees	No. of new hires	No. ceased	Positive turnover rate	Negative turnover rate
Aeffe SpA Italy	744	100	146	13%	20%
Pollini SpA	190	19	28	10%	15%
Pollini Retail SpA	109	34	30	31%	28%
Moschino Kids Srl	0	0	0	0%	0%
Aeffe Group Inc.	18	10	10	56%	56%
Aeffe Germany GmbH	12	4	3	33%	25%
Aeffe Spain Slu	11	12	14	109%	127%
Aeffe Netherlands BV	22	10	12	45%	55%
Fashoff UK Ltd.	15	1	3	7%	20%
Moschino Korea Ltd.	35	4	15	11%	43%
Moschino France S.A.R.L.	14	9	11	64%	79%

[75]The division by region will be presented between Italy and abroad.

Moschino Asia Pacific Ltd.	16	22	12	138%	75%
Pollini Suisse Sagl	9	2	1	22%	11%
Pollini Austria GmbH	16	1	0	6%	0%
Moschino Shanghai Ltd	105	53	44	50%	42%
TOTAL	1316	281	329	21%	25%

Since the 2023 financial year, the Group has entered a reorganization process that started with a corporate rationalization (which resulted in seven corporate mergers in Italy and abroad) and continued through a reorganization of the Group's human resources that led to the signing of a 5-month Solidarity Contract involving approximately six hundred employees of Aeffe SpA. Following this operation, Aeffe SpA subsequently signed a further three-month Ordinary Redundancy Fund (CIGO) contract involving approximately 200 head office employees.

S1-7 – Characteristics of non-employees in the company's workforce[76]

Within the Group, in addition to employees hired with traditional contracts, there are also several non-employee workers who contribute specific skills and flexibility to support company activities. These include external collaborators, such as consultants and freelancers, whose relationship with the company can be regulated through occasional services or coordinated and continuous collaboration contracts, depending on operational needs.

Another category of non-employee workers is represented by personnel employed through temporary employment agencies, which allows the company to meet temporary staffing needs with qualified resources available for specific periods.

Finally, the company also welcomes interns, offering them training and professional growth opportunities through structured paths that allow them to acquire practical experience and skills useful for future entry into the world of work. In 2024, no contractors and subcontractors were used.

NON-EMPLOYEE WORKERS BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024								
	Aeffe Spa			Pollini Spa			Aeffe Group Inc.		
	Woman	Man	Total	Woman	Man	Total	Woman	Man	Total
Self-employed workers	12	21	33	6	2	8	1	0	1
Temporary workers	0	5	5	0	0	-	0	0	-
Interns and trainees	2	0	2	5	1	6	0	0	-
Contractors	0	0	-	0	0	-	0	0	-
Subcontractors	0	0	-	0	0	-	0	0	-
TOTAL	14	26	40	11	3	14	1	-	1

[76]The data in this section concern the companies Aeffe Italia SpA, Pollini SpA and Aeffe Group Inc, as they are the only companies to employ non-employees. All data relating to non-employees in the company's workforce are reported in number of people (headcount) as of 12/31/2024.

S1-8 – Coverage of collective bargaining and social dialogue

The policies and procedures followed by the Group, for the management of employment relationships, refer to what is indicated in the various National Collective Labor Agreements, to which the individual companies refer. 100% of the employees of the Italian companies of the Aeffe Group are covered by National Collective Labor Agreements, such as:

- CCNL Clothing Industry - Aeffe SpA
- CCNL Footwear and leather goods industry - Pollini SpA
- CCNL Commerce - Pollini Retail Srl and the Retail Division of Aeffe SpA
- CCNL Dirigenti Industria - the managers of all companies.

Although local legislation on labor law is different from that in force in the Italian state, it is estimated[77] that all employees of foreign companies are also covered by comparable contracts, regulated by individual legislation[78].

S1-9 – Diversity Metrics

In 2024, Aeffe’s workforce composition shows a strong gender balance in leadership positions. In particular, women represent **66%** of senior management, confirming the company’s commitment to promoting gender equality and enhancing female talent in key roles.

As regards the distribution by age group, there is a prevalence of employees in the central age group between 30 and 50 years old, who constitute more than half of the total (687 out of 1,316). However, the presence of resources over 50 years old is also significant, representing an important component of the company's experience. The presence of 132 young people under 30 also demonstrates Aeffe's attention to generational change and the inclusion of new professionals.

SENIOR MANAGEMENT BY GENDER	FY 2024				
	Woman	Man	Other	Not reported	Total
Executives	11	16	0	0	27
Managers	80	31	0	0	111
TOTAL	91	47	0	0	138
PERCENTAGE	66%	34%	-	-	100%

EMPLOYEES BY AGE GROUP	FY 2024			
	< 30 years	30-50 years	> 50 years	Total
Total employees	132	687	497	1.316

[77] It should be noted that this estimate is subject to a high degree of uncertainty.

[78] The Group has not currently concluded agreements with its employees for representation by a European Works Council (EWC), a European Company (SE) Works Council or a European Cooperative Society (SCE) Works Council.

S1-10 – Adequate wages

The company is committed to ensuring that all employees receive fair and adequate compensation[79], defined on the basis of objective criteria and in line with current regulations. In particular, salaries are determined by considering:

- ☒ **National Collective Labor Agreements (CCNL)**: where applicable, wages comply with the minimum wages established by the relevant CCNLs for the sector and the professional category of the worker, ensuring compliance with contractual standards.

- ☒ **Cost of living**: the company evaluates the differences in the cost of living in the different geographical areas in which it operates, adopting any salary adjustments to ensure a balance between purchasing power and employee needs.

S1-11 – Social protection

The company declares that all employees of Italian companies[80] are covered by social protection against loss of income due to: illness; unemployment; accident at work and acquired disability; parental leave; retirement.

Aeffe guarantees social protection to all employees in compliance with Italian law, the applicable CCNL (**Industrial Clothing SMI, Commerce, Industrial Managers**) and the supplementary company contract.

As regards the other companies of the Group[81], it is estimated[82] that all employed workers are covered by social protection measures in accordance with specific national regulations.

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[79]The adjusted reference wage used for the purposes of comparison with the lowest wage is not less than the following:

(a) within the EEA: the minimum wage established in accordance with Directive (EU) 2023/2041 of the European Parliament and of the Council (103) on adequate minimum wages in the European Union. In the period before the entry into force of Directive (EU) 2023/2041, where there is no minimum wage determined by legislation or collective bargaining in an EEA country, the undertaking shall use an adequate reference wage which is not lower than the minimum wage of a neighbouring country with a similar socio-economic status, or which is not lower than a commonly accepted international standard, for example 60 % of the national median wage and 50 % of the average gross wage;

b) outside the EEA:

i. the wage level established by applicable international, national or subnational legislation, official standards or collective agreements, on the basis of an assessment of the wage level necessary for a decent standard of living;

ii. if none of the instruments referred to in point (i) exist, any national or subnational minimum wage established by legislation or collective bargaining;

iii. where none of the instruments referred to in points (i) or (ii) exist, any benchmark that meets the criteria set out in the Sustainable Trade Initiative 'Roadmap on Living Wages – A Platform to Secure Living Wages in Supply Chains', including applicable benchmarks aligned to the Anker methodology or those of the Wage Indicator Foundation or the Fair Wage Network, provided that the primacy of collective bargaining in the definition of terms and conditions of employment is ensured. Directive (EU) 2023/2041 on adequate minimum wages in the European Union refers both to indicative benchmarks commonly used at international level, such as 60 % of the median gross wage and 50 % of the average gross wage, and to indicative benchmarks used at national level. Data for the indicative values of 60 % of the national median gross wage or 50 % of the average gross wage may be taken from the European Labour Force Survey.

[80]Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA and Moschino Kids Srl

[81]Aeffe Group Inc., Aeffe Germany Gmbh, Aeffe Spagna Slu, Aeffe Netherlands BV, Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd., Pollini Suisse Sagl, Pollini Austria Gmbh, Moschino Shanghai Ltd.

[82]It should be noted that this estimate is subject to a high degree of uncertainty.

S1-12 – People with disabilities[83]

Aeffe, in line with its desire to respect and promote diversity in the company, offers concrete opportunities for stable employment to workers belonging to the protected categories defined by current legislation (46 employees), with the aim of protecting the most vulnerable subjects and promoting their professional growth.

PERCENTAGE OF PROTECTED CATEGORIES BY GENDER	FY 2024				
	Woman	Man	Other	Not reported	Total
Total employees	813	230	0	0	1.043
Employees with disabilities	33	13	0	0	46
TOTAL	**4%**	**6%**	**-**	**-**	**4%**

Making an estimate[84] for the other companies of the Group, the total number of employees belonging to protected categories stands at 59.

S1-13 – Training and skills development metrics

The Aeffe Group values the professionalism of its collaborators by encouraging their development and growth, giving space to potential and talent. For this reason, it provides all employees with information and training tools, with the aim of developing and increasing the specific professional skills of the staff. Periodic training is provided at certain moments in the employee's corporate life and recurring training is aimed at operational staff.

In general, the Organization implements policies that are oriented to comprehensively manage the training and development of people, motivation, and performance evaluation at all levels. The main objectives of training are professional updating, in-depth study of certain topics, learning and training and is delivered through the following methods:

- external training at private training institutions;
- distance learning on digital platforms;
- on-the-job in-house training with private training institutions;
- on-the-job in-house training with internal teachers;
- individual and group training in the training room.

The main training activities and plans for career and skills development, in addition to training related to health and safety issues, Model 231, Privacy, On Boarding for new hires and apprentices, concern:

- Technical skills- technical and professional updates: specific training courses related to the development of technical skills of the various departments within the company structure. These interventions include project management courses, digital training for the in-depth study of modeling techniques and for the design of

[83]Direct data regarding protected categories included the companies Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA and Moschino Kids Srl. They are obtained by extracting the indication of the protected category by distinction and by gender from the list of employees. The data were, instead, estimated for the following companies: Aeffe Group Inc., Aeffe Germany Gmbh, Aeffe Spagna Slu, Aeffe Netherlands BV, Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd., Pollini Suisse Sagl, Pollini Austria Gmbh, Moschino Shanghai Ltd.

[84]The estimate of the number of workers with disabilities in other Group companies was carried out by applying the criteria set out in Italian law (Law no. 68/1999 "Regulations for the right to work of disabled people"): 1-14 employees: no obligation to hire; 15-35 employees: there is an obligation to hire at least 1 worker with disabilities; 36-50 employees: there is an obligation to hire at least 2 workers with disabilities; over 50 employees: at least 7% of the workforce must be hired as workers with disabilities. Starting from these indications, it is estimated that 13 workers with disabilities would be added, bringing the total to 59. However, local regulations in other countries could affect the actual number. It should be noted that this estimate is highly uncertain.

clothing and knitwear, IT training, individual and group language courses, participation in masters and training seminars, training on sewing techniques.
- **Transversal skills** - managerial skills development: development of relational skills for managers at external institutions and compliance training, based on the roles occupied in the organization.

In 2020, a learning management system was purchased, with a three-year project, which allows the Human Resources Department to provide Compliance training to employees (code of ethics, GDPR privacy at this stage) in FAD (distance learning) mode, allowing the training to be traced and verifying participation and attendance. The software is available to the entire Aeffe Group and is still active.

During 2023, this platform was implemented with the purchase and publication of two training courses dedicated to sustainability. In collaboration with the relevant department, it was possible to identify a basic course dedicated to the entire Group's corporate population and an advanced course dedicated to top management, first and second lines. As of December 31, 2024, over 80% of the entire corporate population had completed at least one training course dedicated to sustainability.

Aeffe SpA is also a partner company of the IFTS14 training course "Clothing Product Technician between craftsmanship, new technologies and sustainability". The course aims to train clothing product technicians, able to intervene in the various phases of prototype creation starting from the graphic representation of the sample garment up to the packaging of the finished product, using digital skills integrated with traditional processes. Aeffe SpA has made available materials for the creation of the garments, licenses for the use of software dedicated to modeling and collaborators who will carry out hours of teaching to the course participants.

The Retail divisions of Moschino SpA and Aeffe SpA have carried out specific training courses for their area, enhancing the management of the sales ceremony and the management of collaborators by Store Managers/Assistant Store Managers. These courses have been supported by cross-disciplinary training, with a focus on language courses and the Office package.

In 2024, a total of **3,894 hours of training** were provided. The average hours by gender in 2024 are approximately 2.33 for female employees and 5.33 for male employees.

TRAINING HOURS	FY 2024		
	Woman	Man	Total
Executives	16	60	**76**
Managers	325	282	**607**
Employees	2004	996	**3.000**
Workers	72	139	**211**
TOTAL	**2.417**	**1.477**	**3.894**

AVERAGE HOURS OF TRAINING	FY 2024		
	Woman	Man	Total
Executives	1.45	3.75	**2.81**
Managers	4.06	9.10	**5.47**
Employees	2.56	5.60	**3.12**

Workers	0.44	2.67	**0.98**
TOTAL	**2.33**	**5.33**	**2.96**

As regards the performance evaluation process, the Group does not currently have a formalised and structured process, but its adoption is included, as explained in paragraph S1-4 of this chapter, among the initiatives undertaken in 2024. This performance evaluation project has been included in the Group's corporate industrial plan, with the aim of finalising it and making it operational during 2025, starting with the Italian companies.

S1-14 – Health and Safety Metrics

The Aeffe Group, as regards Italian companies[85], through the function of the Safety Office, in addition to ensuring the maintenance of the legal provisions pursuant to Legislative Decree 81/08 and subsequent amendments for the health and safety of its employees and collaborators, aims, in accordance with the rationale of the legislation itself, at the continuous improvement of company standards in order to keep under control and reduce the identified risk indices.

Maintaining attention to the dictates of the applicable regulations, with reference to the indications contained in the Code of Ethics of Aeffe SpA - point 3.12 "In the protection of health and safety at work and the environment", the activity of the Safety Office allows the monitoring of the health and safety aspects set on the basis of the ISO 45001 Certification standard, even if they are not certified.

As per Legislative Decree 81/08 and subsequent amendments, the company organization allows, through the foreseen company figures, the correct management of the aspects of competence, allowing, in fact, the maintenance of the management of what is identified in the company evaluation documents. Furthermore, in continuity with what has already been undertaken in recent years, further initiatives on equipment and systems at the Aeffe Group production plants are being developed.

All employees of Aeffe SpA, Pollini SpA and Pollini Retail SpA are covered by SGSSL. For the company Aeffe Spagna Slu (11 employees) an agreement has been formalized with a consultancy firm that oversees the issues of health and safety of workers. For the company Aeffe Netherlands BV (22 employees) a supplementary insurance policy has been signed to cover illnesses and injuries of workers. The employees of Moschino France are also covered by a health and safety management system. The company Moschino Kids Srl, having no employees, is not relevant for the purposes of this information. For the other companies of the Group it is estimated[86] that all employees are covered by an occupational health and safety management system in compliance with local regulations.

For employees of Italian companies, the Supplementary Health Care Fund for Workers, mandatory for permanent contracts and apprenticeships, has also been extended to fixed-term contracts once the expected trial period has ended, thus including all Italian employees (1,043 employees). The health care provided through UniSalute is provided for by the CCNL Industria and covers all Italian industrial companies of the Aeffe Group.

It should also be noted that in the new 2023 supplementary contract, starting from January 1, 2024, the parties recognize and undertake to stipulate insurance policies to cover professional and non-professional accidents as well as supplementary health insurance in addition to the SANIMODA health plan already provided for by the SMI (Sistema Moda Italia) Clothing Industry CCNL. In addition, all managers enjoy life insurance coverage as dictated by the relevant CCNL.

For the companies Pollini Retail, Aeffe Germany Gmbh, Aeffe Spagna Slu, Aeffe Netherlands BV, Pollini Suisse Sagl and Pollini Austria Gmbh there were no accidents in 2024.

For the companies Aeffe Group Inc., Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd. and Moschino Shanghai Ltd., it is estimated[87] that no accidents occurred, as no reports of this nature were received by the Group's HR Director.

[85]Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA and Moschino Kids Srl (which has 0 employees).

[86]It should be noted that this estimate is subject to a high degree of uncertainty.

[87]It should be noted that this estimate is subject to a high degree of uncertainty.

The following table shows the details of the data for employees of the companies Aeffe SpA and Pollini SpA, as they are the only companies to have recorded accidents.

For non-employee workers, there are no accidents at work.

ACCIDENTS AT WORK[88]	Total 2024	Aeffe	Pollini Spa
Number of deaths due to work-related injuries and illnesses	0	0	0
Number of recordable workplace injuries	6	5	1
Number of hours worked	1,454,865	1.145.071	296.231
Recordable work-related injury rate[89]	**4.12**	**4.37**	**3.38**
Number of working days lost due to injuries and deaths at work, due to accidents and illnesses	193	175	18

ACCIDENTS AT WORK (three-year period)	2024	2023	2022
Number of deaths due to work-related injuries and illnesses	0	0	0
Number of recordable workplace injuries	6	5	11
Number of hours worked	1,454,865	2.145.622	1,763,396
Recordable work-related injury rate[90]	**4.12**	**2.33**[91]	**6.24**[92]

As in previous years, there were no fatal accidents or deaths (resulting from injuries and/or occupational diseases) nor any occupational disease that could be traced back to the work activities carried out.

S1-15 – Work-Life Balance Metrics

In Italian companies[93], all employees are entitled to family leave. Furthermore, given the strong female composition of the workforce, the company, starting from May 2019, has introduced a system to facilitate the return to work after maternity leave. This facilitation and opportunity will apply to all cases of parenthood and homoparenting and will therefore facilitate the return to work of new mothers/fathers who are natural, adoptive and foster, in order to reconcile the life and work schedules of workers and at the same time allow the company to plan in order to limit staff turnover.

[88]The standards, methodologies and calculation tools used include the extraction in Excel format of the reports generated by the Zucchetti system, based on the list of employees and the registration of absences and presences.

[89]The recordable occupational injury rate is calculated as the ratio of the number of recordable occupational injuries to the number of hours worked multiplied by 1,000,000 hours worked.

[90]The recordable occupational injury rate is calculated as the ratio of the number of recordable occupational injuries to the number of hours worked multiplied by 1,000,000 hours worked.

[91]Commuting accidents are not considered in the accident rate, as required by the UNI standard for accident statistics.

[92]Commuting accidents are not considered in the accident rate, as required by the UNI standard for accident statistics.

[93]Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA

Workers who decide to take all 6 consecutive months of parental leave at the end of the mandatory leave will be able to benefit from part-time working hours upon their return to work, either 56.25% or 75%, with working hours distributed according to company rules. This measure is available to all workers of Italian companies and will allow workers to return to work full-time from the 36th month of age of their child.

For the other companies of the Group, it is estimated[94] that all employees are entitled to family leave in compliance with national legislation on the matter.

Regarding the number of employees who took family leave, in 2024, 182 women and 35 men took such leave[95].

S1-16 – Compensation Metrics[96]

Aeffe's Remuneration Policy is based on principles of neutrality, ensuring equal treatment regardless of gender or any other form of diversity. The evaluation and remuneration criteria are based exclusively on merit and professional skills. For further information, please refer to paragraph "GOV-3 – Integration of sustainability performance into incentive systems" of this document.

GENDER PAY GAP[97]	Total	Aeffe Germany	Aeffe Netherlands BV	Aeffe Group Inc.	Aeffe Spain Slu	Moschino France S.A.R.L.	Pollini Austria GmbH	Fashoff UK Ltd.	Pollini Suisse Sagl	Italian Society
Average gross hourly earnings of male employees	26	15	19	47	12	30	25	33	28	23
Average gross hourly earnings of female employees	21	21	15	39	13	22	21	21	25	16
Pay gap	16.83%	-39.27%	21.05%	17.19%	-5.05%	26.69%	15.33%	36.66%	11.57%	29.15%

[94]It should be noted that this estimate is subject to a high degree of uncertainty.

[95]Direct data included the companies Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA and Moschino Kids Srl. Data were estimated for the following companies based on the number of employees: Aeffe Group Inc., Aeffe Germany Gmbh, Aeffe Spagna Slu, Aeffe Netherlands BV, Fashoff UK Ltd., Moschino Korea Ltd., Moschino France Sarl, Moschino Asia Pacific Ltd., Pollini Suisse Sagl, Pollini Austria Gmbh, Moschino Shanghai Ltd. It should be noted that this estimate is subject to a high degree of uncertainty.

[96]For the Italian Group, the calculation relating to the gender pay gap was carried out using the extraction of the pay item ZP8020 (Useful TFR pay - quantity) and the statistical item SR0207 (quantity). The item ZP8020 was selected as it represents the only value that includes all the relevant pay elements, such as bonuses, benefits, cars, accommodation, one-off payments, commissions and pay increases. In the processing, a filter was applied on the pay slip type 50, excluding the code 40 (thirteenth), since the absence of the statistical hourly divisor would have compromised the accuracy of the statistics. Consequently, the value of the wages was considered on 12 monthly payments.

To calculate the total pay rate, the total ZP8020 item was used, removing the highest pay and calculating the median.

[97]Defined as the difference between the average pay levels paid to female and male workers, expressed as a percentage of the average pay level of male workers. The data regarding the gender pay gap included the companies Aeffe Italia SpA, Pollini SpA, Pollini Retail SpA (in the table aggregated in Italian Companies), Moschino Kids Srl, Aeffe Germany Gmbh, Aeffe Netherlands BV, Aeffe Group Inc., Aeffe Spagna Slu, Moschino France Sarl, Pollini Austria Gmbh, Fashoff UK Ltd., Pollini Suisse Sagl. The data was subject to a scope limitation relating to the following companies: Moschino Korea Ltd., Moschino Asia Pacific Ltd., Moschino Shanghai Ltd. It is specified that the metrics on the gender pay gap are not directly linked to relevant IROs identified by the company. However, the company has decided to provide disclosure for the companies for which the data is available.

TOTAL REMUNERATION RATE[98]	Aeffe Germany	Aeffe Netherlands BV	Aeffe Group Inc.	Aeffe Spain Slu	Moschino Korea Ltd.	Moschino France S.A.R.L.	Pollini Austria GmbH	Moschino Asia Pacific Ltd.	Fashoff UK Ltd.	Pollini Suisse Sagl	Moschino Shanghai Ltd	Italian Society
Total annual remuneration for the highest-paid person in the company	67.209	65,000	369.084	66.844	109.302	120,000	82.680	107,422	105,000	75.134	44.272	700,000
Median annual total compensation of employees (excluding the highest earner)	30,000	32,000	68.817	12.163	31,578	33,600	45.929	63.033	97,000	36.763	16,512	22,423
Total remuneration rate	**2.24**	**2.03**	**5.36**	**5.50**	**3.46**	**3.57**	**1.80**	**1.70**	**1.08**	**2.04**	**2.68**	**31.22**

S1-17 – Incidents, complaints and serious impacts on human rights

Aeffe is deeply committed to respecting and promoting human rights, a principle that is significantly reflected in its strategy and business model. Human rights are an essential element of the company's core values, which considers a respectful and inclusive work environment essential for employee well-being and long-term success.

In this logic, if there were to be proven episodes of discrimination, they would be contested and sanctioned at a disciplinary level.The company states that in 2024 there were no incidents and complaints regarding discrimination, nor serious incidents regarding human rights.

[98]Defined as the ratio of the annual total compensation of the highest earner to the median annual total compensation of all employees (excluding the highest earner).

ESRS S2 - VALUE CHAIN WORKERS

S2 SBM-2 – Stakeholder interests and opinions

With reference to the method of involving workers in the value chain, please refer to paragraph "SBM-2 – Interests and opinions of stakeholders".

S2 SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model

With reference to the description of impacts, risks and opportunities related to workers in the value chain, please refer to paragraph "SBM-3 – Impacts, risks and relevant opportunities and their interaction with the strategy and the business model" and paragraph "S2-4 – Interventions on relevant impacts for workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities for workers in the value chain, as well as the effectiveness of such actions" which explains in detail the ESG Audit Plan aimed at monitoring and mitigating negative impacts on working conditions, safety and respect for human rights at its suppliers as well as increasing the relevant positive impact related to the protection of minors and enhancement of the social conditions of workers in the value chain.

All workers in the value chain (which includes non-employee workers on site, upstream workers and downstream workers) involved in Aeffe's activities are included in the scope of the disclosure under ESRS 2. These include all possible categories of vulnerable workers.

S2-1 – Worker-related policies in the value chain

In favor of protecting workers' respect in the value chain and in particular respect for human rights, the Group has fully integrated these issues into the main policy relating to supply chain management. Aeffe, in fact, is strongly committed to protecting human rights along the entire value chain and oversees this area not only through the inclusion of the principles of social responsibility in the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, but above all through its **Supplier Code of Conduct**, which represents the main tool for ensuring respect for workers' rights and ethical and social principles by all partners in the production chain.

The Supplier Code of Conduct is based on principles of **integrity, legality and transparency**, in accordance with international human rights and labor regulations, and establishes the ethical, environmental and social requirements that suppliers must meet in order to collaborate with the company. Below is a summary of the essential principles contained in the Code:

- ☒ **Working conditions** safe and respectful of workers' rights;
- ☒ Prohibition of **discrimination** and **harassment;**
- ☒ Prohibition of **forced labor**;
- ☒ Prohibition of **child labor;**
- ☒ Freedom of association and **collective bargaining**;
- ☒ Safe working environments for **prevent accidents and injuries;**
- ☒ **Working hours** provided for and within the limits of national legislation;
- ☒ **Economic treatment** fair and adequate;
- ☒ **Prohibition of subcontracting** without Aeffe approval;
- ☒ Compliance with environmental regulations and **reducing ecological impact**; respect for biodiversity and **animal welfare;traceability of raw materials;**
- ☒ Support for the **community**.

Aeffe also reserves the right to monitor compliance through inspections, even without prior notice, and requires suppliers to extend these obligations to subcontractors. Finally, the Code provides a reporting mechanism for any violations, ensuring the protection and confidentiality of those reporting. In this way, Aeffe promotes a supply chain that not only respects human rights, but is also committed to protecting the environment, creating a positive impact on both the social and environmental levels.

S2-2 – Processes for involving workers in the value chain regarding impacts

The workers' point of view in the supply chain is not directly involved in the management of relevant impacts. However, Aeffe, aware of the critical issues in its sector, is laying the foundations for an increasingly responsible management of the supply chain. As illustrated in this chapter, the company is committed every year to making progress in the implementation of strategies and tools aimed at monitoring and improving working conditions along the supply chain, with the aim of minimizing negative impacts and protecting the rights, needs and requirements of all workers involved.

S2-3 – Processes to address adverse impacts and channels for workers in the value chain to raise concerns

To remedy any significant negative impacts on workers along the supply chain, Aeffe has adopted, as for its own workforce, the Whistleblowing system, thus offering the possibility to anyone who believes they have been a victim of mobbing in the workplace to report irregularities or incorrect behavior in a safe and confidential manner. This tool is present and easily accessible on the Aeffe website. For more information, please refer to paragraph "G1-1 Policies on corporate culture and business conduct".

S2-4 – Interventions on relevant impacts for workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities for workers in the value chain, as well as the effectiveness of such actions

Aeffe, aware of the importance of protecting workers along the entire value chain, has defined and launched for the first time, in December 2024, an **ESG audit plan** to manage relevant impacts and mitigate negative impacts on working conditions, safety and respect for human rights at its suppliers[99].

The ESG audit is a key element in evaluating the sustainability and social responsibility performance of suppliers. By analyzing aspects such as environmental impact, working conditions, corporate governance and operational transparency, through a structured system of periodic checks and inspections, Aeffe is able to identify and manage the most significant risks, including compliance with labor, health and safety regulations and contractual conditions. The goal is to identify strengths, critical issues and opportunities for improvement, encouraging the adoption of more sustainable practices and promoting a positive impact on communities and the environment.

A key aspect of the ESG audit plan is the strengthening of relationships with first-tier suppliers. The audit is not perceived as a punitive action, but as an opportunity to establish a constructive dialogue, stimulate continuous improvement and consolidate stronger and more collaborative relationships. The interaction between Aeffe and its suppliers therefore becomes an opportunity for mutual growth, in which both parties collaborate to align with sustainability and social responsibility standards.

How it works

ESG audits can be announced, semi-announced or unannounced and are conducted through a combination of desk reviews, interviews with managers and staff, direct observations of business processes and analysis of data and reports on ongoing sustainability practices.

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[99]Currently, there is no information available regarding the type of financial resources allocated.

There are several key aspects that auditors focus on, such as, for example, the management of natural resources, the adoption of ethical practices in the workplace and compliance with international regulations on human rights and the environment, transparency in financial reports. Following the assessment, **a report** is drawn up **that highlights the results of the audit**, identifying any critical issues and areas for improvement.

However, the audit is not limited to a simple analysis, but leads to the definition of corrective actions that suppliers are required to implement to improve their sustainability. These actions may include:

- Improving environmental performance through initiatives aimed at reducing emissions, optimizing the use of natural resources and adopting more sustainable technologies.
- Strengthening welfare policies and protection of human rights, to guarantee safe working conditions and respect for workers' rights.
- Implement transparent and accountable corporate governance systems to ensure integrity in operations and compliance with local and international regulations.

In all cases, suppliers are encouraged to develop **improvement plans** that include measurable objectives and clear deadlines for implementing changes.

Data relating to audits carried out in 2024

The ESG audit also facilitates the **mapping and management of suppliers along the entire supply chain**. Through the identification and verification by qualified external companies of the practices of first-tier suppliers, the Aeffe group is able to expand the mapping to subsequent levels, including indirect suppliers and subcontractors. This process ensures that sustainability practices extend to the entire supply chain, favoring a positive impact on the entire production cycle and promoting the dissemination of good practices among all the companies involved. The data reported below, relating to the audits carried out in 2024, demonstrate Aeffe's commitment to this process of mapping and management of suppliers, as well as to the mitigation of impacts and risks along the supply chain.

AUDITS PERFORMED - FY 2024	Country of origin of the supplier		
	China	Spain	Total
Number of suppliers examined	3	1	4
Purchased corresponding to the suppliers examined[100]	12%	1%	13%

All suppliers audited are suppliers of finished products and represent 13% of the total turnover of active suppliers, with 4 suppliers audited.

During 2024, no serious human rights issues or incidents emerged in connection with Aeffe's upstream and downstream value chain.

S2-5 – Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities

The Group has not currently defined quantitative objectives related to the significant impacts identified with reference to the management of workers in the value chain. However, in addition to monitoring the actions and policies implemented as described in the paragraphs above, the issue refers to the "People & Community" pillar of the

[100]Percentage of total overall turnover of active suppliers.

Sustainability Plan currently being defined, which will define specific monitoring objectives. For more information on this, please refer to the paragraph “Improvement objectives”.

In addition, the ESG audit plan launched in 2024 foresees a significant expansion of the initiative **by March 2025**, with **the aim of reaching a total of 13 audited suppliers**, equal to 19% of the total turnover of active suppliers. Specifically, 7 audits will be conducted on packaging laboratories, representing 3% of the total turnover, while the remaining 6 audits will concern suppliers of finished products, covering 16% of the total turnover.

Below is the geographical distribution of suppliers that will be audited with a particular focus on distribution by Province in Italy:

- **China**: a total of 3 suppliers will be involved, corresponding to a share of the overall turnover of active suppliers equal to 12%.
- **Hungary**: a total of 1 supplier will be involved, corresponding to a share of the overall turnover of active suppliers equal to 1%.
- **Spain**: a total of 1 supplier will be involved, corresponding to a share of the overall turnover of active suppliers equal to 1%.
- **Italy**: a total of 8 suppliers will be involved, corresponding to a share of the overall turnover of active suppliers equal to 4%. The distribution by province is as follows:
  - Ancona (AN): 2 suppliers
  - Arezzo (AR): 1 supplier
  - Fermo (FM): 1 supplier
  - Lecce (LE): 1 supplier
  - Naples (NA): 1 supplier
  - Rimini (RN): 1 supplier
  - Rovigo (RO): 1 supplier

In summary, the ESG audit plan had a dynamic start in December and will evolve by March 2025, with the aim of extending its positive impact, involving a greater number of suppliers. This reflects the Aeffe group's growing commitment to sustainability and social responsibility, promoting continuous improvement of business practices and encouraging the development of an increasingly sustainable supply chain.

ESRS S4 - CONSUMERS AND END USERS

S4 SBM-2 – Stakeholder interests and opinions

With reference to the method of involving consumers and end users, please refer to paragraph “SBM-2 – Interests and opinions of stakeholders”.

S4 SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model

With reference to the description of impacts, risks and opportunities connected to consumers and end users, please refer to paragraph “SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model”.

The main customers of the Aeffe Group that may be subject to the identified generalized impacts can be divided into two macro-families:

- **End Customer (B2C):** they are not only consumers of products, but also users of luxury experiences. They are demanding, attentive, digital, sociable and looking for quality products.
- **B2B Client:** for example selected retailers, who are typically among the most important customers in the fashion & luxury sector.

Thanks to increasingly innovative proposals, the Aeffe Group is therefore able to satisfy the different needs of the market through products that are increasingly suited to customer requests, special treatments of materials, aesthetic details and creative choices.

During 2025, Aeffe Group will implement a new **Customer Relationship Management** (CRM) system to support the growth of the group's B2C business. The analysis of customer behaviors improves loyalty and collection efficiency, while centralized data management is essential to comply with global privacy regulations (GDPR, PIPL, CCPA, CPRA, APP). In short, an effective CRM system will improve customer management, optimize marketing strategies and address the challenges of digitalization in different global markets, especially Far East, China, Retail and E-Commerce.

All consumers and end users affected by Aeffe's activities are included in the scope of the information pursuant to ESRS 2.

S4-1 – Consumer and end-user policies

In the context of corporate policies, a fundamental aspect concerns the respect of ethical principles and values of integrity, transparency and legality in relations with consumers and end users. As expressly outlined in the **Code of Ethics**, the recipients of the organization are required to conduct their business activities maintaining the utmost respect for legality and honesty, without ever justifying illicit or non-transparent behavior, even if aimed at achieving interests or advantages for the Company.

Although Aeffe does not currently have one, the commitment is towards the definition of policies relating to the relationship with consumers that are based on an approach that places the quality of the product and the real ability to satisfy customer expectations at the center of commercial negotiations. Relationships with customers, both business and retail, must be characterized by impartiality and a rigorous commitment to keeping promises made, avoiding conflicts of interest and ensuring that each activity is carried out in compliance with the needs and rights of end users.

During fiscal year 2024, there were no incidents of non-compliance regarding health and safety impacts of products and services, nor violations of the principles of the United Nations Global Compact and the OECD guidelines.

S4-2 – Processes for engaging consumers and end-users on impacts

Nowadays, fashion companies operate in an increasingly volatile and complex environment, characterized by market turbulence and growing product/customer/market combinations. In such a situation, the Aeffe Group, through the omnichannel management of all contact points between companies and customers, does not ignore the interests of already loyal customers and at the same time approaches those of the new generations, paying particular attention to new market scenarios. Although formalized methods of involving end users have not yet been established, the focus on loyalty represents a key strategy for the fashion and luxury sector and for Aeffe, which is committed to defining this presence in the future.

Deeper analytical knowledge of customer behaviors and preferences can improve efficiency in the proposal of collections and strengthen the relationship with the consumer. The first results of the MOS CLUB project in China, launched on July 2nd with already 4,500 registered customers, confirm the potential of this strategy to further develop the retail business in APAC.

Furthermore, data and consent management is a crucial aspect, as more and more countries are introducing specific privacy regulations, such as GDPR, PIPL, CCPA, CPRA and APP. For this reason, it becomes essential to centralize and align information, ensuring regulatory compliance and transparency in business processes.

S4-3 – Processes to remediate adverse impacts and channels for consumers and end-users to raise concerns

Although there is no special listening channel for consumers, Aeffe offers the possibility of making reports through the Whistleblowing system. Furthermore, consumers can send communications through the appropriate section on the website. For more information on this tool, please refer to the paragraph "ESRS G1 – Corporate Culture and Business Conduct".

S4-4 – Actions related to material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of such actions.

The health and well-being of its customers is a topic dear to the Group, which has always paid particular attention to the safety of the chemical substances used in the manufacture of its products and in production processes, requiring its suppliers to comply with strict quality protocols. The initiatives implemented to manage the impacts, risks and opportunities involving end users are illustrated below[101].

In the year 2024, there were no cases of non-compliance with regulations and/or self-regulatory codes regarding the impacts on the health and safety of products and services towards customers. Furthermore, there were no problems or incidents regarding human rights related to consumers and end users.

In the context of responsible communication towards the customer, product labels are of great importance in conveying clear, transparent and accurate information. Aeffe guarantees compliance with all applicable national and international regulations that govern product information.

In line with this commitment, the Group actively collaborates with its suppliers to obtain information about the materials and processes used in the various production phases. All products are provided with a label that provides information on the textile composition of the various components, washing and maintenance instructions, and, where applicable, information to follow to ensure that the quality and integrity of the product is maintained over time. The place of production, information on "Made in" and any special characteristics present in the product are also indicated.

In the case of leather goods, a tag is also inserted with the name of the distributor of the product, the contact details to contact in case of need and general instructions on the correct use of the product itself.

A pictogram is applied to the footwear indicating the materials used for the upper, lining and sole. Inside the box, a warning booklet is inserted with indications of the craftsmanship of the product and maintenance, as well as the distributor. Only in the case of use of materials with specific characteristics and different from the norm, a second document is also inserted which reports the particularities. A descriptive label of the product is applied on the outside of the box.

Finally, all packaging includes symbols containing instructions for its correct disposal at the end of its life, in line with the main regulations in force on the subject of environmental labelling of packaging.

In 2024, there were no cases of non-compliance with product information and labeling resulting in a fine or recall; nor were there any complaints of alleged non-compliance with marketing activities, including advertising, promotions and sponsorships.

In addition to the monitoring actions relating to material impacts on consumers and end users, Aeffe is constantly committed to adapting and harmonizing its business processes to the legislation on the **protection of personal data** (Regulation (EU) 2016/679 and Legislative Decree 30 June 2003, n. 196), as well as to the Guidelines issued by national and European Authorities and applicable practices, through the adoption of specific internal policies and procedures.

[101]Currently, there is no information available regarding the type of financial resources allocated.

Starting from 2022, the Aeffe Group, in order to be supported in the management of obligations in order to fully respond to the principle of accountability, has entrusted the technical-legal consultancy service on personal data protection to Studio Paci, a company with many years of experience in the sector. Following the assignment of the task, the preliminary activity of Studio Paci was aimed at surveying and updating intra-group data processing and qualifying the main roles through the realization of dedicated meetings with the Managers of the various company sectors, evidence of which was given through reports made available to the Human Resources office contact. This activity was preparatory to the design of the obligations that the Group Companies have begun to implement starting from 2023.

In particular, a **Privacy Management System** has been set up aimed at:

- to the establishment of a Privacy Team whose members are representative of all company sectors;
- to the preparation and formalization of corporate policies for the processing of personal data and for the management of data breaches;
- to the preparation of models for the designation of authorised persons pursuant to art. 29 of Regulation (EU) 2016/679;
- to the drafting of information pursuant to articles 13 and 14 of Regulation (EU) 2016/679;
- to the preparation of the register of treatments pursuant to art. 30 of Regulation (EU) 2016/679 and related risk assessment using the ENISA method (European Union Agency for Cybersecurity);
- to the preparation of appointments as data controllers pursuant to art. 28 of Regulation (EU) 2016/679 for the subjects whose processing activities were known and to the request, addressed to the members of the Privacy Team, to map all the subjects who carry out data processing on behalf of Aeffe;
- to the management of privacy obligations applied to Whistleblowing as provided for by Legislative Decree 24/2023;
- to the preparation of privacy requirements applied to the installation of video surveillance systems, with particular reference to points of sale;
- to the implementation of specific consultancy activities provided to strategic corporate sectors for brand promotion and marketing activities, as well as for the management of obligations arising from corporate merger by incorporation operations that have taken place;
- to provide opinions, where requested, in compliance with the duties assigned to the Data Protection Officer (hereinafter also "DPO").

Starting from 2023, a first impact assessment review pursuant to art. 35 of Regulation (EU) 2016/679 has also been carried out (using the CNIL - Commission Nationale de l'Informatique et des Libertés method) for the processing of personal data carried out in the context of direct marketing activities and specific indications have been provided for the management of data following the mergers by incorporation that have taken place.

All activities were constantly monitored and coordinated by the RPD and all documentation relating to the activities described above was made available on the Studio Paci online portal.

Furthermore, starting from the end of 2023, Aeffe has formalized a training plan on data protection dedicated to all members of the Privacy Team and the referents identified by the latter aimed at raising awareness among staff and implementing the obligations deriving from legislative obligations.

Considering the type of data processed as well as the purposes of the activities carried out, the main Group Companies have appointed an external **Data Protection Officer** in compliance with Articles 37, 38 and 39 of Regulation (EU) 2016/679, in order to guarantee the widest independence of the Role in the exercise of its duties.

Aeffe is also committed to identifying the technical and organizational measures that may be considered suitable to guarantee a level of security adequate to the risks arising from the processing, as required by art. 32 of Regulation (EU) 2016/679. This, taking into account the state of the art and the costs of implementation, as well as the nature, object, context and purposes of the processing, as well as the risk of varying probability and severity for the rights and freedoms of natural persons. With particular reference to the state of the art, in assessing the adequacy of the security measures, the current progress made by the technology available on the market and the most relevant threats that may affect business processes are taken into account.

Please note that, during the year 2024, with reference to the companies included in the reporting scope, there were no proven complaints of violation of privacy and loss of customer data.

Data Protection Procedures

Data Protection Impact Assessment (DPIA): A specific procedure has been adopted that must be followed whenever a project or initiative is planned that may have an impact on the processing of personal data, in order to assess the impact of the project itself on data protection.

Data Breach Notification: This procedure is intended for Group personnel and defines the behaviors to be followed in cases where it is discovered or suspected that the Company may have suffered a theft or loss of Personal Data. In the event of a Personal Data Violation, it is necessary to follow a specific notification process to the Supervisory Authorities, in compliance with the provisions of the new European Regulation on privacy GDPR.

S4-5 – Objectives related to the management of negative material impacts, the improvement of positive impacts and the management of material risks and opportunities

The Group has not currently defined quantitative objectives connected to the significant impacts identified with reference to consumers and end users.

However, the topic refers to the "People & Community" and "Product & Supply chain" pillars of the Sustainability Plan currently being defined, which will define specific monitoring objectives. For more information on this, please refer to the paragraph "Improvement objectives".

Additional information specific to the entity

Brand protection and enhancement

ESRS 2 SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model

The company, in carrying out the double relevance analysis and in continuity with what emerged in the 2023 analysis, has identified a relevant issue not covered by the ESRS Standards, namely **Brand Protection and Enhancement**. This topic refers to the commitment to protecting and promoting the image and reputation of the Aeffe brand and all the brands owned by the portfolio, namely Alberta Ferretti, Moschino, Pollini and Philosophy. To consult the impacts, risks and opportunities associated with the issue, please refer to the paragraph "Relevant impacts, risks and opportunities and their interaction with the strategy and business model".

MDR-P - Policies adopted to address relevant sustainability issues

Brand protection and enhancement are a **strategic issue** for the Group, as they promote the growth of the company's reputation, consolidate customer trust and improve the perception of the brand on the market. A strong and recognized brand allows to obtain a significant competitive advantage, increasing consumer loyalty and business opportunities. However, the absence of adequate protection measures exposes companies to significant risks, including the loss of the distinctive capacity of the brand, the drop in sales and the damage to the image resulting from the spread of counterfeit products.

The luxury fashion sector is in fact particularly affected by counterfeiting, a phenomenon that undermines the credibility of brands and generates huge economic losses. According to the **report on counterfeiting** in the fashion sector published by the Ministry of Economic Development (UIBM) in 20221, the counterfeit market in Italy represents approximately 6.5% of the entire fashion sector trade, with a negative impact estimated at over 2 billion euros per year. Furthermore, the sale of counterfeit products takes away approximately 25,000 jobs, with a direct impact on companies that operate in compliance with the regulations. The production and marketing of counterfeit items mainly take place through online channels and parallel markets, making it even more complex for the competent authorities to combat them.

For this reason, the issue is monitored by Aeffe, not only strategically within the new **Industrial Plan**, but also in the **Organization, Management and Control Model**, including among the crimes envisaged the "Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (art. 473 cp)".

MDR-A - Actions and resources related to relevant sustainability issues

To mitigate these risks and protect brand value, companies implement effective protection strategies, including advanced product traceability systems, collaborations with authorities to seize counterfeit goods, and awareness campaigns aimed at consumers. In this context, Aeffe actively monitors the issue through several concrete initiatives, such as the **localization of DOS** (Directly Operated Stores) in prestigious and strategic positions, both from an image and commercial point of view. Furthermore, **direct management of points of sale**, particularly in Asian markets, allows for greater control over distribution and customer experience, ensuring high standards of quality and authenticity.

MDR-T – Monitoring the effectiveness of policies and actions through targets

The Group manages the protection and enhancement of its brand through two distinctly defined levers. On the one hand, by including this issue among the crimes envisaged by the Model, it ensures **a formal control** that guarantees transparency and credibility. On the other, it strategically strengthens its reputation through the new Industrial Plan, in which it underlines the importance of increasing **brand awareness** and developing distinctive and easily recognizable products, thus including this objective among its strategic priorities.

3. GOVERNANCE INFORMATION

ESRS G1 – CORPORATE CULTURE AND BUSINESS CONDUCT

G1 GOV-1 – Role of the administrative, management and control bodies

With reference to this information, please refer to paragraph. "GOV-1 – Role of the administrative, management and control bodies".

G1 IRO-1 – Description of processes to identify and assess relevant impacts, risks and opportunities

With reference to this information, please refer to paragraph. "IRO-1 –Description of the processes for identifying and assessing relevant impacts, risks and opportunities".

It is specified that with regard to the issue of payment practices, no relevant IROs have been identified by the company. Aeffe has however decided to provide qualitative and quantitative disclosure for companies for which the data is available.

G1-1 – Corporate culture and business conduct policies

In order to manage the impacts and risks associated with the conduct of businesses, the Aeffe Group Headquarters[102]and Pollini SpA have adopted an **Organization, Management and Control Model** pursuant to Legislative Decree 231/2001 (hereinafter also "MOG 231"). All companies within the reporting perimeter (both Italian and foreign) operate in compliance with the guidelines and the Code of Ethics of the Parent Company, including in matters of anti-corruption and protection of human rights.

The adoption of MOG 231 represents an effective practice of prevention and fight against corruption as, through the implementation of **transparent procedures, code of ethics, monitoring systems** and **continuous training**, it reduces the risk of illicit conduct, promoting a corporate culture based on integrity and legality. The Organizational Model adopted by the Aeffe Group, which can be consulted within the company intranet and on the website, is composed of:

- **General Part**, which analyses the structure of the document, describes the Company and its internal organisation, regulates the activity of the Supervisory Body, illustrates the disciplinary system necessary to guarantee compliance with the Model itself and describes the information flows and the Whistleblowing system implemented by the Company;
- **Special parts**, each relating to a group of crimes considered relevant for Aeffe and in which the company activities considered "sensitive" are identified[103]and the measures aimed at containing the risk itself;
- **Internal protocols**, which constitute the specific control measures for the sensitive activities indicated within the individual Special Parts;
- **Code of Ethics**, which summarises the ethical principles that inspire the daily behaviour of all members of the Company in conducting business and, in general, in carrying out corporate activities.

The Model, together with the Code of Ethics contained within it, has a dual value as, on the one hand, it illustrates the system of procedures and controls required by the Board of Directors, aimed at reducing the risk of committing crimes provided for by the legislation, on the other hand, it provides a series of behavioral indications and prohibitions that aim at an ethical management of the business, compliance with all the regulations that govern its operation and, last but not least, the effectiveness and efficiency of all company activities, in the interest of the stakeholders.

In order to make the contents of Model 231 and its operation known, Aeffe has established e-learning **training courses** aimed at a very broad audience of subjects, differentiated by organizational roles. All members of the Board of Directors

[102]The other Group companies included in the reporting scope are subject to the management and coordination of the Parent Company.

[103] Below is a list of business functions most exposed to the risk of active or passive corruption.

of the Parent Company, as well as all employees, are informed about the policy and protocols in use in the field of anti-corruption and all new hires are given the file relating to the organizational model 231, including the Code of Ethics of the Parent Company.

Whistleblowing

Whistleblowing is the act of reporting a suspicion or risk of wrongdoing. Studies and experience show that a good portion of wrongdoing comes to the attention of the organization concerned through reports from people inside or close to the organization itself.

For these reasons, more and more organizations are considering introducing or improving internal whistleblowing policies and processes in response to regulations or on a voluntary basis. Following the issuance of EU Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019, the legislation on Whistleblowing has been standardized and some safeguards have been strengthened. The aforementioned Directive was adopted in our country with Legislative Decree 10 March 2023 n. 24 (the "legislation"), which repealed the previous national legislation (including the legislation on Whistleblowing previously managed by Legislative Decree 231/01) and included in a single regulatory text the protection regime for individuals who report unlawful conduct that violates European and national provisions, based on well-founded reasons and detrimental to the public interest or the integrity of the organization to which they belong.

The legislation contains provisions for the protection of those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship.

Aeffe SpA has intended to comply with the legislation with the Whistleblowing Reporting Policy (the "Policy") and has also adopted the Whistleblowing Reporting Procedure (the "Procedure"), which implements the guidelines provided by the Policy and operationally regulates the reporting process by the reporting persons and the subsequent management of the reports by the manager.

Internal reports can be submitted:

- in written form, using electronic means, through the application, with access reserved to the manager;
- in person, through a meeting with the manager. To submit an internal report through the application, you must connect to the website https://Aeffe.integrity.complylog.com/ managed by IntegrityLog, click on the “Submit a case” button, and fill in the fields (or select the items) in the form that appears after clicking.

To submit an internal report through a meeting with the manager, it is necessary to send a specific request to the certified email address of the manager of the Company in relation to which you intend to make the internal report – respectively whistleblowing.Aeffe@Aeffe.com and whistleblowing.pollini@pollini.com – to which only the external members of the “Committee” Companies have access.

The mechanism ensures confidentiality and anonymity, the protection of whistleblowers is also ensured by guaranteeing protection in case of retaliation.

In addition to the Whistleblowing system, another internal reporting channel that employees can rely on is the **Supervisory Body** (so-called “OdV”) designated within the scope of application of Legislative Decree 231/2001 and equipped with broad autonomous powers of proposal, intervention and control. In compliance with the provisions of the Decree, the Supervisory Body meets the requirements of professionalism, independence and continuity of action, with the task of monitoring the implementation, effectiveness and compliance with the Model, as well as ensuring its constant updating.

Finally, despite the absence of a formal animal welfare policy, Aeffe is committed to conducting its business in compliance with the protection of all living beings, both human and non-human, and biodiversity. This commitment is implemented through responsible procurement practices, aimed at ensuring animal protection and welfare. For further information, please refer to paragraph “E4-3 – Actions and resources relating to biodiversity and ecosystems”.

G1-2 – Supplier Relationship Management

Aeffe has always availed itself of the collaboration of suppliers with whom it has established long-lasting relationships of mutual trust, characterised by a commonality of values and a shared vision of the future.

The Aeffe Group value chain is composed of a wide range of suppliers, which can be divided into four main categories:

- **Finished Product Suppliers** (Direct-sourced), that is, those who produce the item of clothing, accessory or footwear based on a technical design developed by the creative offices of the Aeffe Group, independently sourcing the raw materials with prior authorization from Aeffe.
- **Laboratories** (Industrialized), or those to whom the Group entrusts the production of the finished product, providing all the technical information and the necessary raw materials.
- **Raw Material Suppliers**.
- **Service Providers**, such as analysis laboratories, consultancy firms and providers of general services, logistics and transport services.

In the last fiscal year, the Aeffe Group counted 889 suppliers. In particular, the production chain is mainly composed of Italian suppliers based in the textile districts such as Como, Prato and Biella. To a lesser extent, there are some production facilities located abroad from which Aeffe sources elements such as polyester and lace, not typically produced in Italy. Of the 889 total suppliers registered in 2024, approximately 84.2% are Italian. The high percentage of suppliers on the national territory allows the Group to significantly reduce transport costs and, therefore, to mitigate the environmental impact generated by its business.

In general, the Group companies mainly source raw materials (fabrics), customized or to be customized accessories, semi-finished products and finished garments from certified suppliers, over which the organization exercises direct control of all the components used and the manufacturing cycles used to create the garments, footwear and/or accessories. A category of strategic suppliers, worth mentioning, is represented by the **textile laboratories**, which package the garments according to the requests and stylistic lines of each collection.

In line with the previous two years, and with the data reported above, more than half of the expenditure on suppliers is destined for suppliers resident in Italy.

The procurement process and supplier selection criteria

Suppliers play a strategic role in the Aeffe Group's business model, helping to enhance the ideas and designs of the creative directions thanks to their skills and production capabilities.

The selection and management of the supply chain are guided by criteria of quality, flexibility and professionalism, with particular attention to sustainability and technological innovation. The Group has in fact integrated impact assessment and product traceability systems into its 2024-2027 industrial strategy, promoting increasingly responsible production models.

The qualification and monitoring of suppliers is not only based on product quality, but also on the adoption of ethical behaviors in line with the Supplier Code of Conduct[104]. To this end, Aeffe has inserted specific contractual clauses that require partners to respect the ethical, social and environmental principles pursued by the Group.

The new **ESG qualification process** for Aeffe Group suppliers has been developed in full coherence with the criteria previously illustrated. Applicable to all new suppliers, it is divided into four phases:

1. **Onboarding**
   This initial phase involves the formal acceptance by the new supplier of two fundamental documents for establishing the relationship:

   - The **Supplier Code of Conduct**, which highlights and emphasizes the importance of social and environmental aspects, respect for workers' rights and the promotion of their well-being, the environment and biodiversity, with the shared objective of addressing contemporary and future changes and challenges to ensure long-term sustainable development.

[104]Supplier Code of Conduct available at the linkhttps://aeffe.com/it/codice-di-condotta-fornitori/.

- The **Product Restricted Substances List** (PRSL), which lists the mandatory or highly recommended eco-toxicological safety requirements of products in relation to the main destination markets.

If the new supplier accepts the documents, it can continue with the qualification process. Otherwise, it is excluded from the selection and will not be able to collaborate with the Aeffe Group.

2. Mapping

At this stage, the new supplier undergoes an in-depth assessment that includes:

- Collection of **Company information**: personal data, environmental and social certifications, production structure are requested;
- Compiling a **ESG Checklist**: this is a questionnaire to verify the level of compliance with sustainability and social responsibility standards, including aspects such as environmental management, respect for workers' rights and anti-corruption policies;
- Analysis of the **risk level**: any critical issues relating to the country of production, the type of materials used and the production processes adopted are assessed. This analysis is also conducted through a **collaborative platform**, which 69% of first-tier suppliers (in terms of total turnover) have joined starting in 2024. The platform is also used by other brands and competitors in the fashion sector, and allows for synergic management of the supply chain, facilitating the sharing of information between companies, increasing transparency and reducing duplication in data requests to suppliers.

If the new supplier does not complete the checklist or does not meet the minimum requirements, it is excluded from the selection process.

3. Risk Assessment

After data collection, **an ESG risk assessment** is performed to determine the level of reliability of the new supplier based on predefined criteria. The possible outcomes are the following:

- If the risk is low, the supplier is considered suitable without the need for further checks.
- If the risk is high, we proceed with an in-depth audit phase for a more detailed assessment.
- If resolvable non-conformities emerge, the supplier shall develop a **Corrective Action Plan**, with specific deadlines to resolve the identified critical issues.

4. Audit

As mentioned in the previous point, if the risk level of the new supplier is considered critical, a **verification audit** is initiated which may include:

- On-site inspection visits to check working conditions, environmental impact and compliance with regulations.
- In-depth document analysis to verify the actual implementation of declared ESG policies.
- Interviews with employees to detect any violations of human rights or labor regulations.

If serious non-conformities emerge during the audit (such as exploitation of labor, violation of environmental regulations or failure to comply with safety laws), the new supplier is excluded from the qualification process and will not be able to undertake any collaboration with the Aeffe Group.

This process, mandatory for all new suppliers, ensures that supply chain partners adhere to high standards of sustainability, social responsibility and governance, promoting an ethical and transparent supply chain. During 2024, 105 suppliers underwent the mapping and assessment process described.

Even in the absence of a formally adopted policy, the Group applies a payment management approach[105] towards third parties aimed at minimizing the risk of delays towards all suppliers, including small and medium-sized enterprises. The average payment time for an invoice, in 2024, was 95 days for Aeffe SpA, and 79 days for Pollini SpA Aeffe SpA and Pollini

[105]Payment practice means the average time taken by the company to pay an invoice from the date on which the contractual or legal payment term begins to be calculated.

SpA also centrally manage payments for other Group companies. The table below shows, by way of example, the details of the payment terms[106] for different categories of suppliers.

NUMBER OF DAYS PER SUPPLIER CATEGORY	Aeffe SpA		Pollini SpA	
	FY 2023	FY 2024	FY 2023	FY 2024
Raw material suppliers	128	129	96	94
Service providers	100	98	63	56
Finished product suppliers	120	124	90	92
Consultants	69	65	51	46

It is noted that in 2024, there were no legal proceedings due to late payments.

G1-3 – Prevention and monitoring of active and passive corruption

Aeffe is committed to opposing, combating and condemning corruption in all its forms, including extortion, bribes and blackmail: in no case can the pursuit of the interest or advantage of the Companies, at Group level, justify unethical, dishonest or illicit conduct. For this reason, the fight against corruption, both active and passive, is considered an essential commitment.

In order to prevent and monitor risks related to human rights and the fight against corruption, the parent company Aeffe and Pollini SpA have adopted an Organization, Management and Control Model (MOG 231) in compliance with Legislative Decree 231/2001.

All companies within the reporting perimeter, both Italian and foreign, operate in compliance with the guidelines and the Code of Ethics of the Parent Company, which regulates principles and standards of conduct, including in the area of anti-corruption and protection of human rights. Compliance with these regulations allows for the strengthening of the monitoring and reporting system of any illicit conduct, promoting a corporate environment based on integrity, transparency and responsibility.

In the event of attempted extortion by public officials, the interested parties are required to refuse any undue request and to promptly provide information to the designated function, i.e. the **Supervisory Body** (OdV). The OdV is appointed at the same time as the approval of MOG 231 and must comply with the **requirements of autonomy, independence, professionalism and continuity of action**. In compliance with the principles contained in MOG 231 and in consideration of the specific nature of the tasks assigned to the OdV, the Aeffe Group has opted for a collegial body, with assignment of tasks to two professionals external to the Company and an employee.

The Supervisory Body (OdV) communicates the results of its activities to the other corporate bodies through a structured and continuous flow of information, ensuring transparency and coordination in the internal control system.

The relationship with the Board of Directors provides for periodic updates, at least every six months, through a report on the verification activities carried out and any critical issues that have emerged. Furthermore, the Supervisory Body promptly reports any violation of MOG 231 that may entail liability for the Company, so that the necessary measures are adopted. In the event that the irregularities concern the directors, communication to the Shareholders' Meeting is also provided for.

At the same time, the Supervisory Body interacts with the Board of Auditors, transmitting the periodic report already shared with the Board of Directors and immediately reporting any violations that could affect the correct functioning of

[106] The payment terms reported in the table represent a weighted average and are adopted by the Group as a standard reference for the management of payments.

the administrative, organizational and accounting system of the Company. To ensure constant comparison, the Supervisory Body can be convened at any time by these bodies or, in turn, request meetings to report on specific situations or on the effectiveness of the adopted Model.

To ensure the dissemination and understanding of corporate policies on corruption prevention, all Aeffe regulatory documents are available on the website. However, in 2024, no specific training programs on these topics were implemented.

In summary, the adoption of MOG 231 not only ensures regulatory compliance, but also represents an effective internal control tool, helping to prevent potential corruption episodes through the implementation of surveillance and reporting mechanisms, including specific channels such as the Whistleblowing system. These tools allow for the timely identification of risk situations and the adoption of the necessary corrective measures, ensuring a concrete commitment in the fight against corruption and in the protection of corporate ethical values.

G1-4 – Confirmed cases of active or passive corruption

In the reporting year, no convictions for violations of regulations protecting active and passive corruption were recorded within the reporting perimeter. The company maintains a rigorous approach to preventing such crimes, adopting control and monitoring measures that ensure compliance with applicable laws and regulations.

As part of risk management, Aeffe carefully monitors its value chain, ensuring that any non-compliance situations are promptly identified and managed. Thanks to the efficient management of the issue, no cases requiring the adoption of corrective actions or disciplinary measures in the fight against corruption have been detected.

Additional information specific to the entity

Technological innovation and digitalization

ESRS 2 SBM-3 – Significant impacts, risks and opportunities and their interaction with the strategy and business model
In the context of the dual relevance analysis and in line with the results of the analysis conducted in 2023, the company has identified a significant topic not covered by the ESRS Standards: **technological innovation and digitalization**. This topic refers to Aeffe's ability to create increasingly technologically advanced innovative solutions through investments in research and development. To consult the impacts, risks and opportunities associated with the issue, please refer to the paragraph "Relevant impacts, risks and opportunities and their interaction with the strategy and business model".

MDR-P - Policies adopted to address relevant sustainability issues
Technological innovation and digitalization are a key factor for Aeffe, as they contribute to improving operational efficiency, business competitiveness and customer experience. The adoption of new technologies allows for more personalized services and increased transparency along the supply chain through the use of advanced technological platforms for tracking. This not only strengthens customer loyalty, but also allows for greater control over the sustainability and efficiency of production and distribution processes.

This sustainability issue, although not attributable to specific policies adopted by the company, is transversal to various business areas, from administrative management of employees, to environmental monitoring, to product innovation, and is also an integral part of the Group's **strategic plan**, as well as being one of the new principles of the **Code of Ethics** and one of the pillars of the new **Industrial Plan**.

MDR-A - Actions and resources related to relevant sustainability issues
In recent years, Aeffe has already launched numerous initiatives in various strategic business areas, including:

- **Administrative and human resources management**: with the activation of ZTravel, Aeffe has digitalized the entire process of managing business trips and expense reports, simplifying authorization procedures and improving transparency in reimbursements. Furthermore, the launch of the HR - WorkFlow pilot project has introduced an automated system for managing absences, attendance and overtime hours, reducing the margin of error and improving the monitoring of staff activities.

- **Environmental monitoring and sustainability**: Aeffe has implemented a technological platform dedicated to the management of Scope 1, 2 and 3 emissions, which allows for more precise tracking of the environmental impact along the production and distribution chain, strengthening control over sustainability data and supporting the company's ESG strategy.

- Continuous product development and innovation to ensure **maximum customer satisfaction**.

These initiatives are part of a broader strategy that aims to improve the efficiency of business processes, reduce operating costs and increase competitiveness, making Aeffe an increasingly innovative company oriented towards digital transformation.

MDR-T – Monitoring the effectiveness of policies and actions through targets
Innovation is also one of the key principles of the new **Code of Ethics**, which guides the company's actions towards sustainability and progress. The company is committed to developing practices and products that meet current needs, without compromising the resources and opportunities of future generations.

The Group has also integrated technological innovation among the pillars of the new **Industrial Plan**, recognizing digitalization as an internal and external growth driver and confirming its commitment to making digitalization a strategic asset, with concrete benefits on sustainability, efficiency and competitiveness.

In particular, Aeffe has structured its **Digital Transformation Plan** on several key elements, integrating advanced technologies to improve operational efficiency and competitiveness. The plan includes:

- **New Enterprise Resource Planning** (ERP): Updating business processes according to industry best practices, with the aim of increasing efficiency, productivity, responsiveness and resilience.

- **Traceability**: implementation of the Digital Product Passport (DPP) to map the supply chain and uniquely identify products and components.

- **Business Intelligence Tool**: advanced system for managing "big data", promoting the sharing of company information at all levels and supporting data-based decisions.

- **Supply Chain Management**: supply chain optimization, from the supply of raw materials to the delivery of the finished product.

- **Value chain**: adoption of a new organizational model to maximize product value, optimizing primary activities and support processes.

- **Artificial intelligence**: integration of new technologies for advanced data analysis and the development of predictive models.

Technological innovation and digitalization are fundamental pillars for Aeffe in its path of growth and competitiveness. Thanks to a structured Digital Transformation Plan and strategic initiatives already underway, the company is progressively integrating advanced technologies to optimize processes, improve resource management and promote sustainability. With the adoption of innovative solutions, Aeffe confirms its commitment to creating a more efficient and resilient corporate environment, capable of responding to market challenges and generating long-term value.

10. GEOPOLITICAL CONTEXT

Italy has confirmed its political support for Ukraine, despite not being a major supplier of weapons. The government aims for a just peace, which does not mean Kiev's surrender, and is working to bring Moscow to the negotiating table, promoting reconstruction initiatives and diplomatic mediation.

Regarding the crisis in the Middle East, Italy has adopted a low-profile strategy, remaining aligned with its European partners. The government has highlighted that "the ceasefire in Gaza and Lebanon, and the transition in Syria, have opened a new political phase", offering an opportunity to consolidate regional stability.

The 2024 budget drawn up by the Istituto Affari Internazionali (IAI) shows an Italy active on the international scene. However, 2025 promises to be full of challenges, including the strengthening of European defense in the NATO context and economic competitiveness. The evolution of global crises and Italy's ability to maintain a central role in Europe and the Mediterranean will be crucial for the country's strategic projection in the coming years.

11. SIGNIFICANT EVENTS OF THE PERIOD

On September 24, 2024, the Board of Directors of Aeffe S.p.A. has communicated Alberta Ferretti's decision to leave the Creative Direction of the brand she founded, with the Spring/Summer 2025 fashion show it has been concluded the stylistic journey of the Italian designer, protagonist of an entrepreneurial and creative adventure that began in 1980.

On September 26, 2024, Aeffe Spa and Euroitalia S.r.l. have reached and also executed a framework agreement for Aeffe to transfer ownership of the “Moschino” brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, as well as scented candles and rooms and textile perfumes, for an amount of 98,000,000 euros.

On October 15, 2024, it has been announced the appointment of Lorenzo Serafini as Creative Director of the Alberta Ferretti brand. Aeffe Group, in collaboration with Lorenzo Serafini and interpreting the needs of the current market, have developed a new strategy. This includes the integration of the Philosophy line within the Alberta Ferretti brand from the Fall/Winter 2025 season, with the aim of strengthening the brand’s appeal and positioning for the future.

12. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

No significant events occurred after the end of the financial year.

13. OUTLOOK

Starting from the 2023 financial year and for the entire 2024 financial year, the Aeffe Group has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over Euro 90 million), during 2024, the Group decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which brought a significant capital gain, allowed the Group to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025.

In light of all of the above, the Group has prepared a new 2025-2028 Industrial Plan, approved by the Board of Directors on 23 January 2025, in order to set new strategic objectives.

Financial statements

CONSOLIDATED BALANCE SHEET ASSETS (*)

(Values in units of EUR)	Notes	31 December 2024	31 December 2023	Change
Trademarks		46,928,179	61,013,859	(14,085,680)
Other intangible fixed assets		2,190,309	1,897,894	292,415
Intangible fixed assets	(1)	49,118,488	62,911,753	(13,793,265)
Lands		17,123,494	17,123,494	-
Buildings		23,817,636	24,575,199	(757,563)
Leasehold improvements		10,664,373	11,728,767	(1,064,394)
Plant and machinary		2,576,150	3,155,045	(578,895)
Equipment		159,519	250,578	(91,059)
Other tangible fixed assets		3,022,369	3,604,148	(581,779)
Tangible fixed assets	(2)	57,363,541	60,437,231	(3,073,690)
Right-of-use assets	(3)	77,578,905	102,226,024	(24,647,119)
Equity investments	(4)	41,196	41,196	-
Other fixed assets	(5)	105,641	93,927	11,714
Deferred tax assets	(6)	18,898,568	16,991,324	1,907,244
NON-CURRENT ASSETS		**203,106,339**	**242,701,455**	**(39,595,116)**
Stocks and inventories	(7)	89,233,482	112,249,596	(23,016,114)
Trade receivables	(8)	40,679,783	56,121,993	(15,442,210)
Tax receivables	(9)	8,848,183	12,165,895	(3,317,712)
Derivate assets	(10)	503,364	63,229	440,135
Cash	(11)	20,818,807	14,625,807	6,193,000
Other receivables	(12)	26,089,738	26,200,359	(110,621)
CURRENT ASSETS		**186,173,357**	**221,426,879**	**(35,253,522)**
Assets available for sale	(13)	4,349,496	-	4,349,496
TOTAL ASSETS		**393,629,192**	**464,128,334**	**(70,499,142)**
Share capital		24,606,247	24,606,247	-
Other reserves		37,467,751	89,606,998	(52,139,196)
Profits / (losses) carried-forward		16,392,528	(2,973,651)	19,366,179
Net profit / (loss) for the Group		19,328,033	(32,143,947)	51,471,980
Group interest in shareholders' equity		97,794,559	79,095,647	18,698,912
Minority interests in share capital and reserves		216,993	(9,052)	226,045
Net profit / (loss) for the minority interests		134,825	153,713	(18,888)
Minority interests in shareholders' equity		351,818	144,661	207,157
SHAREHOLDERS' EQUITY	**(14)**	**98,146,377**	**79,240,308**	**18,906,069**
Provisions	(15)	7,352,056	2,179,554	5,172,502
Deferred tax liabilities	(6)	27,599,221	11,527,794	16,071,427
Post employment benefits	(16)	2,978,634	3,205,866	(227,232)
Long term financial liabilities	(17)	122,645,659	161,795,510	(39,149,851)
Long term not financial liabilities	(18)	1,090,833	1,397,873	(307,040)
NON-CURRENT LIABILITIES		**161,666,403**	**180,106,597**	**(18,440,194)**
Trade payables	(19)	63,781,185	78,734,518	(14,953,333)
Tax payables	(20)	5,382,568	3,232,628	2,149,940
Derivate liabilities	(10)	-	-	-
Short term financial liabilities	(21)	50,571,260	106,303,262	(55,732,002)
Other liabilities	(22)	14,081,399	16,511,021	(2,429,622)
CURRENT LIABILITIES		**133,816,412**	**204,781,429**	**(70,965,017)**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**393,629,192**	**464,128,334**	**(70,499,142)**

(*) Pursuant to Consob Resolution N. 15519 of 27th July 2006, the effects of related party transactions on the Consolidated Balance Sheet are presented in the specific Balance Sheet schedule provided in the attachment I and are further described in Note "Transactions with related parties".

CONSOLIDATED INCOME STATEMENT (*)

(Values in units of EUR)	Notes	Full Year 2024	%	Full Year 2023	%
REVENUES FROM SALES AND SERVICES	**(23)**	**250,798,738**	**100.0%**	**318,622,270**	**100.0%**
Other revenues and income	(24)	108,427,572	43.2%	10,739,468	3.4%
TOTAL REVENUES		**359,226,310**	**143.2%**	**329,361,738**	**103.4%**
Changes in inventory		(22,165,546)	(8.8%)	(843,975)	(0.3%)
Costs of raw materials, cons. and goods for resale	(25)	(89,380,175)	(35.6%)	(128,345,960)	(40.3%)
Costs of services	(26)	(85,661,218)	(34.2%)	(110,365,644)	(34.6%)
Costs for use of third parties assets	(27)	(5,241,988)	(2.1%)	(6,031,801)	(1.9%)
Labour costs	(28)	(68,336,744)	(27.2%)	(71,819,173)	(22.5%)
Other operating expenses	(29)	(3,718,537)	(1.5%)	(6,172,332)	(1.9%)
Amortisation, write-downs and provisions	(30)	(36,227,210)	(14.4%)	(32,901,671)	(10.3%)
Financial Income / (expenses)	(31)	(11,517,029)	(4.6%)	(10,780,908)	(3.4%)
PROFIT / LOSS BEFORE TAXES		**36,977,863**	**14.7%**	**(37,899,726)**	**(11.9%)**
Taxes	(32)	(17,515,005)	(7.0%)	5,909,492	1.9%
NET PROFIT / LOSS		**19,462,858**	**7.8%**	**(31,990,234)**	**(10.0%)**
Minority interests		(134,825)	(0.1%)	(153,713)	(0.0%)
NET PROFIT / LOSS FOR THE GROUP		**19,328,033**	**7.7%**	**(32,143,947)**	**(10.1%)**
Basic earnings per share	(33)	0.196		(0.327)	
Dilutive earnings per share	(33)	0.196		(0.327)	

(*) Pursuant to Consob Resolution N. 15519 of 27th July 2006, the effects of related party transactions on the Consolidated Income Statement are presented in the specific Income Statement schedule provided in the attachment II and are further described in Note "Transactions with related parties".

COMPREHENSIVE INCOME STATEMENT

(Values in units of EUR)	Full Year 2024	Full Year 2023
Profit/(loss) for the period (A)	**19,462,858**	**(31,990,234)**
Remeasurement of defined benefit plans	1,184	(114,207)
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)	**1,184**	**(114,207)**
Gains/(losses) on cash flow hedges	317,337	171,182
Gains/(losses) on exchange differences on translating foreign operations	(876,810)	582,786
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)	**(559,473)**	**753,968**
Totale Other comprehensive income, net of tax(B1)+(B2)=(B)	**(558,289)**	**639,761**
Total Comprehensive income / (loss) (A) + (B)	**18,904,569**	**(31,350,473)**
Total Comprehensive income / (loss) attributable to:	**18,904,569**	**(31,350,473)**
Owners of the parent	18,769,744	(31,504,186)
Non-controlling interests	134,825	153,713

CONSOLIDATED CASH FLOW STATEMENT (*)

(Values in thousands of EUR)	Notes	Full Year 2024	Full Year 2023
Opening balance		**14,626**	**21,658**
Profit before taxes		36,978	(37,900)
Amortisation / write-downs		(52,181)	32,902
Accrual (+)/availment (-) of long term provisions and post employment benefits		4,889	(1,430)
Paid income taxes		(1,201)	(2,612)
Financial income (-) and financial charges (+)		11,517	10,781
Change in operating assets and liabilities		18,833	4,685
Cash flow (absorbed) / generated by operating activity	**(34)**	**18,835**	**6,426**
Increase (-)/ decrease (+) in intangible fixed assets		98,000	(1,174)
Increase (-)/ decrease (+) in tangible fixed assets		(2,210)	(4,693)
Increase (-)/ decrease (+) in right-of-use assets		(6,011)	(12,957)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-	(2)
Cash flow (absorbed) / generated by investing activity	**(35)**	**89,779**	**(18,826)**
Other variations in reserves and profits carried-forward of shareholders' equity		(557)	1,425
Dividends paid		-	-
Proceeds (+)/ repayments (-) of financial payments		(74,014)	18,544
Proceeds (+)/ repayment (-) of lease payments		(16,321)	(3,926)
Increase (-)/ decrease (+) in long term financial receivables		(12)	106
Financial income (+) and financial charges (-)		(11,517)	(10,781)
Cash flow (absorbed) / generated by financing activity	**(36)**	**(102,421)**	**5,368**
Closing balance		**20,819**	**14,626**

(*) Pursuant to Consob Resolution N. 15519 of 27th July 2006, the effects of related party transactions on the Consolidated Cash Flow are presented in the specific Cash Flow schedule provided in the attachment III and are further described in Note “Transactions with related parties “.

STATEMENTS OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(Values in thousands of EUR)	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Remeasurement of defined benefit plans reserve	Translation reserve	Profits/(losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
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 profit/(loss)	-	(51,581)	-	-	-	-	-	-	19,437	32,144	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) of 2024	-	-	317	-	-	-	2	(877)	-	19,328	18,770	135	18,905
Other changes	-	-	-	-	-	-	-	-	(71)	-	(71)	72	1
At December 31, 2024	24,606	10,683	363	13,475	7,901	7,607	(1,337)	(1,224)	16,392	19,328	97,794	352	98,146

(Values in thousands of EUR)	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Remeasurement of defined benefit plans reserve	Translation reserve	Profits/(losses) carried-forward	Net profit / loss for the Group	Group interest in shareholders' equity	Minority interest in shareholders' equity	Total shareholders' equity
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 2021 profit/(loss)	-	(5,335)	-	-	-	-	-	-	(3,709)	9,044	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buyback)/sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) of 2023	-	-	171	-	-	-	(114)	583	-	(32,144)	(31,504)	154	(31,350)
Other changes	-	-	-	785	-	-	-	-	-	-	785	-	785
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

EXPLANATORY NOTES

GENERAL INFORMATION

Aeffe Group operates worldwide in the luxury goods sector and is active in the design, production and distribution of products of high quality and stylistic uniqueness.

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, children’s lines, 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.

Following the spin-off of the company Fratelli Ferretti Holding S.r.l., which took place with notarial deed 7643 of 25 July 2024, of which the data from the latest approved financial statements are reported in Annex IV, Aeffe S.p.A is subject to the joint control of Colloportus S.r.l. and Fquattro S.r.l.. For further information, please refer to the information provided on the website www.aeffe.com, governance section.

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, statement of changes in equity, cash flow statement 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

Pursuant to art. 3 of Decree 38/2005 dated 28th February 2005, these financial statements have been prepared in accordance with International Accounting Standards (IAS/IFRS). The explanatory notes, also prepared in accordance with IAS/IFRS, have been supplemented by the additional information requested by CONSOB and by its instructions issued in accordance with art. 9 of Decree 38/2005 (resolutions 15519 and 15520 dated 27th July 2006 and communication DEM/6064293 dated 28th July 2006, pursuant to art. 114.5 of the Consolidated Finance Law), by art. 78 of the Issuers' Regulations, by the EC document issued in November 2003 and, where applicable, by the Italian Civil Code. Consistent with last year's annual report, some of the required information are presented in the Directors' Report (Report on operations).

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 December 31, 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 polices 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 December 31, 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 historical method. Historical cost is determined by adding together the fair values of the assets contributed, 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 historical 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 2024 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.p.A.	Gatteo (FC) Italy	EUR	5,000,000		100% (i)
Moschino Kids S.r.l.	Padernello di Paese (TV) Italy	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	379,976		100% (i)
Pollini Austria G.m.b.h.	Vienna (A)	EUR	35,000		100% (i)
Moschino Shanghai Ltd	Shanghai (CN)	CNY	159,044,311		100% (ii)

Notes (details of in direct shareholdings):

(i) 100% owned by Pollini S.p.A.;

(ii) 100% 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..

b) recapitalization of Moschino Shanghai Ltd.

c) recapitalization of Pollini Suisse S.a.g.l.

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 EUR, 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 EUR zone are translated into EUR 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	Actual exchange rate 31 December 2024	Average exchange rate 2024	Actual exchange rate 31 December 2023	Average exchange rate 2023
Hong Kong Dollars	8.0686	8.4454	8.6314	8.4650
Chinese Renminbi	7.5833	7.7875	7.8509	7.6600
United States Dollars	1.0389	1.0824	1.1050	1.0813
United Kingdom Pounds	0.8292	0.8466	0.8691	0.8698
South Korean Won	1,532.1500	1,475.4000	1,433.6600	1,412.8800
Swiss franc	0.9412	0.9526	0.9260	0.9718

FINANCIAL STATEMENT FORMATS

As part of the options available under IAS 1 for the presentation 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 no. 15519 dated 27th July 2006 regarding the format of the financial statements, additional schedules have also been presented for the income statement, the balance sheet and the cash flow statement in order to identify any significant transactions with related parties. This has been done to avoid compromising the overall legibility of the main financial statements.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated financial statement 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 the 2023 financial year and for the entire 2024 financial year, the Aeffe Group has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over Euro 90 million), during 2024, the Group decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which generated a capital gain of 87 million euros (detailed in notes 23 "Other revenues and income" and 41 "Significant non-recurring events and transactions"), allowed the Group to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025.

In light of all the above, the Group has prepared a new Industrial Plan 2025-2028, approved by the Board of Directors on 23 January 2025, in order to set new strategic objectives.

The Industrial Plan is the result of the analysis and forecasts of each individual Brand in the portfolio and examines, over the four-year period, the various areas of development and evolution, namely product offering, distribution, communication & marketing, collaborations & licenses, organization.

At corporate level, a medium-long term strategy has been identified through the analysis of specific aspects. Specifically:

- Significant growth in the Retail Channel focused on the positioning of the Group's DOS, also aiming to increase the average sales receipt
- Redevelopment of the distribution network through the elevation of key accounts and the expansion of the presence
- Development of new markets by re-entering previously lost markets
- Focus on geopricing and e-commerce
- Product, quality but also creativity and innovation under the spotlight
- Accessory as a starting point to convey new messages and attract new customer segments.

These areas, integrated with the Group macro-strategy, have led to the setting of specific targets for each Brand.

Moschino brand:

- Increase in the perception of the Brand (also thanks to the change of creative director and the consequent different product offering)
- Progressive improvement of distribution
- Increase in the number of Franchisees and expansion of digital channels
- Progressive increase in retail presence in Asia

Pollini brand:

- Consolidation of performance in consolidated geographical areas
- Penetration into new countries with development potential with respect to the positioning of the Brand
- Progressive increase in Franchisees in Europe (including Italy) and in selected foreign countries
- Opening of pop-ups and shopping shops

Alberta Ferretti brand:

- Organic growth and consolidation of DOS, new openings and retouching of store concepts in key locations
- Franchising development in high-potential markets
- Network redevelopment through collaboration with key partners
- Activation and strengthening of collaboration with department stores worldwide
- Focus on the effective exploitation of various online channels for a seamless and successful omnichannel experience.
- Collaborations and Partnerships

Specifically, the industrial plan mainly includes a strategic relaunch of the Moschino brand, initially focused on changing the product offering with a consequent increase in the brand's position on the market. These results will be achieved thanks to the contribution of the new creative director Adrian Appiolaza, appointed on January 30, 2024.

Furthermore, always with a view to increasing the Moschino brand, in general for the wholesale channel in all areas where the brand is present, the plan includes a progressive improvement of the distribution channel, aiming to increase turnover through new sales models, building strong relationships with selected customers. For the retail channel, the industrial plan mainly envisages maintaining the direct presence in China, with the consolidation of the stores higher performing, the closure of sales outlets located in cities no longer considered strategic and with high potential and a gradual opportunistic increase in the sales network through the opening of new directly managed stores.

While hoping for a quick resolution of international conflicts, the 2025 financial year for the group will still be an exercise in approaching the desired path of recovery of volumes and sales performance of products, especially under the Moschino brand, in consideration of the difficulties that the reference market continues to present.

Already starting from 2026, with a consolidation trend projected for 2027 and 2028, 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).

Following the reduction in sales volumes and turnover highlighted in 2024, the industrial plan projections include several organizational efficiency and cost containment actions, in particular with regard to service provision (consulting, stylistic and communication) and personnel performance. These actions will allow for a progressive recovery of operating margins.

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 2025-2028 industrial plan on which the assessment of the Group's ability to continue to operate as a going concern is based, 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.

Accounting standards, amendments and interpretations approved by the European Union, applicable from 1 January 2024:

- Lease liabilities in a sale and leaseback transaction (amendments to IFRS 16);
- Classification of liabilities as current and non-current and non-current liabilities with covenants (amendments to IAS 1);
- Financing arrangements for supplies (amendments to IAS 7 and IFRS 7).

The adoption of these amendments had no impact on the Group's consolidated financial statements.

Accounting principles, amendments and interpretations not yet applicable or not adopted early by the Group:

- Impossibility of exchange (amendments to IAS 21).
- Classification of liabilities as current and non-current and non-current liabilities with clauses (amendments to IAS 1);

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

Intangible fixed assets

Intangible fixed assets are identifiable non-monetary assets, without physical substance, that are controlled by the company and able to generate future economic benefits for the Group. Intangible fixed assets are initially recorded at purchase cost (being their fair value in the case of business combinations), as represented by the acquisition price paid including any charges directly attributable to the preparatory or production phase, if the conditions are met for the capitalisation of costs incurred on the internal generation of assets. Following initial recognition, intangible fixed assets are carried at cost, net of accumulated amortisation and any impairment recorded in accordance with IAS 36 (*Impairment of Assets*). Subsequent expenditure on intangible fixed assets is capitalised only if it increases the future economic benefits embodied in the specific asset to which it relates. All other costs are charged to the income statement as incurred.

Of intangible fixed assets, a distinction can be made between: a) those with an “infinite” useful life, such as goodwill, which are not amortised but subjected to an annual impairment test (or whenever there is reason to believe that the asset may have been impaired) in accordance with IAS 36; b) those with a finite useful life or other intangible fixed assets, the valuation criteria for which are reported in the following paragraphs.

Brands

Brands are recognised at cost and are amortised systematically on a straight-line basis during their estimated useful life (40 years) from when the asset is available for use. By applying IFRS 3, all business combinations since 31 December 2001 have been restated, with an indication, based on an independent estimate, of the new value of intangible fixed assets that were not reported when the shareholdings were acquired.

The Group has seen fit to give brands a finite life of 40 years in view of the policies adopted by other market operators. Prudently, it has adopted an extremely long – although not infinite and thus unidentifiable – useful life for its own brands (reflecting the prolonged benefits derived from these). This decision is in line with intangible fixed assets typical of the fashion industry, based on previous experience of other international operators in the sector (market comparables).

Other intangible fixed assets

This caption comprises the costs incurred to acquire software, which is amortised over a period not exceeding 3 years.

The principal amortisation rates applied are summarised below:

Category	%
Royalties from patents and intellectua property	33%
Brands	3%

Research costs are charged to the income statement as incurred.

At December 31, 2024, the company has not recorded intangible fixed assets with an “infinite” useful life in the financial statements.

Tangible fixed assets

Tangible fixed assets, stated net of accumulated depreciation, are recorded at purchase or production cost except for those assets which have been revalued in accordance with specific laws. Cost includes related charges and directly-attributable expenses.

Tangible fixed assets are depreciated systematically each year on a straight-line basis using economic-technical rates that reflect the residual useful lives of each asset. Tangible fixed assets are written down in the event of permanent impairment, regardless of the depreciation already accumulated.

Ordinary maintenance expenses are charged in full to the income statement. Improvement expenditure is allocated to the fixed assets concerned and depreciated over their residual useful lives.

Construction in progress and advances to suppliers are recorded at the cost incurred, including directly-related charges.

As an exception to the general principle, the carrying amount of land and buildings has been adjusted to reflect the value determined by reference to an independent appraisal. This was performed to identify the separate value of land that was previously included in the "land and buildings" caption and consequently depreciated. The depreciation rates are applied on a straight-line basis over the new estimated useful lives of the buildings: 50 years (2%).

The depreciation rates applied are summarised below:

Category	%
Industrial buildings	2%
Plant and machinery	12,5%
Photovoltaic systems	9%
Industrial and commercial equipment	25%
Electronic machines	20%
Furniture and fixtures	20%
Motor vehicles	20%
Cars	25%

Land is not depreciated.

Leasehold improvements, including the costs of fitting and modernising directly-managed shops and all other property used for business purposes but not owned by the Group, are depreciated over the shorter of the duration of the lease, including any renewal periods, or their useful lives.

Improvement expenditure is added to the carrying amount of the assets concerned if the future economic benefits for the Group are likely to exceed those determined originally. Such expenditure is depreciated over the residual useful lives of the assets concerned. All other maintenance costs are charged to the income statement as incurred.

Leasing IFRS16

The IFRS 16 introduces some elements of professional judgment which involve the definition of some accounting policies and the use of assumptions. The main ones are summarized below:

Lease term: the identification of the duration of the rental contract is a very relevant issue since the form, legislation and commercial practices on property rental contracts vary significantly from one jurisdiction to another and the assessment of the effects of the renewal options at the end of the non-cancellable period on the lease term estimate entails the use of assumptions. In fact, for the definition of the lease term, the Group considered the presence of renewal and cancellation options respectively for the lessee, the lessor or both. In the presence of renewal options exercisable by both contractual parties, it considered the existence or not of significant economic disincentives in refusing the renewal request as required by paragraph B34 of IFRS 16. In the presence of options exercisable only by one of the two parties considered paragraph B35 of IFRS 16. The application of the above, taking into account the specific facts and circumstances as well as the estimate that the option is reasonably certain, has meant that, for contracts with an annual duration renewable automatically unless canceled, an average duration of ten years was considered, basing this choice on historical evidence while in other cases if it is only the Group that can exercise the option, a duration was considered until the second renewal provided for in the contract, based on the historical evidence and the fact that renewal beyond the second period cannot be considered reasonably certain.

Definition of the discount rate: since in most of the rental contracts stipulated by the Group, there is no implicit interest rate, the Group has calculated an incremental Borrowing Rate-IBR. In order to determine the IBR to be used for discounting future rent payments, the Group has identified each country as a portfolio of contracts with similar characteristics and has determined the relative IBR as the rate of a risk-free instrument of the respective country in which the contract was stipulated, based on the different contractual deadlines. The weighted average IBR applied during the transition was 2.22%, while the weighted average IBR as at 31/12/24 amounts to 2.37%.

Activities by right of use: the Group detects activities by right of use on the lease start date (ie on the date on which the underlying asset is available for use). The right of use activities that fall under the definition of investments in real estate activities are classified in this balance sheet item. The assets by right of use are measured at cost, net of accumulated depreciation, of accumulated impairment losses and modified for any re-measurement of the leasing liability. The cost of the assets by right of use includes the initially recognized value of the leasing liability, initial direct costs incurred, the payments due for the leasing made on the date or before the effective date net of the leasing incentives received. Unless the Group is reasonably certain that it purchases the leased asset at the end of the lease contract, the assets by right of use are amortized linearly in the shorter period between the duration of the contract and the useful life of the leased asset.

The amortization of right-of-use assets is applied on the basis of the provisions of IAS 16. Finally, right-of-use assets are subjected to impairment testing on the basis of the provisions of IAS 36. The item right-of-use assets it therefore also includes the key money paid by the Group, as it is classified, based on the IFRS16 principle, as initial direct leasing costs. The "rights of use" of each individual CGU are subjected to impairment tests in the presence of triggering events (involving the individual CGU).

The impairment test is carried out by comparing the net book value of the CGU (understood as Net Invested Capital - in the CGU) with the recoverable value (understood, as required by paragraphs 18 and 74 of the international accounting standard IAS 36, as the greater of fair value less costs to sell and value in use).

IFRS 13 brings together the definition of fair value by establishing that it is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the measurement date. IFRS 13 establishes a hierarchy that classifies the inputs of the measurement techniques adopted to measure fair value into levels. The expected levels, displayed in hierarchical order, are as follows:

- level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
- level 2 inputs: these are variables other than the quoted prices included in level 1 that can be observed directly or indirectly for assets or liabilities;
- level 3 inputs: these are unobservable variables for assets or liabilities.

To determine the value in use of an asset, the present value of the estimated future financial flows is calculated, before taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and specific risks of the activity.

To estimate the "fair value", the Aeffe Group discounts future rents to market value while for the "value in use" it discounts the expected future cash flows (Discounted Cash Flow - DCF) generated by the CGU.

Leasing liabilities: at the start date of the leasing contract, the Group recognizes the leasing liability measured as the present value of future residual payments until the end of the contract. Future payments include fixed payments, net of any leasing incentives to be received, variable payments that depend on an index or rate and the amounts that the Group is expected to pay as guarantees of the residual value. Future payments also include the exercise price of the purchase option, if the Group has reasonable certainty to exercise the option and the leasing termination penalty payments, if the Group has reasonable certainty to exercise the resolution option. Variable payments, which do not depend on an index or rate, but which for the Group mainly depend on the volume of sales, continue to be recorded as costs in the income statement, among the costs for services. To calculate the present value of future payments, the Group uses the Incremental Borrowing rate (IBR) on the contract start date. Subsequently, the leasing liability is increased for interest and decreased for payments made. In addition, the leasing liability is remeasured to take into account changes to the terms of the contract.

Short term leases and low value assets leases: the Group avails itself of the exemption from the application of IFRS 16 for short-term contracts (less than 12 months) and for contracts in which the individual leased asset is of small value. The payments of the fees of these contracts are accounted for linearly as costs in the income statement, based on the terms and conditions of the contract.

Determination of recoverable value (Impairment)

Under IAS 36, intangible and tangible fixed assets must be subjected to impairment testing if there is evidence (events, change of circumstances) to suggest a possible loss of value. The purpose of this is to ensure that assets are not recorded in the balance sheet at an amount that exceeds their recoverable value.

Brands and other intangible assets, together with tangible fixed assets, rights of use assets and other non-current assets, are subjected to a recoverable value check in the presence of indications of possible impairment.

An impairment loss occurs and is accounted for when the book value of an asset or cash-generating unit exceeds the recoverable value. The book value of the asset is adjusted to the recoverable value and the impairment loss is recognized in the income statement.

The recoverable value of these assets is the higher between their fair value, net of disposal costs, and their value in use. In order to determine value in use, the estimated future cash flows, including those deriving from the disposal of the asset at the end of its useful life, are discounted using a post-tax rate that reflects the current market assessment of the value of money and the risks associated with the Group's activities. If it is not possible to estimate an independent cash flow for a single asset, the minimum operating unit (cash generating unit) to which the asset belongs and to which it is possible to associate future independent cash flows is identified.

The transfer by Aeffe S.p.A. of ownership of the class 3 of the Nice Classification of its main brand (Moschino) is to be considered an extraordinary event which therefore requires assessments in relation to the risk that the accounting values of the above-mentioned assets (brands and other intangible assets) may have suffered lasting losses in value.

Furthermore, it is specified that, also taking into account the uncertainty of the reference context, the estimate of the value in use and the fair value were entrusted to an independent external expert.

Therefore, we first proceeded to carry out the impairment test on the two divisions of the Group: "Pret-a-porter" and "Pollini". The Group's activity is divided, in fact, on the basis of the different product lines and brands that make up its offer, into two segments: (i) Prêt-à-porter (CGU «Pret-a-porter»); and (ii) footwear and leather goods (CGU «Pollini»). The «Prêt-à-porter» division, which is made up of the Aeffe corporate reality, operates mainly in the creation, creation and distribution of luxury ready-to-wear clothing collections and lingerie, beachwear and loungewear collections; the «Pollini» division operates mainly in the creation, production and distribution of footwear, small leather goods, bags and coordinated accessories, characterized by exclusive materials.

The impairment test was conducted by first testing the recoverability of the carrying amount, i.e. the Net Invested Capital, of each CGU through the value in use, determined by discounting the result flows of the plan each CGU, or by applying the methodology directly referred to by IAS 36: the financial method of Discounted Cash Flow, in the asset side formulation.

The flows of the explicit period were determined starting from the operating income (EBIT) of each financial year 2025 - 2028, calculating and subtracting the notional direct taxes at the full rate and subsequently adding the negative income components that do not give rise to monetary outflows, such as depreciation and provisions, in order to identify the "financial flow of current operational management", which can be interpreted as a "potential" monetary flow; in fact, the amount of monetary resources actually released by current core management is affected by the variation undergone over the period by the assets elements that arise and expire as a result of the operating cycles (trade receivables, inventories, trade payables, payables to personnel, etc.) – changes in Net Working Capital (NCC). Finally, the monetary flow of operational management was determined taking into consideration both the aforementioned CCN deltas and investments (net of disinvestments) in fixed capital - so-called CAPEX – and changes in operating funds. For the years following 2028, i.e. for the years following the explicit planning period - and, therefore, for the estimate of the Terminal Value -, it was prudentially decided to identify the prospectively average cash flows that could be produced by the two «Pret-a» divisions -porter" and "Pollini" with the average (normalized for non-repeatable and extraordinary flows) of the EBITs of the last two explicit planning years (2027 - 2028), appropriately considered net of notional taxes at the full rate and projected in perpetuity. For the post-2028 period, a minimum annual g growth rate was also considered (equal to 2.00%), equal to the average expected inflation in the countries in which the Group operates, weighted based on the 2028 EBITDA produced in these countries.

The flows were discounted at the weighted average cost of capital of the Group WACC, equal to 7.88%, determined on the basis of the following parameters:

- Free Risk Rate of a mature country (Germany), i.e. rate of return on 10Y Bunds relating to the twelve months preceding 12/31/2024 (Source: investing.com).
- Beta volatility coefficient constructed as the average of the 2Y unlevered β of a sample of comparable companies leveraged as a function of the average D/E ratio of the same comparables (Source: Bloomberg).
- Equity Risk Premium, premium for the ideal risk as identified by best practices.
- Country Risk Premium, determined as the average risk of the countries in which the Group operates, weighted by the percentage of production of the 2028 EBIT in said countries (Source: Aswath Damodaran).
- Coefficient α, which considers, among other things, the small cap and randomness premiums of execution of the plan.
- Cost of the Group's net debt, determined by considering the actual average rate (as of 12/31/2024) of the Group's credit lines.
- Financial structure, determined as the average of the comparables already considered for the definition of the β (Source: Bloomberg).

To discount the Terminal Value, a WACC of 9.11% was adopted, determined by considering an additional premium α on the cost of equity capital.

The value in use of the two CGUs, calculated according to the DCF methodology, was higher than the book value of the related Net Invested Capital.

Furthermore, the Group nevertheless conducted the usual sensitivity analyses, required by IAS 36, in order to highlight the effects produced on the "value in use" of the CGUs by an increase in the WACC discount rate and a decrease in the growth rate.

The analysis carried out did not reveal any situations of impairment as the net book value of the two CGUs was lower than the related recoverable value.

To determine the recoverable value of the trademarks recorded in the financial statements, an estimate of the current value was made by discounting the hypothetical value of the royalties deriving from the transfer for use to third parties of these intangible assets, on the basis of which the cash flows are linked to the recognition of a percentage of royalties applied to the amount of revenues that the brand is able to generate prospectively, over the course of its useful life. The industry averages were used as the royalty rates (equal to 10%), from which the average percentage of incidence of the maintenance costs of each brand on the turnover was deduced (equal to 3.50% for Moschino, 1.97% for Pollini and 9.07% for Alberta Ferretti). The presumed royalty percentage was also determined net of the tax effect.

In this case, considering the historicity of the trademarks being evaluated, it was considered correct to use a time horizon (useful life) of unlimited duration of the distinctive sign, which in any case corresponds to an algorithm equal to approximately 25/30 years.

The expected royalties were determined on the basis of the turnover attributable to each specific brand and extrapolated from the 2025 Budget and for the financial years 2026-2028 from the expected economic development plans, approved by the Parent Company.

For the period following the explicit planning period (post 2028), in determining the expected turnover and, therefore, the presumed royalties, a minimum annual growth rate g was considered (equal to 2%), equal to inflation average expectation in the countries in which the Group operates, weighted based on the 2028 EBITDA produced in these countries. In line with what was done for the two CGUs of the Group, the average cost of capital (WACC) equal to 7.88%

(9.40% as at 12/31/2023) for the period was used as the discount rate. of explicit planning and equal to 9.11% (10.08% as at 12/31/2023) for the subsequent period.

Moreover, the Group has conducted the usual sensitivity analyzes, required by IAS 36, in order to highlight the effects produced on the "value in use" of brands by an increase in the WACC discount rate. In particular, the percentage increase in the WACC was identified which would lead to a zeroing of the headroom found between the value in use and the carrying amount (percentage increase in the WACC for each brand: +44.75% Moschino; +2.81% Pollini; +2.82% Alberta Ferretti).

From the analysis carried out, no impairment situations emerged as the net book value of the individual brands is lower than the relative recoverable value.

Finally, the Group carried out an analysis aimed at assessing the recoverability of the right-of-use assets and of the intangible and tangible assets attributable to the individual directly operated stores (DOS) - substantially attributable to the key money paid for the takeover - which highlighted impairment indicators linked to the increase in rates.

In particular, for the stores (Cash Generating Units - CGU), the recoverable value, has been determined as the greater of the fair value and the value in use of the relative CGU, and compared with the net carrying amount ("carrying amount").

The test was conducted first of all by identifying the recoverable value of the stores (for which the Group appears to have recorded key money) in the sense of fair value. In particular, the fair value was calculated based on current empirical data from the real estate market, as the difference between:

- the current value of the residual rents considering the market values (Sources: Main Streets across the World - Cushman & Wakefield; Real Estate Market Observatory - Revenue Agency) of the rents applicable for properties located in the same cities and streets as stores being estimated and the specific size (m2) of the stores being tested;
- the current value of the residual rental payments considering the contractual values.

Also in this case the discount rate is the Group WACC, adjusted to consider the specific country and inflation risks of the state in which the store is located. The useful life of the asset was assumed to be equal to the duration of the lease contract. The fair value thus determined was compared with the net book value of the key money and fittings of each store. In the event that this comparison highlighted a loss of value, considering that the Accounting Standard provides that the recoverable value represents the greater of the fair value and the value in use, the value in use of the stores was also determined using the previously exposed DCF financial methodology.

To estimate the value in use of the stores (CGU), the operating cash flows deduced from the actual economic data as of 12/31/2024, as well as the prospective 2025 - 2028 data, as approved by the Parent Company, were considered. For the years after 2028 and until the expiry date of the rental contract, the cash flows were estimated analytically, year by year, on the basis of the latest available EBIT increased by a growth rate g - equal to expected inflation 2029 in Italy or France, based on the geographical location of the shop - netted considering full rate taxes. To discount the cash flows, the same WACC rate determined for the two CGUs «Pret-a-porter» and «Pollini» was adopted, modified only to consider only the country risk of Italy or France, and not the weighted average of Countries of operation of the entire Group.

The analysis carried out did not reveal any loss of value.

The usual sensitivity analyzes were conducted, required by IAS 36, in order to highlight the effects produced on the "fair value" or "value in use" of the stores following: a hypothetical reduction in the rental price per square meter or a hypothetical increase in the WACC discount rate.

The analyzes on the variability of the results of the estimates made regarding the stores as the main valuation inputs assumed changed, hypothesized alternatively: for fair value valuations, the potential decrease in market prices per square meter and, for fair value valuations, value in use, the percentage increase in the WACC discount rate, which respectively lead to the elimination of the margins found in the impairment test.

A sensitivity analysis was first carried out on the market prices per square meter of the rents of each shop in order to identify the decrease in the same which would lead the recoverable value of the assets of each shop to be at least equal to the relative carrying amount (i.e. all zeroing of the headroom encountered). This decrease is between 33% and 82%.

In the event that the comparison between fair value and net book value has highlighted a loss in value, considering that the Accounting Standard provides that the recoverable value represents the greater of the fair value and the value in use, we also proceeded to determine the use value of the shops.

A sensitivity analysis on the discount rates (WACC) was carried out on the value in use of these stores, in order to identify the rate increase that would bring the recoverable value to be at least equal to the relative carrying amount (i.e. to zero of the headroom encountered). The increase in WACC is between 20.23% and 39.81%.

In defining the recoverable value of all assets subject to impairment testing, the financial impacts estimated by management for achieving its Environmental, Social, and corporate Governance (ESG) objectives were taken into consideration. In fact, in 2024 the AEFFE Group continued the path started previously regarding the in-depth mapping of ESG risks, also with the support of external professionals, starting from the materiality analysis, which will lead to a progressive integration of the factors of sustainability within its corporate risk management model. The company has identified its sustainability objectives and defined a prospective implementation plan for their achievement. The same was formalized in terms of economic impacts in a timely manner for the year 2025, implemented in the company budget. Aeffe has also estimated, on the basis of the 2025 budget, the economic impacts over the plan period, including them in its industrial economic plan, considered for the purposes of the impairment test.

Reinstatement of value

The value of financial assets recorded at amortised cost is reinstated when a subsequent increase in their recoverable value can, objectively, be attributed to an event that took place subsequent to recognition of the impairment loss.

The value of other non-financial assets is reinstated if the reasons for impairment no longer apply and the basis for determining their recoverable value has changed.

Write-backs are credited immediately to the income statement and the carrying amount of the asset concerned is adjusted to reflect its recoverable value. Recoverable value cannot exceed the carrying amount that would have been recognised, net of depreciation, had the value of the asset not been written down due to impairment in prior years.

The written down value of goodwill is never reinstated.

Equity investments

Equity investments in non-consolidated subsidiaries, associates and joint ventures are recognised according to the equity method. The surplus cost over shareholders' equity on the acquisition date is treated in the same way as described in the section on consolidation principles. Other equity investments are recognised using the cost method, which is reduced for impairment losses. The original value is restated in subsequent years if the reasons for the write-down no longer apply.

Assets held for sale

This item includes assets where the book value will be recovered mainly through sale rather than continuous use. For this to happen, the asset (or group) must be available for sale in its current condition, subject to standard conditions applicable to the sale of such assets (or groups), and the sale must be highly probable. An asset classified as held for sale is recognised at the lesser of its book value and fair value, excluding selling costs, as stipulated in IFRS 5.

Trade and other receivables

Receivables are stated at their estimated realisable value, being their nominal value less the allowance for collection losses on doubtful accounts. They are review regularly in terms of ageing and seasonality in order to avoid adjustments for unexpected losses. Non-current receivables that include an element of embedded interest are discounted using a suitable market rate. This caption also includes the accrued income and prepaid expenses recorded to match income and costs relating to more than one year in the accounting periods to which they relate. A specific analysis is carried out both of the positions in dispute and of the positions that present some symptoms of delay in collections for the purpose of determining the provision for bad debts. Furthermore, the evaluation of residual credits is also carried out considering the expected loss which is calculated over the entire life of the trade credit. The evaluation of the overall realizable value of trade receivables requires the development of estimates regarding the probability of recovery of the aforementioned practices, as well as the percentages of write-downs applied to receivables not in dispute. The allocation to the bad debt fund is made consistently with the situation of your credits, considering that these credits are partly covered by insurance.

Inventories

Inventories are recorded at purchase or production cost or, if lower, at their estimated net realisable value. Net realisable value is the estimated selling price under normal operating conditions, net of completion costs and all other selling-related expenses.

The cost of production of finished products includes the cost of raw materials, outsourced materials and processing, and all other direct and indirect manufacturing costs reasonably attributable to them, with the exclusion of financing costs.

Obsolete and slow-moving inventories are valued to reflect their likely use or realisability.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and all highly liquid investments with an original maturity of three months or less. Securities included in cash and cash equivalents are measured at their fair value.

Provisions

The provisions for risks and charges cover known or likely losses or charges, the timing and extent of which cannot be determined at period end. Provisions are recorded only when there is a legal or implicit obligation that, to be settled, requires the consumption of resources capable of generating economic benefits, and the amount concerned can be estimated reliably. If the effect is significant, provisions are calculated by discounting expected future cash flows using a pre-tax rate that reflects the current market assessment of the present value of money and the specific risks associated with the liability.

Employee benefits

Employee severance indemnities are covered by IAS 19 ("Employee Benefits") since they are deemed to be a form of defined benefit plan. Group contributions to defined benefit plans are charged to the income statement on an accruals basis.

The Group's net liability for defined benefit plans is determined on an actuarial basis, using the projected unit credit method. All actuarial gains and losses determined as of January 1, 2005, the IFRS transition date, have been recognised.

Financial payables

Financial payables, excepting derivates, are recorded at their fair value, after transactions costs directly attributable.

Bank overdrafts and loans

Loans are initially measured at cost, which approximates their fair value, net of any transaction-related expenses. Subsequently, they are measured at amortised cost. Any difference between cost and the redemption value is recorded in the income statement over the duration of the loan, using the effective interest method.

Loans are classified as current liabilities unless the Group has an unconditional right to defer their settlement for at least twelve months subsequent to the accounting reference date.

Trade and other payables

Payables are stated at the nominal value. The financial element embedded in non-current payables is separated using a market rate of interest.

Treasury shares

Treasury shares are presented as a deduction from capital for the part of their nominal value, and from a specific reserve for the part in excess to their nominal value.

Contributions to the capital account and for overheads

Any public contributions are reported when there is a reasonable certainty that the company will meet all the conditions foreseen to receive the contributions and actually receives them. The Group has opted to present any contributions to the capital account in the financial statement as items in adjustment of the book value of the property to which they refer, and any contributions to overhead as a direct deduction from the relative cost.

Derivative financial instruments

The fundamental characteristics of derivative financial instruments are set out in the paragraph Derivative financial instruments (Note 10). The Group uses derivative financial instruments to hedge the risks associated with currency exposure arising from its operations, without any speculative or trading purpose. Accounting for derivative transactions, since these refer to a risk linked to the variability of expected cash flows (forecast transaction), are performed in accordance with the cash flow hedge rules. The rules of hedge accounting require the recognition of derivatives at their fair value in the balance sheet;

the recording of changes in fair value differs depending on the type of hedge at the valuation date:

• for derivatives used to hedge expected transactions (ie cash flow hedges), changes in fair value are recognized directly in the specific shareholders' equity reserve, except for the portion of variation relating to the ineffective portion of the hedge that is allocated to the account economic, financial income and charges; the fair value differences already recognized directly in the specific equity reserve are fully charged to the income statement, adjusting the operating margins, at the time the assets / liabilities relating to the hedged items are recognized;

• for derivatives used to hedge assets and liabilities recognized in the financial statements (ie fair value hedges), the differences in fair value are recognized entirely in the income statement under financial income and expense. In addition, the value of the hedged item (assets / liabilities) is adjusted for the change in value attributable to the hedged risk, using financial income and expenses as a contra entry.

Revenue

Revenues from sales and services derive mainly from the sale of goods with the recognition of "at poin 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 Roylalties, 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.

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.

Costs

Costs and expenses are recognised on an accrual basis.

Design and production costs for sample collections incurred during the period are correlated to the turnover from sales of collection and are thus carried in the income statement in proportion to the revenue generated. The remaining portion to be carried in the income statement during the period in which the corresponding revenue is generated is posted to other current assets.

Financial income and expenses

These include all items of a financial nature written to the income statement for the period, including interest payable on financial debts calculated using the effective interest method (mainly current account overdrafts and medium and long-term loans), foreign currency gains and losses, dividends received, and the portion of interest payable deriving from the accounting treatment of assets under finance leases (IAS 17).

Interest income and expenses are reported in the income statement for the period in which they are realised/incurred.

Dividends are recognised in the period when the Group’s right to a dividend payment matures, subject to ratification.

The amount of interest payable on finance leases is booked to the income statement using the effective interest method.

Taxes

Income taxes for the period include all taxes calculated on taxable income. Income taxes for the period are recorded in the income statement.

Taxes other than income taxes, such as property tax, are reported under operating expenses or, if the necessary conditions are fulfilled, are capitalized in the related real estate.

Current taxes on income taxable in the period represent the tax burden calculated using current rates of taxation in force on the balance sheet date.

Deferred taxes are recognised for all temporary differences existing on the balance sheet date between the book value of assets and liabilities and the corresponding values used to determine taxable income for tax purposes.

Payables for deferred taxes relate to:

- positive components of income for the current period but taxable in future periods;
- negative components of income deductible in excess compared to the amount recorded in the income statement as a result of the application of the International Accounting Standards.

Receivables for deferred taxes are recognised:

- for all negative components of income non-deductible in the period under examination but that could be deducted in future periods;
- for the carryover of unused tax losses, if it is probable that taxable income, for which the tax loss may be used, will be generated.

Credits for deferred tax assets and debits for deferred tax liabilities are calculated based on the rates of taxation applicable to tax calculation on income in periods in which temporary differences are reversed, based on the rate of taxation and tax regulations in force on the balance sheet date.

The impact on these taxes of any change in rates of taxation is posted to the income statement in the period in which the change occurs.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding.

Main estimates used by the Management

Hereafter we report the main estimates and assumptions used by the Management to draft the consolidated financial statement, whose variations, not foreseeable at the moment, could affect the economic and equity situation of the Group.

- These estimates used for actuarial calculation serve to calculate the benefit plans in the sphere of future benefits of the working relationship:
- The inflation rate foreseen is 2.00%;
- The discount rate used is 2.93%;
- The annual rate in increase of the severance indemnity fund foreseen is 3.000%;
- The expected turn-over of employees is 6% for Aeffe S.p.A., 10% for Pollini Retail and 5% for Pollini S.p.A..
- Estimates used in the actuarial calculations to determine the supplementary clientele severance indemnity fund:
- The voluntary turnover rate foreseen is 0.00%;
- The corporate turnover rate foreseen is 5.00% for all the Group's companies;
- The discount rate used is 3.18%.

OTHER INFORMATION

Segment information

Within a group, various segments are distinguishable providing a series of homogeneous products or services (business segment) or providing products and services in a specific geographical area (geographical segment). Specifically, in Aeffe Group, two areas of activity are identified:

(i) Prêt-a-porter Division;

(ii) Footwear and leather goods Division.

In accordance with IFRS 8, segment information can be found in the section entitled "Comments on the income statement and segment information".

Management of financial risk

The financial risks to which the Group is exposed in the performance of its business are as follows:

- risk of liquidity

- market risk (inclusive the currency risk, rate risk, price risk);
- credit risk;

Liquidity and market risk

Management of the financial needs and relative risks (mainly rate and exchange risks) is handled at the level of the central treasury on the basis of the guidelines established by the Managing Director of the Group and approved by the Chief Executive Officer.

The main goal of these guidelines consists of:

(i) Liquidity risk

The Group manages the liquidity risk with a view to guarantee, at the consolidated level, the presence of a liability structure in balance with the asset composition of the financial statement, in order to maintain an elevated solid equity.

The credit lines, though negotiated at the Group level, are granted to the individual companies.

As of the date of this financial statement, the companies in the Group with the main short and medium/long-term loans from banks are the parent company, Pollini and Moschino.

(ii) Exchange risk:

The Group operates internationally and is therefore exposed to the exchange risk. The exchange risk arises when assets and liabilities are reported in a currency other than that in which the company operates.

The mode of management of this risk consists of minimizing the risk connected with exchange rates by using for the main companies of the Group exposed to the exchange risk, the opening of loans in foreign currency and the subscription of forward foreign exchange contracts.

(iii) Rate risk:

The interest rate risk to which the companies in the Group are exposed originates mainly from the medium and long-term financial payables in existence, that are almost all at variable rates and expose the Group to the risk of variation in cash flows as the interest rates vary.

The average cost of indebtedness tends to be parametrized with the status of the EURIBOR rate at 3/6 months, plus a spread that depends mainly on the type of financial instrument used. In general, the margins applied are in line with the best market standards. As of December 31, 2024 a hypothetical upward variation of 10% in the interest rate, all other variables being equal, would have produced a higher cost before taxes (and thus a corresponding reduction in the shareholders' equity) of about 801 thousand euros annually (630 thousand euros as of December 31, 2023).

The cash flow risk on interest rates has never been managed in the past through the use of derivative contracts - interest rate swaps - which transform the variable rate into a fixed rate. As of December 31, 2024, there are no interest rate risk hedging instruments.

(iv) Price risk

The Group makes its purchases and sales worldwide and is therefore exposed to the normal risk of variations in price, typical of the sector.

Credit risk

With reference to receivables in Italy, the Group deals only with known and reliable clients. It is a policy of the Group that clients requesting extended payment terms are subject to procedures of audit of the class of merit. Moreover, the balance of receivables is monitored during the year to ensure that the doubtful positions are not significant.

The credit quality of unexpired financial assets and those that have not undergone value impairment can be valued with reference to the internal credit management procedure.

Customer monitoring activity consists mainly of a preliminary stage, in which we gather data and information about new clients, and a subsequent activation stage in which a credit is recognized and the development of the credit position is supervised.

The preliminary stage consists of collecting the administrative and fiscal data necessary to make a complete and correct assessment of the risks connected with the new client. Activation of the client is subject to the completeness of the data and approval, after any further clarification by the Customer Office.

Every new customer has a credit line: its concession is linked to further information (years in business, payment terms, customer's reputation) all of which are essential to make an evaluation of the level of solvency. After gathering this information, the documentation on the potential customer is submitted for approval by the company organizations.

Management of overdue receivable is differentiated depending on the seniority of the client (overdue payment group).

For overdue payments up to 60 days, reminders are sent through the branch or directly by the Customer Office; clearly, if an overdue payment exceeds 15 days or the amount of the credit granted, all further supplied to the client are suspended. For overdue credits "exceeding 90 days", where necessary, legal steps are taken.

As regards foreign receivables, the Group proceeds as follows:

a) Part of the foreign credits are guaranteed by primary credit insurance companies;
b) The residual uninsured part of the receivable is managed:
    a. Most of it by request of letter of credit and 30% advances within two weeks of the order confirmation;
    b. The residual receivables not covered by insurance, by letter of credit or by advances, are specifically authorized and managed as settled by the Italian receivable procedure.

The unexpired receivables, amounting to a total of 25,010 thousand euros as of December 31, 2024, represent 61% of the receivables entered in the financial statements. This percentage decreases compared to the 73% of the previous year.
This procedure serves to define the rules and operating mechanisms that guarantee a flow of payments sufficient to ensure the solvency of the client and guarantee the company an income from the relationship.
As of the reference date of the financial statement, the maximum credit risk exposure is equal to the value of each category of receivable indicated here below:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Trade receivables	40,680	56,122	(15,442)	(27.5%)
Other current receivables	26,090	26,200	(110)	(0.4%)
Other fixed assets	106	94	12	12.8%
Total	**66,876**	**82,416**	**(15,540)**	**(18.9%)**

See note 5 for the comment and breakdown of the item "other fixed assets" note 8 "trade receivables" and note 12 for "other current receivables".
The fair value of the above categories has not been indicated, as the book value is a reasonable approximation.
As of December 31, 2024, overdue but not written-down trade receivables amount to 15,670 thousand euros (15,334 thousand euros in 2023). The breakdown by due date is as follows:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
By 30 days	4,751	5,419	(668)	(12.3%)
31 - 60 days	3,478	2,902	576	19.8%
61 - 90 days	1,242	2,091	(849)	(40.6%)
Exceeding 90 days	6,199	4,922	1,277	25.9%
Total	**15,670**	**15,334**	**336**	**2.2%**

No significant risk of default with respect to such overdue receivables.

Cash flow statement

The cash flow statement presented by the Group in accordance with IAS 7 has been prepared using the indirect method. The cash and cash equivalents included in the cash flow statement represent the amounts reported in the balance sheet at the accounting reference date. Cash equivalents comprise short term and highly liquid applications of funds that can be readily converted into cash; the risk of changes in their value is minimal. Accordingly, a financial investment is usually classified as a cash equivalent if it matures rapidly, i.e. within three months or less of the acquisition date.

Bank overdrafts are generally part of financing activities, except when they are repayable on demand and are an integral part of the management of a company's cash and cash equivalents, in which case they are classified as a reduction of its cash equivalents.

Foreign currency cash flows have been translated using the average exchange rate for the year. Income and expenses deriving from interest, dividends received and income taxes are included in the cash flows from operating activities.

Under IAS 7, the cash flow statement must identify separately the cash flow deriving from operating, investing and financing activities:

- cash flow from operating activities: the cash flow deriving from operating activities mainly relates to income-generating activities and is presented by the Group using the indirect method; on this basis, net profit is adjusted for the effects of items that did not give rise to payments or cash inflows during the year (non-monetary transactions);
- cash flow from investing activities: investing activities are presented separately since, among other factors, they reflect the investment/disposals made in order to obtain future revenues and cash inflows;
- cash flow from financing activities: financing activities comprise the cash flows that modify the size and composition of shareholders' equity and financial payables.

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
Net book value as of 31.12.22	**64,508**	**1,513**	**66,021**
Increases	-	1,203	1,203
- increases externally acquired	-	*1,203*	*1,203*
- increases from business aggregations	-	-	-
Disposals	-	(13)	(13)
Translation differences and other variations	-	(15)	(15)
Amortisation	(3,494)	*(790)*	(4,284)
Net book value as of 31.12.23	**61,014**	**1,898**	**62,912**
Increases	-	1,154	1,154
- increases externally acquired	-	*1,154*	*1,154*
- increases from business aggregations	-	-	-
Disposals	(10,751)	-	(10,751)
Translation differences and other variations	-	4	4
Amortisation	(3,335)	*(866)*	(4,201)
Net book value as of 31.12.24	**46,928**	**2,190**	**49,118**

The intangible fixed assets highlight the following main variations:

- increases, equal to 1,154 thousand euros, mainly related to software;
- disposals for 10,751 thousand euros relating to the transfer of product class 3 of the “Moschino” brand;
- increase for other variarions for 4 thousand euros;
- amortisation of the period is 4,201 thousand euros.

Brands

The item, relating to the Group’s own-label brands, is divided as follows:

(Values in thousands of EUR)	Brand residual life	31 December 2024	31 December 2023
Alberta Ferretti	18	2,268	2,394
Moschino	20	21,613	34,132
Pollini	16	23,047	24,488
Total		**46,928**	**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
Net book value as of 31.12.22	**17,123**	**25,340**	**11,209**	**3,564**	**318**	**3,697**	**61,251**
Increases	-	-	3,579	411	61	958	5,009
Disposals	-	(7)	(191)	(8)	-	(43)	(249)
Translation differences and other variations	-	-	(177)	-	(7)	116	(68)
Depreciation	-	(758)	(2,691)	(812)	(121)	(1,124)	(5,506)
Net book value as of 31.12.23	**17,123**	**24,575**	**11,729**	**3,155**	**251**	**3,604**	**60,437**
Increases	-	-	1,570	157	21	329	2,077
Disposals	-	-	(17)	-	-	(17)	(34)
Translation differences and other variations	-	-	123	-	-	8	131
Depreciation	-	(757)	(2,740)	(736)	(112)	(902)	(5,247)
Net book value as of 31.12.24	**17,123**	**23,818**	**10,665**	**2,576**	**160**	**3,022**	**57,364**

Tangible fixed assets have changed as follows:

- increases for new investments of 2,077 thousand euros. These mainly refer to leasehold improvements and to the purchase of plant and equipment and the purchase of electronic machines;
- decreases, net of the accumulated depreciation, of 34 thousand euros;
- increase for differences arising on translation and other variation of 131 thousand euros;
- depreciation of 5,247 thousand euros charged in relation to all tangible fixed assets, except for land, using the rates applicable to each category (see the accounting policies relating to tangible fixed assets for further details).

3. *Right-of-use assets*

The following table shows the movement of activities by right of use for the year ended 31 December 2024:

(Values in thousands of EUR)	Buildings	Car	Other	Total
Net book value as of 31.12.22	**108,580**	**1,153**	**834**	**110,567**
Increases	11,414	1,039	803	13,256
Disposals	(384)	-	-	(384)
Write-downs	(203)	-	-	(203)
Translation differences and other variations	85	-	-	85
Depreciation	(19,904)	(610)	(581)	(21,095)
Net book value as of 31.12.23	**99,588**	**1,582**	**1,056**	**102,226**
Increases	8,530	596	1,140	10,266
Disposals	(5,307)	-	-	(5,307)
Reclassified in assets available for sale	(8,859)	-	-	(8,859)
Translation differences and other variations	1,052	-	-	1,052
Depreciation	(20,469)	(679)	(651)	(21,799)
Net book value as of 31.12.24	**74,535**	**1,499**	**1,545**	**77,579**

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, mainly in the Italian, European and Chinese markets. The reclassification of intangible assets attributable to individual stores within the user activities, during the transition to 01/01/2019 was equal to 23.6 million euros. At December 31, 2024 this value amounted to 1.3 million euros.

During the financial year, the Group sold the assets of a boutique located in Milan and reclassified the assets of a boutique located in Rome to assets available for sale, stores that were no longer part of the Group's strategic path.

During the year the Group has formalized an impairment test in the manner described previously in paragraph "IFRS 16". In particular, for the Cash Generating Units (CGU), the recoverable value was calculated as the greater of the fair value and use value of the related Cash Generating Unit with the carrying amount of its net invested capital ("carrying amount") and the analysis carried out did not reveal any loss of value.

4. *Equity Investments*

This item includes shareholdings measured at 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 31 December 2024 and at 31 December 2023:

(Values in thousands of EUR)	Receivables		Liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Tangible fixed assets	5	4	(17)	(17)
Intangible fixed assets	51	3	(144)	(144)
Provisions	3,901	2,974	-	-
Costs deductible in future periods	19	280	-	-
Income taxable in future periods	-	-	(16,441)	(69)
Tax losses carried forward	7,868	8,484	-	-
Other	3,008	3,367	(4)	(9)
Tax assets (liabilities) from transition to IAS	4,047	1,879	(10,993)	(11,289)
Total	**18,899**	**16,991**	**(27,599)**	**(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)	-	48	-	(93)
Provisions	2,974	13	914	-	3,901
Costs deductible in future periods	280	1	(165)	(97)	19
Income taxable in future periods	(69)	-	(16,372)	-	(16,441)
Tax losses carried forward	8,484	18	70	(704)	7,868
Other	3,358	-	(354)	-	3,004
Tax assets (liabilities) from transition to IAS	(9,410)	27	2,521	(84)	(6,946)
Total	**5,463**	**60**	**(13,338)**	**(885)**	**(8,700)**

The decrease of 885 thousand euros in the "Other" column essentially refers to the partial compensation of the payable for IRES for the year generated in Aeffe S.p.A. as a result of the subsidiaries joining the tax consolidation with the deferred tax credit accrued in some Group companies.

The determination for deferred tax assets was made by assessing the reasonable certainty of recoverability on the basis of the 2025-2028 Industrial Plan approved on January 23, 2025.

CURRENT ASSETS

7. *Stocks and inventories*

This item comprises:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Raw, ancillary and consumable materials	7,482	8,870	(1,388)	(15.6%)
Work in progress	4,671	5,373	(702)	(13.1%)
Finished products and goods for resale	77,080	98,007	(20,927)	(21.4%)
Total	**89,233**	**112,250**	**(23,017)**	**(20.5%)**

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

(Values in thousands of EUR)	31 December 2023	Increases	Decreases / Other changes	31 December 2024
Inventory write-down fund	(11,273)	(18,746)	690	(29,329)
Total	**(11,273)**	**(18,746)**	**690**	**(29,329)**

The value of inventories is already indicated net of the obsolescence provision equal to 29,329 thousand euros. The change in the fund is partly due to extraordinary write-downs made by the Chinese and American subsidiaries.

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 the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Trade receivables	43,411	59,411	(16,000)	(26.9%)
(Allowance for doubtful account)	(2,731)	(3,289)	558	(17.0%)
Total	**40,680**	**56,122**	**(15,442)**	**(27.5%)**

Trade receivables amount to 43,411 thousand euros at December 31, 2024, down 29.9% since 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)	31 December 2024	31 December 2023	Change	%
(Allowance for doubtful account)	(3,289)	(1,612)	2,170	(2,731)
Total	**(3,289)**	**(1,612)**	**2,170**	**(2,731)**

9. *Tax receivables*

This item is illustrated in details in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
VAT	4,510	5,224	(714)	(13.7%)
Corporate income tax (IRES)	1,262	3,183	(1,921)	(60.4%)
Local business tax (IRAP)	405	795	(390)	(49.1%)
Amounts due to tax authority for withheld taxes	17	24	(7)	(29.2%)
Other tax receivables	2,654	2,940	(286)	(9.7%)
Total	**8,848**	**12,166**	**(3,318)**	**(27.3%)**

As of December 31, 2024, the Group's tax receivables amount to 8,848 thousand euros. The variation compared with the value at December 31, 2023 is mainly due to the decrease of VAT and corporate income tax (IRES) recaivables.

10. *Derivate assets and liabilities*

The AEFFE 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, the notional amount of forward currency contracts stipulated is USD 7,400 thousand (USD 5,100 thousand at 12/31/2023). All contracts opened at 12/31/2024 will expire in 2025.

The composition of the derivative financial instruments in place at December 31, 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)	31 December 2024			31 December 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	503	-	363	63	-	46
TOTAL CURRENT	**503**	**-**	**363**	**63**	**-**	**46**

The cash flow hedge reserve relating to forward contracts hedging the currency risk on currencies is positive for 503 thousand euros net of the related tax effect (-140 thousand euros).

The transfer to the 2024 income statement of the effect of the hedging transactions on exchange rate risk was equal to 74 thousand euros brought to decrease costs.

11. Cash

This item includes:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Bank and post office deposits	20,314	14,140	6,174	43.7%
Cheques	16	21	(5)	(23.8%)
Cash in hand	489	465	24	5.2%
Total	**20,819**	**14,626**	**6,193**	**42.3%**

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 represents the nominal value of the cash held on the balance sheet date.

The increase in cash and cash equivalents, recorded at December 31, 2024 compared with the amount recorded at December 31, 2023, is 6,193 thousand euros. About the reason of this variation see the Cash Flow Statement.

12. Other receivables

This caption comprimes:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Credits for prepaid costs	19,104	20,443	(1,339)	(6.5%)
Advances for royalties and commissions	70	14	56	400.0%
Advances to suppliers	176	584	(408)	(69.9%)
Accrued income and prepaid expenses	2,534	1,917	617	32.2%
Other	4,206	3,242	964	29.7%
Total	**26,090**	**26,200**	**(110)**	**(0.4%)**

Other short term receivables decrease compared with the previous period of 110 thousand euros, mainly for decrease of credits for prepaid costs.

Credits for prepaid costs relate to the costs incurred to design and make samples for the Spring/Summer 2025 and Autumn/Winter 2025 collections for which the corresponding revenues from sales have not been realised yet.

13. Assets available for sale

The caption has moved during the period as follows:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Assets available for sale	4,349	-	4,349	n.a.
Liabilities available for sale	-	-	-	n.a.
Total	**4,349**	**-**	**4,349**	**n.a.**

The assets available for sale refer to the key money of a boutique located in Rome.

14. Shareholders' equity

Described below are main categories of shareholders' equity at December 31, 2024, while the corresponding variations are described in the prospect of shareholders' equity.

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change
Share capital	24,606	24,606	-
Share premium reserve	10,683	62,264	(51,581)
Cash flow reserve	363	46	317
Other reserves	13,475	13,475	-
Fair value reserve	7,901	7,901	-
IAS reserve	7,607	7,607	-
Remeasurement of defined benefit plans reserve	(1,338)	(1,339)	1
Translation reserve	(1,224)	(347)	(877)
Profits / (losses) carried-forward	16,393	(2,974)	19,367
Net profit / (loss) for the Group	19,328	(32,144)	51,472
Minority interests	352	145	207
Total	**98,146**	**79,240**	**18,906**

Share capital

Share capital as of December 31, 2024, totally subscribed and paid, (gross of treasury shares) totals 26,841 thousand euros, and is represented by 107,362,504 shares, par value 0.25 euros each. At December 31, 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. During 2023, no treasury shares were purchased by the Parent Company.

Share premium reserve

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

Cash flow reserve

For the change in the cash flow hedge reserve of 317 thousand euros, please refer to note 10 of the assets and liabilities for derivatives.

Other reserves

There were no changes in this item during the 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 is allocated on a pro rata basis to minority interests.

Remeasurement 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, changes of 1 thousand euros compared to the value at December 31, 2023.

Translation reserve

The variation of 877 thousand euros related to such reserve is mainly due to the conversion of companies' financial statements in other currency than euros.

Profits/(losses) carried-forward

The item Profit/(Loss) previous years recorded a positive change mainly due to the difference between the consolidated result and the result of the parent company for the year 2023.

Minority interests

The change in the minority shareholders' equity item is attributable to the new company Moschino Kids.

NON-CURRENT LIABILITIES

15. Provisions

Provisions are illustrated in the following statement:

(Values in thousands of EUR)	31 December 2023	Increases	Decreases / Other changes	31 December 2024
Pensions and similar obligations	1,876	413	(451)	1,838
Expected returns fund	-	2,260	-	2,260
Other	304	3,200	(250)	3,254
Total	**2,180**	**5,873**	**(701)**	**7,352**

The additional client expenses reserve 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 value of the fund for expected returns has been estimated based on the estimated expected returns that will occur under the commercial agreements stipulated with customers.

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 “Potential 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)	31 December 2023	Increases	Decreases / Other changes	31 December 2024
Post employment benefits	3,206	92	(319)	2,979
Total	**3,206**	**92**	**(319)**	**2,979**

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)	31 December 2024	31 December 2023	Change	%
Loans from financial institutions	55,162	78,608	(23,446)	(29.8%)
Lease liabilities	67,484	83,188	(15,704)	(18.9%)
Total	**122,646**	**161,796**	**(39,150)**	**(24.2%)**

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 11,420 thousand euros.

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	10,373			
Decreases	(3,879)			
Reclassified in assets available for sale	(4,546)			
Lease repayment	(21,827)			
Financial expenses on right-of-use asset	2,417			
Translation differences / Other variations	1,142			
Net book value as of 31.12.24	**84,659**	**17,175**	**45,505**	**21,979**

The following table contains details of bank loans as of December 31, 2024, including the current portion and the long term portion:

(Values in thousands of EUR)	Total amount	Current portion	Long term portion
Bank borrowings	77,376	22,214	55,162
Total	**77,376**	**22,214**	**55,162**

It should be noted that the amount due beyond five years amounts to 8,264 thousand euros.

18. Long-term not financial liabilities

The item amounts to 1,091 thousand euros as at December 31, 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

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

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Trade payables	63,781	78,735	(14,954)	(19.0%)
Total	**63,781**	**78,735**	**(14,954)**	**(19.0%)**

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

20. Tax payables

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

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Local business tax (IRAP)	2,020	36	1,984	5,511.1%
Corporate income tax (IRES)	9	294	(285)	(96.9%)
Amounts due to tax authority for withheld taxes	2,744	2,384	360	15.1%
VAT due to tax authority	560	495	65	13.1%
Other	50	24	26	108.3%
Total	**5,383**	**3,233**	**2,150**	**66.5%**

As of December 31, 2024, the Group's payables to tax institutions amounted to 5,383 thousand euros. The main reduction refers to the increase of IRAP payable.

21. Short term financial liabilities

A breakdown of this item is given below:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Due to banks	33,396	88,512	(55,116)	(62.3%)
Lease liabilities	17,175	17,791	(616)	(3.5%)
Total	**50,571**	**106,303**	**(55,732)**	**(52.4%)**

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.

Lease liabilities relate to the application of IFRS 16.

22. Other liabilities

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

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Due to total security organization	3,738	3,665	73	2.0%
Due to employees	4,522	4,543	(21)	(0.5%)
Trade debtors - credit balances	1,190	2,559	(1,369)	(53.5%)
Accrued expenses and deferred income	1,452	2,132	(680)	(31.9%)
Other	3,179	3,612	(433)	(12.0%)
Total	**14,081**	**16,511**	**(2,430)**	**(14.7%)**

The other short term liabilities amount to 14,081 thousand euros at December 31, 2024 and decrease substantially for payables ve customers and accrued expenses and deferred income.

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 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 distributes 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 table indicates the main economic data for the full year 2024 and 2023 of the *Prêt-à porter* and Footwear and leather goods Divisions:

(Values in thousands of EUR) 2024	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**166,085**	**106,214**	**(21,500)**	**250,799**
Intercompany revenues	(9,274)	(12,226)	21,500	-
Revenues with third parties	**156,811**	**93,988**	-	**250,799**
Gross operating margin (EBITDA)	**77,698**	**7,024**	-	**84,722**
Amortisation	(25,935)	(5,312)	-	(31,247)
Other non monetary items:				
Write-downs	(4,525)	(455)	-	(4,980)
Net operating profit / loss (EBIT)	**47,238**	**1,257**	-	**48,495**
Financial income	625	223	-	848
Financial expenses	(9,836)	(2,529)	-	(12,365)
Profit / loss before taxes	**38,027**	**(1,049)**	**-**	**36,978**
Income taxes	(17,310)	(205)	-	(17,515)
Net profit / loss	**20,717**	**(1,254)**	**-**	**19,463**

(Values in thousands of EUR) 2023	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR REVENUES	**212,377**	**142,131**	**(35,886)**	**318,622**
Intercompany revenues	(13,515)	(22,371)	35,886	-
Revenues with third parties	**198,862**	**119,760**	-	**318,622**
Gross operating margin (EBITDA)	**(12,390)**	**18,173**	-	**5,783**
Amortisation	(24,909)	(5,976)	-	(30,885)
Other non monetary items:				
Write-downs	(1,711)	(306)	-	(2,017)
Net operating profit / loss (EBIT)	**(39,010)**	**11,891**	-	**(27,119)**
Financial income	94	248	-	342
Financial expenses	(9,046)	(2,077)	-	(11,123)
Profit / loss before taxes	**(47,962)**	**10,062**	**-**	**(37,900)**
Income taxes	8,832	(2,922)	-	5,910
Net profit / loss	**(39,130)**	**7,140**	**-**	**(31,990)**

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

(Values in thousands of EUR) 31 dicembre 2024	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
SECTOR ASSETS	*264,614*	*121,504*	*(20,236)*	365,882
of which non-current assets (*)				
Intangible fixed assets	*25,985*	*23,133*	-	*49,118*
Tangible fixed assets	*50,853*	*6,511*	-	*57,364*
Right-of-use assets	*67,458*	*10,121*	-	*77,579*
Other non-current assets	*128*	*19*	-	*147*
OTHER ASSETS	*23,877*	*3,870*	-	27,747
CONSOLIDATED ASSETS	**288,491**	**125,374**	**(20,236)**	**393,629**
SECTOR LIABILITIES	215,035	67,702	*(20,236)*	262,501
OTHER LIABILITIES	27,821	5,161	-	32,982
CONSOLIDATED LIABILITIES	**242,856**	**72,863**	**(20,236)**	**295,483**

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

(Values in thousands of EUR) 31 dicembre 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
of which non-current assets (*)				
Intangible fixed assets	*38,362*	*24,550*	-	*62,912*
Tangible fixed assets	*53,199*	*7,238*	-	*60,437*
Right-of-use assets	*92,467*	*9,759*	-	*102,226*
Other non-current assets	*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 full year 2024 and 2023 divided by geographical area:

(Values in thousands of EUR)	Full Year 2024	%	Full Year 2023	%	Change	%
Italy	106,422	42.4%	133,964	42.0%	(27,542)	(20.6%)
Europe (Italy excluded)	76,548	30.5%	98,644	31.0%	(22,096)	(22.4%)
Asia and Rest of the World	52,418	20.9%	66,679	20.9%	(14,261)	(21.4%)
America	15,411	6.2%	19,335	6.1%	(3,924)	(20.3%)
Total	**250,799**	**100.0%**	**318,622**	**100.0%**	**(67,823)**	**(21.3%)**

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 poin 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 Roylalties, 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) Full Year 2024	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
Geographical area	**166,085**	**106,214**	**(21,500)**	**250,799**
Italy	70,372	53,857	(17,807)	106,422
Europe (Italy excluded)	37,691	41,246	(2,389)	76,548
Asia and Rest of the World	44,422	8,437	(441)	52,418
America	13,600	2,674	(863)	15,411
Brand	**166,085**	**106,214**	**(21,500)**	**250,799**
Alberta Ferretti	18,103	868	(889)	18,082
Philosophy	14,690	320	(307)	14,703
Moschino	132,273	74,134	(20,116)	186,291
Pollini	114	30,892	(188)	30,818
Other	905	-	-	905
Distribution channel	**166,085**	**106,214**	**(21,500)**	**250,799**
Wholesale	90,308	84,668	(14,821)	160,155
Retail	61,807	21,372	(496)	82,683
Royalties	13,970	174	(6,183)	7,961
Timing of goods and services transfer	**166,085**	**106,214**	**(21,500)**	**250,799**
POINT IN TIME (transfer of significant risks and benefits connected to the property of the asset)	152,115	106,040	(15,317)	242,838
POINT IN TIME (Royalties accrual on Licensee's turnover)	13,970	174	(6,183)	7,961

In 2024 consolidated revenues amount to 250,799 thousand euros compared to 318,622 thousand euros of the year 2023, showing a decrease of 21.3% (-21.2% at constant exchange rates).

Revenues of the prêt-à-porter division amount to 166,085 thousand euros with a decrease of 21.8% at current exchange rates (-21.7% at constant exchange rates) compared to 2023. The revenues of the footwear and leather goods division decrease by 25.3%, both at constant and current exchange rates, to 106,214 thousand euros.

24. Other revenues and income

This item comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Other income	108,428	10,739	97,689	909.6%
Total	**108,428**	**10,739**	**97,689**	**909.6%**

The item, Other revenues, in 2024, includes the capital gain of 87,249 thousand euros realized following the sale by Aeffe of the ownership of the “Moschino” brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

25. Costs of raw materials

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Raw, ancillary and consumable materials and goods for resale	89,380	128,346	(38,966)	(30.4%)
Total	**89,380**	**128,346**	**(38,966)**	**(30.4%)**

The entry purchase of raw materials decreases of 38,966 thousand euros.

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)	Full Year 2024	Full Year 2023	Change	%
Subcontracted work	18,595	25,566	(6,971)	(27.3%)
Consultancy fees	21,336	28,817	(7,481)	(26.0%)
Advertising	10,449	13,891	(3,442)	(24.8%)
Commission	9,668	11,868	(2,200)	(18.5%)
Transport	8,297	10,521	(2,224)	(21.1%)
Utilities	2,179	2,372	(193)	(8.1%)
Directors’ and auditors’ fees	2,211	3,084	(873)	(28.3%)
Insurance	815	780	35	4.5%
Bank charges	634	742	(108)	(14.6%)
Travelling expenses	1,372	1,804	(432)	(23.9%)
Other services	10,105	10,921	(816)	(7.5%)
Total	**85,661**	**110,366**	**(24,705)**	**(22.4%)**

The costs for services decrease overall by 22.4% compared with the previous period, going from 110,366 thousand euros in 2023 to 85,661 thousand euros in the 2024.

27. Costs for use of third party assets

This item comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Rental expenses	4,198	4,410	(212)	(4.8%)
Royalties	153	606	(453)	(74.8%)
Hire charges and similar	891	1,016	(125)	(12.3%)
Total	**5,242**	**6,032**	**(790)**	**(13.1%)**

The costs for use of third party assets decreases by 790 thousand euros from 6,032 thousand euros in 2023 to 5,242 thousand euros in 2024.

28. Labour costs

Labour costs decrease by 3,482 thousand euros from 71,819 thousand euros in 2023 to 68,337 thousand euros in 2023, recording an incidence on revenues which changes from 22.5% in 2023 to 27.2% in 2023.

This item comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Labour costs	68,337	71,819	(3,482)	(4.8%)
Total	**68,337**	**71,819**	**(3,482)**	**(4.8%)**

In 2024 the average number of employees of the Group is:

Average number of employees by category	Full Year 2024	Full Year 2023	Change	%
Workers	243	246	(3)	(1.2%)
Office staff-supervisors	1,047	1,069	(22)	(2.1%)
Executive and senior managers	25	27	(2)	(7.4%)
Total	**1,315**	**1,342**	**(27)**	**(2.0%)**

29. Other operating expenses

This item includes:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Taxes	1,052	1,235	(183)	(14.8%)
Gifts	367	610	(243)	(39.8%)
Contingent liabilities	155	375	(220)	(58.7%)
Write-down of current receivables	202	144	58	40.3%
Foreign exchange losses	1,407	3,179	(1,772)	(55.7%)
Other operating expenses	536	629	(93)	(14.8%)
Total	**3,719**	**6,172**	**(2,453)**	**(39.8%)**

The other operating costs item changes from 6,172 thousand euros in 2023 to 3,719 thousand euros in 2024 with a decrease of 2,453 thousand euros, mainly due to a decrease in foreign exchange losses.

30. Amortisation, write-downs and provisons

This item includes:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Amortisation of intangible fixed assets	4,201	4,284	(83)	(1.9%)
Depreciation of tangible fixed assets	5,247	5,506	(259)	(4.7%)
Depreciation of right-of-use assets	21,799	21,095	704	3.3%
Write-downs and provisions	4,980	2,017	2,963	146.9%
Total	**36,227**	**32,902**	**3,325**	**10.1%**

The item changes from 32,902 thousand euros in 2023 to 36,227 thousand in 2024 mainly due to the increase in provisions.

31. Financial income/expenses

This item include:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Interest income	46	54	(8)	(14.8%)
Foreign exchange gains	705	166	539	324.7%
Financial discounts	95	122	(27)	(22.1%)
Other income	3	-	3	n.a.
Financial income	**849**	**342**	**507**	**148.2%**
Bank interest expenses	8,063	6,813	1,250	18.3%
Other interest expenses	764	514	250	48.6%
Foreign exchange losses	77	95	(18)	(18.9%)
Other expenses	1,047	1,285	(238)	(18.5%)
Financial expenses	**9,951**	**8,707**	**1,244**	**14.3%**
Leasing interest expenses	2,415	2,416	(1)	(0.0%)
Leasing interest expenses	**2,415**	**2,416**	**(1)**	**(0.0%)**
Total	**11,517**	**10,781**	**736**	**6.8%**

The increase in the item financial income/expenses is 736 thousand euros, mainly linked to the increase in interest expense.

32. Income taxes

This item includes:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Current income taxes	4,220	3,056	1,164	38.1%
Deferred income (expenses) taxes	13,338	(8,934)	22,272	n.a.
Taxes related to previous years	(43)	(31)	(12)	38.7%
Total taxes	**17,515**	**(5,909)**	**23,424**	**n.a.**

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 2024 and 2023 is illustrated in the following table:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Profit / loss before taxes	36,978	(37,900)
Theoretical tax rate	24.0%	24.0%
Theoretical income taxes (IRES)	**8,875**	**(9,096)**
Fiscal effect	1,829	(2,015)
Effect of foreign tax rates	9,353	4,869
Total income taxes excluding IRAP (current and deferred)	**20,057**	**(6,242)**
IRAP (current and deferred)	**(2,542)**	**333**
Total income taxes (current and deferred)	**17,515**	**(5,909)**

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) From continuing and discontinued activities	Full Year 2024	Full Year 2023
From continuing activities		
Earning/(loss) for determining basic result per share	19,328	(32,144)
Earning/(loss) for determing result per share	**19,328**	**(32,144)**
Dilutive effects	-	-
Earning/(loss) for determing dilutive result per share	**19,328**	**(32,144)**
From continuing and discontinued activities		
Earning/(loss) for the period	19,328	(32,144)
Earning/(loss) from discontinued operations	-	-
Earning/(loss) for determining basic result per share	**19,328**	**(32,144)**
Dilutive effects	-	-
Earning/(loss) for determing dilutive result per share	**19,328**	**(32,144)**
Number of reference share		
Average number of shares for determing result per share	**98,425**	**98,425**
Share options	-	-
Average number of shares for determing diluted result per share	**98,425**	**98,425**

Basic earning/(loss) per share

Group net profit attributable to holders of ordinary shares of parent company AEFFE S.p.A., amounts to 19,328 thousand compared to a loss of 32,144 thousand in 2023.

Dilutive earning/(loss) per share

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

COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow generated during 2024 is 6,193 thousand euros.

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Opening balance (A)	**14,626**	**21,658**
Cash flow (absorbed)/ generated by operating activity (B)	18,835	6,426
Cash flow (absorbed)/ generated by investing activity (C)	89,779	(18,826)
Cash flow (absorbed)/ generated by financing activity (D)	(102,421)	5,368
Increase (decrease) in cash flow (E)=(B)+(C)+(D)	**6,193**	**(7,032)**
Closing balance (F)=(A)+(E)	**20,819**	**14,626**

34. Cash flow (absorbed)/ generated by operating activity

The cash flow generated by operating activity during 2024 amounts to 18,835 thousand euros.

The cash flow from operating activity is analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Profit before taxes	36,978	(37,900)
Amortisation / write-downs	(52,181)	32,902
Accrual (+)/availment (-) of long term provisions and post employment benefits	4,889	(1,430)
Paid income taxes	(1,201)	(2,612)
Financial income (-) and financial charges (+)	11,517	10,781
Change in operating assets and liabilities	18,833	4,685
Cash flow (absorbed) / generated by operating activity	**18,835**	**6,426**

35. Cash flow (absorbed)/ generated by investing activity

The cash flow generated by investing activity during 2024 amounts to 89,779 thousand euros.

The factors comprising this use of funds are analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Increase (-)/ decrease (+) in intangible fixed assets	98,000	(1,174)
Increase (-)/ decrease (+) in tangible fixed assets	(2,210)	(4,693)
Increase (-)/ decrease (+) in right-of-use assets	(6,011)	(12,957)
Investments ans write-downs (-)/ Disinvestments and revaluations (+)	-	(2)
Cash flow (absorbed) / generated by investing activity	**89,779**	**(18,826)**

36. Cash flow (absorbed)/ generated by financing activity

The cash flow absorbd by financing activity during 2024 amounts to 102,421 thousand.

The factors comprising this use of funds are analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Other variations in reserves and profits carried-forward of shareholders' equity	(557)	1,425
Dividends paid	-	-
Proceeds (+)/ repayments (-) of financial payments	(74,014)	18,544
Proceeds (+)/repayment (-) of leasing payments	(16,321)	(3,926)
Increase (-)/ decrease (+) in long term financial receivables	(12)	106
Financial income (+) and financial charges (-)	(11,517)	(10,781)
Cash flow (absorbed) / generated by financing activity	**(102,421)**	**5,368**

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 31 December 2024 is as follows:

(Values in thousands of EUR)	31 December 2024	31 December 2023
A - Cash	20,819	14,626
B - Cash equivalents	-	-
C - Other current financial assets	-	-
D - Liquidity (A + B + C)	**20,819**	**14,626**
E - Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	11,182	68,757
F - Current portion of non-current financial debt	39,389	37,546
G - Current financial indebtedness (E + F)	**50,571**	**106,303**
H - Net current financial indebtedness (G - D)	**29,752**	**91,677**
I - Non-current financial debt (excluding current portion and debt instruments)	122,646	161,796
J - Debt instruments	-	-
K - Non-current trade and other payables	-	-
L - Non-current financial indebtedness (I + J + K)	**122,646**	**161,796**
M - Total financial indebtedness (H + L)	**152,398**	**253,473**

The financial situation of the Group at December 31, 2024 shows a debt of 152,398 thousand euros, including IFRS 16 effects, compared to the debt of 253,473 thousand at December 31, 2023, with an improvement of 101.075 thousand euros. The indebtness at December 31, 2024 relating to IFRS 16 amounts to 84,658 thousand euros, of which 17,175 thousand euros is current and 67,483 thousand euros is non-current. Indebtness net of the IFRS 16 effect at the end of December 2024 amounts to 67,740 thousand euors compared to the indebtness of 152,494 thousand euros at the end of December 2023, recording an improvement of 84,754 thousand euros.

Aeffe Spa and Euroitalia S.r.l. have reached and also executed a framework agreement for Aeffe to transfer ownership of the “Moschino” brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, for an amount of 98,000,000 euros fully paid.

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)	Full Year 2024	Full Year 2023	Nature of the transactions
Shareholder Alberta Ferretti with Aeffe S.p.a.			
Contract for the sale of artistic assets and design	1,000	1,000	Cost
Commerciale Valconca with Aeffe S.p.a.			
Commercial	83	121	Revenue
Property rental	50	50	Cost
Cost of services	74	75	Cost
Commercial	-	490	Receivable
Commercial	61	-	Payable
Ferrim with Aeffe S.p.a.			
Property rental	2,067	1,991	Cost
Aeffe USA with Ferrim USA			
Commercial	423	126	Receivable

The following table indicates the data related on the incidence of related party transactions on the income statement, balance sheet, cash flow and indebtedness as of December 31, 2024 and December 31, 2023.

(Values in thousands of EUR)	Balance Full Year	Value rel. party 2024	%	Balance Full Year	Value rel. party 2023	%
Incidence of related party transactions on the income statement						
Revenues from sales and services	250,799	83	0.0%	318,622	121	0.0%
Costs of services	85,661	1,074	1.3%	110,366	1,075	1.0%
Incidence of related party transactions on the balance sheet						
Trade receivables	40,680	423	1.0%	56,122	616	1.1%
Trade payables	63,781	61	0.1%	78,735	-	0.0%
Incidence of related party transactions on the cash flow						
Cash flow (absorbed) / generated by operating activities	18,835	(737)	n.a.	6,426	(1,060)	n.a.
Incidence of related party transactions on the indebtedness						
Net financial indebtedness	(67,740)	(737)	1.1%	(152,494)	(1,060)	0.7%

40. *Atypical and/or unusual transactions*

Pursuant to Consob communication DEM/6064293 dated 28th July 2006, it is confirmed that in 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 pursuant to Consob regulation of 28th July 2006

On 26 September 2024, Aeffe S.p.A. and Euroitalia S.r.l. signed and executed a framework agreement for the transfer by Aeffe of the ownership of the "Moschino" trademark with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

The economic and financial effects of the transactions are reported in the following summary table:

(Values in thousands of EUR)	Full Year 2024
Non-recurring income statement transactions	
Other revenues and income	87,249
Taxes	(24,343)
Non-recurring balance sheet transactions	
Intangible fixed assets	(10,751)
Deferred tax assets	(4,188)
Cash	98,000
Tax payables	(3,403)
Deferred tax liabilities	(16,752)

42. Guarantees and commitments

As of December 31, 2024, the Group has given performance guarantees to third parties totaling 4,570 thousand euros (5,030 thousand euros as of December 31, 2022).

43. Contingent liabilities

Fiscal disputes

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

44. Information requested by art. 149-duodecies of the "Regolamento Emittenti" issued by Consob

The following table, prepared in accordance with art. 149-duodecies of the "Regolamento Emittenti" issued by Consob, reports the amount of fees charged in 2024 for the audit and audit related services provided by the Audit Firm.

(Values in thousand of EUR)	Service provider	2024 fees
Audit	RIA GRANT THORNTON	196
Audit	WARD DIVECHA	9
Audit	ARI AUDIT	4
Audit	GRANT THORNTON SHANGHAI	20
Audit	GRANT THORNTON HONG KONG	25
Audit	GRANT THORNTON ESPANA	3
R&D tax credit certification	RIA GRANT THORNTON	12
Stamp of approval of VAT declaration	RIA GRANT THORNTON	6
Non-financial statement (DNF)	BDO ITALIA	40
Audit non-financial statement (DNF)	RIA GRANT THORNTON	28
Consolidated ESEF financial statements	BDO ITALIA	8
Audit consolidated ESEF financial statements	RIA GRANT THORNTON	8
Total		358

ATTACHMENTS TO 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 IV	Prospect of crucial data from the statutory financial statements of Fratelli Ferretti Holding at 31 December 2023.
ATTACHMENT V	Appendix Sustainability report.

ATTACHMENT I

Consolidated Balance Sheet with related parties

Pursuant to Consob Resolution n. 15519 of 27 July 2006

(Values in units of EUR)	Notes	31 December 2024	of which Related parties	31 December 2023	of which Related parties
Trademarks		46,928,179		61,013,859	
Other intangible fixed assets		2,190,309		1,897,894	
Intangible fixed assets	(1)	49,118,488		62,911,753	
Lands		17,123,494		17,123,494	
Buildings		23,817,636		24,575,199	
Leasehold improvements		10,664,373		11,728,767	
Plant and machinary		2,576,150		3,155,045	
Equipment		159,519		250,578	
Other tangible fixed assets		3,022,369		3,604,148	
Tangible fixed assets	(2)	57,363,541		60,437,231	
Right-of-use assets	(3)	77,578,905		102,226,024	
Equity investments	(4)	41,196		41,196	
Other fixed assets	(5)	105,641		93,927	
Deferred tax assets	(6)	18,898,568		16,991,324	
NON-CURRENT ASSETS		**203,106,339**		**242,701,455**	
Stocks and inventories	(7)	89,233,482		112,249,596	
Trade receivables	(8)	40,679,783	422,817	56,121,993	615,460
Tax receivables	(9)	8,848,183		12,165,895	
Derivative assets	(10)	503,364		63,229	
Cash	(11)	20,818,807		14,625,807	
Other receivables	(12)	26,089,738		26,200,359	
CURRENT ASSETS		**186,173,357**		**221,426,879**	
Assets available for sale	(13)	4,349,496		-	
TOTAL ASSETS		**393,629,192**		**464,128,334**	
Share capital		24,606,247		24,606,247	
Other reserves		37,467,751		89,606,998	
Profits / (losses) carried-forward		16,392,528		(2,973,651)	
Net profit / (loss) for the Group		19,328,033		(32,143,947)	
Group interest in shareholders' equity		97,794,559		79,095,647	
Minority interests in share capital and reserves		216,993		(9,052)	
Net profit / (loss) for the minority interests		134,825		153,713	
Minority interests in shareholders' equity		351,818		144,661	
SHAREHOLDERS' EQUITY	**(14)**	**98,146,377**		**79,240,308**	
Provisions	(15)	7,352,056		2,179,554	
Deferred tax liabilities	(6)	27,599,221		11,527,794	
Post employment benefits	(16)	2,978,634		3,205,866	
Long term financial liabilities	(17)	122,645,659		161,795,510	
Long term not financial liabilities	(18)	1,090,833		1,397,873	
NON-CURRENT LIABILITIES		**161,666,403**		**180,106,597**	
Trade payables	(19)	63,781,185	60,618	78,734,518	
Tax payables	(20)	5,382,568		3,232,628	
Derivative liabilities	(10)	-		-	
Short term financial liabilities	(21)	50,571,260		106,303,262	
Other liabilities	(22)	14,081,399		16,511,021	
CURRENT LIABILITIES		**133,816,412**		**204,781,429**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**393,629,192**		**464,128,334**	

ATTACHMENT II

Consolidated Income Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in units of EUR)	Notes	Full Year 2024	of which Related parties	Full Year 2023	of which Related parties
REVENUES FROM SALES AND SERVICES	**(23)**	**250,798,738**	**82,648**	**318,622,270**	**121,144**
Other revenues and income	(24)	108,427,572		10,739,468	
TOTAL REVENUES		**359,226,310**		**329,361,738**	
Changes in inventory		(22,165,546)		(843,975)	
Costs of raw materials, cons. and goods for resale	(25)	(89,380,175)		(128,345,960)	
Costs of services	(26)	(85,661,218)	(1,074,091)	(110,365,644)	(1,075,330)
Costs for use of third parties assets	(27)	(5,241,988)		(6,031,801)	
Labour costs	(28)	(68,336,744)		(71,819,173)	
Other operating expenses	(29)	(3,718,537)		(6,172,332)	
Amortisation, write-downs and provisions	(30)	(36,227,210)	(1,680,599)	(32,901,671)	(1,563,000)
Financial Income / (expenses)	(31)	(11,517,029)	(188,210)	(10,780,908)	(276,000)
PROFIT / LOSS BEFORE TAXES		**36,977,863**		**(37,899,726)**	
Taxes	(32)	(17,515,005)		5,909,492	
NET PROFIT / LOSS		**19,462,858**		**(31,990,234)**	
(Profit) / loss attributable to minority shareholders		(134,825)		(153,713)	
NET PROFIT / LOSS FOR THE GROUP		**19,328,033**		**(32,143,947)**	

ATTACHMENT III

Consolidated Cash Flow Statement with related parties

Pursuant to Consob Resolution N. 15519 of 27 July 2006

(Values in thousands of EUR)	Notes	Full Year 2024	of which Related parties	Full Year 2023	of which Related parties
Opening balance		**14,626**		**21,658**	
Profit before taxes		36,978	(991)	(37,900)	(954)
Amortisation / write-downs		(52,181)		32,902	
Accrual (+)/availment (-) of long term provisions and post employment benefits		4,889		(1,430)	
Paid income taxes		(1,201)		(2,612)	
Financial income (-) and financial charges (+)		11,517		10,781	
Change in operating assets and liabilities		18,833	254	4,685	(106)
Cash flow (absorbed) / generated by operating activity	**(34)**	**18,835**		**6,426**	
Increase (-)/ decrease (+) in intangible fixed assets		98,000		(1,174)	
Increase (-)/ decrease (+) in tangible fixed assets		(2,210)		(4,693)	
Increase (-)/ decrease (+) in right-of-use assets (1)		(6,011)		(12,957)	
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-		(2)	
Cash flow (absorbed) / generated by investing activity	**(35)**	**89,779**		**(18,826)**	
Other variations in shareholders' equity		(557)		1,425	
Dividends paid		-		-	
Proceeds (+)/ repayments (-) of financial payments		(74,014)		18,544	
Proceeds (+)/ repayment (-) of lease payments (2)		(16,321)		(3,926)	
Increase (-)/ decrease (+) in long term financial receivables		(12)		106	
Financial income (+) and financial charges (-)		(11,517)		(10,781)	
Cash flow (absorbed) / generated by financing activity	**(36)**	**(102,421)**		**5,368**	
Closing balance		**20,819**		**14,626**	

ATTACHMENT IV

Prospect of crucial data from the statutory financial statements of Fratelli Ferretti Holding at 31 December 2023

(Values in units of EUR)	STATUTORY FINANCIAL STATEMENTS 2023	STATUTORY FINANCIAL STATEMENTS 2022
BALANCE SHEET		
Intangible fixed assets	46,800	55,066
Tangible fixed assets	-	1,235,226
Equity investments	54,554,186	54,554,986
Non current assets	**54,600,986**	**55,845,278**
Trade receivables	188,446	173,739
Tax receivables	894,344	1,049,094
Cash	354,758	29,254
Other receivables	92	3,374
Current assets	**1,437,640**	**1,255,461**
Total assets	**56,038,626**	**57,100,739**
Share capital	100,000	100,000
Share premium reserve	47,674,104	49,879,769
Other reserves	20,000	20,000
Profits / (losses) carried-forward	1	(1)
Net profit / loss	232,879	(705,665)
Shareholders' equity	**48,026,984**	**49,294,103**
Provisions	-	43,095
Long term financial liabilities	-	-
Non-current liabilities	**-**	**43,095**
Trade payables	8,011,642	7,763,541
Current liabilities	**8,011,642**	**7,763,541**
Total shareholders' equity and liabilities	**56,038,626**	**57,100,739**
INCOME STATEMENT		
Revenues from sales and services	**435,519**	**480,953**
Other revenues and income	1,749,521	-
Total revenues	**2,185,040**	**480,953**
Operating expenses	(612,279)	(695,463)
Costs for use of third parties assets	-	-
Amortisation and write-downs	(279,852)	(275,479)
Other operating expenses	(587,726)	(18,848)
Financial income / (expenses)	(328,439)	(73,696)
Profit / (loss) before taxes	**376,744**	**(582,533)**
Income taxes	(143,865)	(123,132)
Net profit / (loss)	**232,879**	**(705,665)**

ATTACHMENT V

Appendix Consolidated Sustainability Statement

BP-2

The following table responds to the request in ESRS 2 BP-2, paragraph 16, on disclosure requirements incorporated by reference.

List of disclosure requirements incorporated by reference

Duty to inform	ESRS	Reference in the text
Information in relation to specific circumstances	BP-2 DP 16	Appendix, BP-2 List of disclosure requirements incorporated by reference
Strategy, business model and value chain (number of employees by geographic areas)	SBM-1 DP 40 a) iii.	Appendix, Tables S1-6
Strategy, business model and value chain	SBM-1 DP 40 e), f), g)	Management report, paragraph 13 “Foreseeable evolution of management”
Significant impacts, risks and opportunities and their interaction with the strategy and business model	SBM-3 DP 48 a), b), c), d, e)	Appendix, ESRS 2 SBM-3
Relevant impacts, risks and opportunities and their interaction with the strategy and business model (strategy and business model resilience)	SBM-3 DP 48 f)	SBM-1, paragraph “Improvement objectives”
ESRS disclosure requirements covered by the corporate sustainability statement	IRO-2 DP 56	Sustainability Reporting Index
ESRS disclosure requirements covered by the corporate sustainability statement	IRO-2 DP 56	Appendix, EU Datapoint Table
Information pursuant to Article 8 of Regulation (EU) 2020/852 (focus on climate risk analysis)	-	E1 SBM-3, paragraph “Focus: Climate Risks”
ESRS 2 GOV-3 Disclosure Obligation – Integrating Sustainability Performance into Incentive Schemes	E1 GOV-3	GOV-3

ESRS 2 SBM-3 Disclosure Obligation – Material Impacts, Risks and Opportunities and Their Interaction with the Strategy and Business Model	E1 SBM-3	SBM-3
ESRS 2 IRO-1 Disclosure Obligation – Description of processes to identify and assess relevant climate-related impacts, risks and opportunities	E1 IRO-1	IRO-1
Objectives related to climate change mitigation and adaptation	E1-4	SBM-1, paragraph "Improvement objectives"
Energy consumption and mix (energy intensity)	E1-5 DP 40	Management report, note 23 "Revenues from sales and services"
Total GHG emissions and Scope 1, 2, 3 (emission intensity)	E1-6 DP 54	Management report, note 23 "Revenues from sales and services"
ESRS 2 IRO-1 Disclosure Obligation – Description of processes for identifying and assessing relevant pollution impacts, risks and opportunities	E2 IRO-1	IRO-1
Pollution-related objectives	E2-3	SBM-1, paragraph "Improvement objectives"
ESRS 2 IRO-1 reporting requirement — Description of processes to identify and assess relevant impacts, risks and opportunities related to water and marine resources	E3 IRO-1	IRO-1
Policies related to water and marine resources	E3-1	E2-1
Actions and resources related to water and marine resources	E3-2	E2-1
Objectives related to water and marine resources	E3-3	SBM-1, paragraph "Improvement objectives"
Water consumption (water intensity)	E3-4	Management report, note 23 "Revenues from sales and services"
SBM-3 Disclosure Obligation – Material Impacts, Risks and Opportunities and Their Interaction with the Business Strategy and Model	E4 SBM-3	SBM-3

ESRS 2 IRO-1 Disclosure Obligation – Description of processes to identify and assess relevant impacts, risks and opportunities related to biodiversity and ecosystems	E4 IRO-1	IRO-1
Biodiversity and Ecosystem Policies	E4-2	E2-1
Biodiversity and ecosystems targets	E4-4	SBM-1, paragraph “Improvement objectives”
ESRS 2 IRO-1 Disclosure obligation — Description of processes to identify and assess relevant impacts, risks and opportunities related to resource use and the circular economy	E5 IRO-1	IRO-1
Objectives on resource use and circular economy	E5-3	SBM-1, paragraph “Improvement objectives”
ESRS 2 SBM-2 Disclosure Obligation – Stakeholder Interests and Opinions	S1 SBM-2	SBM-2
ESRS 2 SBM-3 Disclosure Obligation – Material Impacts, Risks and Opportunities and Their Interaction with the Strategy and Business Model	S1 SBM-3	SBM-3
Processes to remediate negative impacts and channels for workforce to report concerns	S1-3 DP 32	G1-1
Objectives to manage material negative impacts, advance positive impacts and manage risks and opportunities	S1-5	SBM-1, paragraph “Improvement objectives”
Characteristics of company employees (total employees by gender and country)	S1-6 DP 50 a)	Appendix, Tables S1-6
Compensation Metrics	S1-16	GOV-3
ESRS 2 SBM-2 Disclosure obligation Stakeholder interests and opinions	S2 SBM-2	SBM-2
ESRS 2 SBM-3 Disclosure obligation Material impacts, risks and opportunities and their interaction with the strategy and business model	S2 SBM-3	SBM-3
Processes to address adverse impacts and channels for workers in the value chain to raise concerns	S2-3	G1-1

Objectives related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities	S2-5	SBM-1, paragraph "Improvement objectives"
ESRS 2 SBM-2 Disclosure obligation Stakeholder interests and opinions	S3 SBM-2	SBM-2
ESRS 2 SBM-3 Disclosure obligation Material impacts, risks and opportunities and their interaction with the strategy and business model	S3 SBM-3	SBM-3
ESRS 2 SBM-2 Disclosure obligation Stakeholder interests and opinions	S4 SBM-2	SBM-2
ESRS 2 SBM-3 Disclosure obligation Material impacts, risks and opportunities and their interaction with the strategy and business model	S4 SBM-3	SBM-3
Objectives related to the management of negative material impacts, the improvement of positive impacts and the management of material risks and opportunities	S4-5	SBM-1, paragraph "Improvement objectives"
ESRS 2 GOV-1 Disclosure Obligation – Role of Administrative, Management and Supervisory Bodies	G1 GOV-1	GOV-1
ESRS 2 IRO-1 Disclosure Obligation – Description of processes to identify and assess relevant impacts, risks and opportunities	G1 IRO-1	IRO-1

ESRS 2 SBM-3

The following tables respond to the requests in ESRS 2 SBM-3, paragraph 48.

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
Climate change	Adaptation to climate change											
	Climate change mitigation		Overall reduction of greenhouse gas emissions and mitigation of the effects of climate change through the use of low-emission technologies in production processes	x	x	x	x				Risk/opportunity relevance is expected to remain unchanged	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal		x	x	x	x	x			Risk/opportunity relevance is expected to remain unchanged	
	Energy		Reducing the energy footprint thanks to efficiency initiatives and conversion to renewable sources		x	x	x	x			Risk/opportunity relevance is expected to increase	Qatar, United States, Algeria (major importers of LNG in Italy, representing a large part of the country's gross energy availability)
		Inefficient use of energy resources in			x	x	x	x			The significance of the impact is expected to	

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
		production and logistics processes due to a failure to adapt the systems and lack of awareness among company personnel and stakeholders									decrease significantly.	
Pollution	Air pollution		Reduction of volatile chemical emissions and improvement of air quality in industrial areas, with benefits for public health, thanks to the implementation	x	x	x	x	x			Risk/opportunity relevance is expected to increase	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality

[107]Procurement of raw materials.

[108]Prototyping, Production and Materials Processing.

[109]Corporate Functions.

[110]Distribution and logistics.

[111]Sales and Marketing.

[112]Use and maintenance of the product by the end consumer.

[113]End of product life.

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
			of advanced filtration systems for particulate and VOC emissions (e.g. bag filters, activated carbon filters, catalytic oxidizers, etc.)									
		Emissions of substances such as fine particulate matter, VOCs and other toxic substances that degrade air quality, negatively impacting the territory and the health of the communities involved		x	x	x	x	x			The significance of the impact is expected to decrease significantly.	
	Water pollution											Areas subject to water and

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
		Compromised water quality and public health and damage to the ecosystem with negative consequences on biodiversity and the livelihood of local communities due to the spillage of chemical residues (e.g. dyeing processes)		x	x	x				x	The significance of the impact is expected to decrease significantly.	heat stress, increased air temperature, river flooding, lower air quality
	Soil pollution	Contamination by harmful chemicals used in production processes and use of fibres from intensive crops which cause pollution and soil degradation with consequent loss of biodiversity and damage to the		x	x	x				x	Risk/opportunity relevance is expected to remain unchanged	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
		surrounding affected communities										
	Substances of concern		Safeguarding the environment and peopleie through proper management, use and disposal of substances of concern due to the control and verification of the presence of certain substances in the products treated by AEFFE, the implementation of more efficient machines or the use of healthier alternatives.	x	x	x			x	x	Risk/opportunity relevance is expected to remain unchanged	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
	Substances of Extreme Concern											
	Microplastics											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Damage to health caused by the dispersion of microplastics in the air, water and soil (e.g. during washing) resulting from the treatment of synthetic fabrics (e.g. polyester or nylon)		x	x	x			x	x	Risk/opportunity relevance is expected to remain unchanged	
Water and marine resources	Water consumption											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Intensive water consumption in the raw material production phase and during the fabric manufacturing processes with consequent reduction of local water reserves		x	x	x					Risk/opportunity relevance is expected to remain unchanged	

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
	Water withdrawals											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Depletion of natural water reserves due to excessive water withdrawals that cause drought situations, compromising the survival of local biodiversity and the livelihood of the affected communities		x	x	x					Risk/opportunity relevance is expected to remain unchanged	
	Water discharges											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Contamination of water bodies due to discharge of untreated industrial water resulting in damage to local fauna and flora and repercussions on public health		x	x	x					Risk/opportunity relevance is expected to remain unchanged	

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
		of the affected communities										
Biodiversity and ecosystems	Land use change, fresh water use change and sea use change											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
	Direct exploitation											Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Exploitation of animal species for the production of clothing (e.g. leather) resulting in serious losses of biodiversity and alteration of natural balances		x	x	x					The significance of the impact is expected to decrease significantly.	

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
	Impacts on the extent and condition of ecosystems (Pollution, Impacts and dependencies in terms of ecosystem services)	Impoverishment of ecosystem services with serious consequences for natural balances and the livelihood of local communities due to collaborations with suppliers who are not committed to environmental protection		x	x	x	x				Risk/opportunity relevance is expected to remain unchanged	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
Circular economy	Resource inflows, including resource use											
	Outflows of resources related to products and services		Elimination of waste and efficiency of raw materials thanks to an efficient use of production waste and unused materials	x	x	x			x	x	Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's activities are located
		Excessive generation of		x	x	x			x	x	Risk/opportunity relevance is	

SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]	TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
		production waste due to inefficient use of materials resulting in waste of resources and preventable waste									expected to remain unchanged	
	Waste	Environmental and social degradation, contamination of natural resources, damage to the health of affected communities due to overproduction, pollution from inadequate disposal of textile waste		x	x	x		x	x	x	Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's activities are located
Own workforce	Job creation and maintenance (Secure employment, Working hours,		Guarantee of stable employment characterized by decent hours, adequate wages and a peaceful		x	x	X	X			Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located (Aeffe SpaMoschino Asia Pacific

LIST OF MATERIAL ISSUES AND THEIR MATERIAL IMPACTS				PHASES OF THE VALUE CHAIN IN WHICH THE IMPACTS ARE PLACED							TIME HORIZON (< 5 years)	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	NEGATIVE MATERIAL IMPACTS	POSITIVE MATERIAL IMPACTS	VALUE CHAINPHASE 1[107]	AEFFEFASE 2[108]	AEFFEFASE 3[109]	AEFFEPHASE 4 (a)[110]	AEFFEPHASE 4 (b)[111]	VALUE CHAINPHASE 5[112]	VALUE CHAINPHASE 6[113]		
	Adequate wages)		working environment thanks to the stipulation of stable contracts and the creation and support of corporate welfare initiatives									LtdAeffe Japan IncMoschino SpaAeffe Shanghai LtdAeffe Spagna SluFashoff UK LtdVelmar SpaAeffe Netherlands BVMoschino France SarlAeffe Retail SpaPollini SpaBloody Mary IncAeffe USA IncPollini Retail SpaMoschino Japan LtdAeffe UK LtdPollini Austria GmbhMoschino Korea LtdAeffe France SarlPollini Suisse SaglMoschino USA IncAeffe Germany Gmbh)
		Economic insecurity of employees and fragility of the standard of living of families due to fixed-term contracts or unstable and frustrating working conditions			x	x					Risk/opportunity relevance is expected to remain unchanged	
	Work-life balance		Improvement of employees' mental and physical well-being thanks to company policies that promote initiatives such as flexible hours, remote and part-time		x	x	x	x			Risk/opportunity relevance is expected to increase	

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			work, the right to disconnect, parental leave and paid leave.									
	Health and safety		Greater safety in the workplace thanks to the correct implementation of health and safety regulations, effective employee training and consequent rigorous management of safety devices		x	x					Risk/opportunity relevance is expected to increase	
	Training and skills development		Employee satisfaction, increased career advancement opportunities and long-term employability		x	x	x	x			Risk/opportunity relevance is expected to increase	

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			through investments in continuous training of resources and their professional development									
		Job insecurity and precariousness and consequent loss of employee know-how due to obsolescence of skills caused by a lack of attention by Aeffe to the issue of training and development of skills through the failure to listen to its resources and the failure to provide the right support for employee development			x	x					Risk/opportunity relevance is expected to remain unchanged	

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	Promoting diversity and equal opportunities (Diversity, Gender equality and equal pay, Employment and inclusion of people with disabilities, Measures against violence and harassment)		Creation of a dynamic, change-friendly, safe and inclusive work environment, where diversity (including gender, personality, disability, sexual orientation, etc.) is protected, respected and enhanced thanks to Diversity & Inclusion policies and the diffusion of a corporate culture that promotes differences and equal opportunities		x	x	x	x			Risk/opportunity relevance is expected to increase	
	Respect for human rights in business activities		Guarantee and promotion of respect for the human rights of employees through the		x	x					Risk/opportunity relevance is expected to increase	

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	(Child labor, Forced labor)		adoption of anti-exploitation measures and practices, in compliance with international standards on the subject									
Workers in the supply chain	Health and safety											Wherever the Group's production and administrative structure and the rest of the value chain are located
		Increased risk of injury and illness for workers contributing to the production of the brand's clothing due to inadequate implementation of health and safety systems along Aeffe's supply chain and lack of control by the same		x	x		x				The significance of the impact is expected to decrease significantly.	
	Equal treatment and opportunities for all (Secure employment, Working hours,											Wherever the Group's production and administrative structure and the rest of the

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	Adequate wages, Work-life balance)											value chain are located
	Respect for human rights in the supply chain (Child labor, Forced labor)		Protection of minors, strengthening of dignity and improving the social conditions of workers along the Aeffe value chain thanks to the collaboration with commercial partners committed to respecting human rights	x			x				Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure and the rest of the value chain are located
				x			x					
Affected communities	Impacts related to the territory											
Consumers and end users	Access to (quality) information	Reduced consumer awareness due to the absence and/or inadequacy of information				x		x	x		The significance of the impact is expected to decrease significantly.	Wherever there are customers and therefore consumers of the Group

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		relating to the clothing items produced										
	Personal safety of consumers and/or end users (Health and safety, Personal safety)											Wherever there are customers and therefore consumers of the Group
	Responsible Business Practices		Customer protection and satisfaction through corporate behaviors, policies and actions that promote product quality and safety, sustainability and respect for human rights.	x			x	x			Risk/opportunity relevance is expected to increase	Wherever there are customers and therefore consumers of the Group

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Business Conduct	Corporate culture		Aeffe disseminates solid ethical and sustainability principles along the entire value chain for the benefit of the environment, workers and communities through a corporate culture that integrates ESG criteria	x	x	x	x	x	x	x	Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's production and administrative structure is located
	Whistleblower Protection		Prevention of unethical behavior and consequent benefits for all parties involved thanks to the adoption of mechanisms and tools suitable for the protection of whistleblowers throughout the perimeter of the	x		x	x	x			Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's production and administrative structure is located

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			organization's value chain									
	Animal welfare	Animal suffering and negative consequences on biodiversity caused by a supply policy that involves animal exploitation		x	x						The significance of the impact is expected to decrease significantly.	Wherever the Group's production and administrative structure is located
	Active and passive corruption		Protection of legality and prevention of illicit behavior (e.g. reinvestment of profits from illicit activities, extortion, etc.) thanks to corruption prevention and identification systems	x	x	x	x	x			Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's production and administrative structure is located

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	Supplier relationship management, including payment practices		Protection of human rights, the environment and prevention of unethical behavior through the implementation of responsible supply chain management and responsible sourcing processes and collaboration with suppliers to ensure compliance with high ESG standards and the organization's principles	x	x		x	x			Risk/opportunity relevance is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain are located
		Endorsement of unethical, environmentally harmful work practices and violation of human rights along the supply chain due to a		x			x				The significance of the impact is expected to decrease significantly.	

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		lack of management, selection and evaluation of suppliers that does not take into account AEFFE's ethical principles and ESG standards										
	Brand protection and enhancement		Increased corporate reputation, strengthening customer trust and improving brand perception in the market leading to competitive advantage and consumer loyalty.			x		x	x		Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located
		Exposure of the company to possible damage to its image (e.g. uncontrolled production of counterfeit products) and loss of credibility with customers			x			x	x		Risk/opportunity relevance is expected to remain unchanged	

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		and stakeholders, compromising trust and market opportunities.										
	Technological innovation and digitalization		Improving customer experience by offering personalized services (e.g. augmented reality for virtual garment trying) and increasing transparency in the supply chain (e.g. use of technological platforms) leading to customer loyalty and improving the organization's impact on the supply chain			x	x	x	x		Risk/opportunity relevance is expected to increase	
		Reduced traceability of materials, production of products		x	x		x		x	x	The significance of the impact is expected to	

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		through obsolete and inefficient methods that lead to a decrease in product quality and consequent impact on consumers									decrease significantly.	

LIST OF MATERIAL ISSUES AND RELATED MATERIAL RISKS AND OPPORTUNITIES				RISKS (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	OPPORTUNITY (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
Climate change	Adaptation to climate change	Concern by stakeholders about Aeffe's ability to cope with the consequences of climate change (e.g. concentration of production plants in geographical areas impacted by sea level rise), with consequent increase in insurance premiums and potential reduction in the availability of insurance on assets in "high risk" locations, undermining access to credit and the insurability of the company (transition risk)		Expected	Risk/opportunity relevance is expected to remain unchanged			Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
		Extreme weather events that may compromise the continuity and quality of products/services, cause damage, malfunctions or interruptions to the activity of production plants and logistics and distribution systems (physical risk)		Expected	Risk/opportunity relevance is expected to remain unchanged			
	Climate change mitigation							
	Energy							
Pollution	Air pollution							
	Water pollution							

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SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
	Soil pollution	Incurrence of civil and/or criminal liability and exposure to lawsuits initiated by local populations damaged by soil contamination caused by Aeffe's production activities		Expected	Risk/opportunity relevance is expected to remain unchanged			Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
	Substances of concern	Regulatory restrictions on the use of substances of concern and consequent increase in operating costs for product and process adaptation		Expected	Risk/opportunity relevance is expected to increase			Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
	Substances of Extreme Concern							
	Microplastics							
Water and marine resources	Water consumption							
	Water withdrawals							
	Water discharges							
Biodiversity and ecosystems	Land use change, fresh water use change and sea use change							

LIST OF MATERIAL ISSUES AND RELATED MATERIAL RISKS AND OPPORTUNITIES				RISKS (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	OPPORTUNITY (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
	Direct exploitation		Adoption of raw materials that do not involve animal exploitation (e.g. synthetic fur, recycled fibres, etc.) with positive effects on the brand image and on revenues deriving from the acquisition of new customers			Current	Risk/opportunity relevance is expected to increase significantly	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
	Impacts on the extent and condition of ecosystems (Pollution, Impacts and dependencies in terms of ecosystem services)		Adoption of procurement practices and production processes with less impact on ecosystems with a consequent increase in market share (sustainability-conscious customers) and improvement of relationships with the communities involved			Current	Risk/opportunity relevance is expected to increase	Areas subject to water and heat stress, increased air temperature, river flooding, lower air quality
Circular economy	Resource inflows, including resource use	Fluctuations in the price of strategic raw materials for Aeffe (cotton, natural leather, etc.) or shortages of the same with consequent increase in supply costs		Current	Risk/opportunity relevance is expected to increase			Wherever the Group's activities are located
	Outflows of resources related to products and services	Failure to comply with the measures provided for by future Ecodesign directives (Framework legislation ESPR) and consequent sanctions and reduction in competitiveness		Current	Risk/opportunity relevance is expected to increase			Wherever the Group's activities are located

LIST OF MATERIAL ISSUES AND RELATED MATERIAL RISKS AND OPPORTUNITIES				RISKS (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	OPPORTUNITY (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
	Waste	Introduction of Extended Producer Responsibility (EPR) requirements, which leads to increased management and disposal costs		Current	Risk/opportunity relevance is expected to increase			Wherever the Group's activities are located
		Reputational damage, reduction in revenues and incurring sanctions due to Aeffe's contribution to the overproduction of textile waste and non-compliance with emerging Ecodesign legislation (e.g. Ecodesign for Sustainable Products Regulation - ESPR)		Current	Risk/opportunity relevance is expected to increase			
Own workforce	Job creation and maintenance (Secure employment, Working hours, Adequate wages)	Low employee retention due to unstable and inadequate working and economic conditions and consequent increase in staff management and training costs	Employee well-being through the guarantee of secure employment, decent working hours and adequate wages and consequent greater retention of talent with positive impacts on labor costs	Current	Risk/opportunity relevance is expected to increase	Expected	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located (Aeffe SpaMoschino Asia Pacific LtdAeffe Japan IncMoschino SpaAeffe Shanghai Ltd Aeffe Spain SluFashoff UK LtdVelmar SpaAeffe Netherlands BVMoschino France SarlAeffe Retail SpaPollini SpaBloody Mary IncAeffe USA IncPollini Retail SpaMoschino Japan LtdAeffe UK LtdPollini Austria GmbhMoschino Korea LtdAeffe France
	Work-life balance		Improved psycho-physical well-being of employees thanks to a better balance between professional and private life and consequent increase in productivity and work efficiency			Current	Risk/opportunity relevance is expected to increase	

LIST OF MATERIAL ISSUES AND RELATED MATERIAL RISKS AND OPPORTUNITIES				RISKS (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	OPPORTUNITY (NATURE OF THE FINANCIAL EFFECT)	TIME HORIZON	GEOGRAPHICAL AREA RELATED TO THE IMPACT
SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
			Increased corporate attraction and retention and decreased absenteeism thanks to company policies that promote flexible hours, remote and part-time work, the right to disconnect, parental leave and paid leave			Expected	Risk/opportunity relevance is expected to increase	SarlPollini Suisse SaglMoschino USA IncAeffe Germany Gmbh)
	Health and safety							
	Training and skills development	Obsolescence of skills and know-how with negative consequences on productivity and brand competitiveness	Development of employee potential through investments in their training and consequent increase in productivity and company competitiveness	Current	Risk/opportunity relevance is expected to increase	Current	Risk/opportunity relevance is expected to increase	
	Promoting diversity and equal opportunities (Diversity, Gender equality and equal pay, Employment and inclusion of people with disabilities, Measures against violence and harassment)							
	Respect for human rights in business activities (Child labor, Forced labor)		Monitoring of the organization's activities and consequent greater traceability and awareness of operations, reducing costs			Current	Risk/opportunity relevance is expected to increase	

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SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
Workers in the supply chain	Health and safety							Wherever the Group's production and administrative structure and the rest of the value chain are located
	Equal treatment and opportunities for all (Secure employment, Working hours, Adequate wages, Work-life balance)		Careful monitoring of compliance with equal treatment and opportunities for all workers along the supply chain and reduction of exposure to scandals and sanctions with positive repercussions on reputation			Current	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure and the rest of the value chain are located
	Respect for human rights in the supply chain (Child labor, Forced labor)		Request to all business partners to adopt practices that guarantee respect for human rights in order to protect Aeffe from scandals and sanctions and increase stakeholder trust			Current	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure and the rest of the value chain are located
Affected communities	Impacts related to the territory							
Consumers and end users	Access to (quality) information							
	Personal safety of consumers and/or end users (Health		Use of safe and high-quality raw materials and treatments, increase			Current	Risk/opportunity relevance is expected to increase	Wherever there are customers and therefore consumers of the Group

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SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
	and safety, Personal safety)		consumer confidence and increase sales					
	Responsible Business Practices							
Business Conduct	Corporate culture		Integration of sustainability issues into the corporate strategy and consequent improvement of information and procedural flows with consequent reduction of operational and decision-making inefficiencies that lead to a waste of time and investments			Current	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located
	Whistleblower Protection		Adoption of tools and mechanisms for the protection of whistleblowers and consequent increase in the probability of identifying any illicit activities and preventing the waste of company resources and possible sanctions			Current	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located
	Animal welfare		Adoption of cruelty-free and animal friendly materials and consequent improvement of the company image and increase in market share			Current	Risk/opportunity relevance is expected to increase	Wherever the Group's production and administrative structure is located

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SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
	Active and passive corruption							
	Supplier relationship management, including payment practices	Evolution of geo-political dynamics in countries where strategic partners are present with possible negative consequences for Aeffe's business continuity	Sustainable supply chain management and benefits for Aeffe operations	Current	Risk/opportunity relevance is expected to remain unchanged	Current	Risk/opportunity relevance is expected to increase significantly	Wherever the Group's production and administrative structure and the rest of the value chain are located
		Behaviour of a qualified supplier or a third party not compliant with Aeffe's quality and sustainability standards and with current regulations (e.g. CSDDD, Critical Raw Materials Act) with negative consequences on the reputation	Diversification of suppliers and resulting reduced exposure to supply chain disruptions	Expected	Risk/opportunity relevance is expected to remain unchanged	Current	Risk/opportunity relevance is expected to increase significantly	
	Brand protection and enhancement	Damage to the distinctive capacity of the brand ("corrosion") and consequent decrease in sales		Expected	Risk/opportunity relevance is expected to increase			Wherever the Group's production and administrative structure is located
		Inadequate measures to prevent the spread of counterfeit products with negative consequences on		Expected	Risk/opportunity relevance is expected to increase			

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SUBJECT	MATERIAL QUESTION	MATERIAL RISKS	MATERIAL OPPORTUNITIES		RISKS (> 5 years)		OPPORTUNITY (> 5 years)	
		the brand image and its reputation						
	Technological innovation and digitalization	Poor use of innovation in the processes, materials and technologies used which determine increased costs and poor competitiveness resulting in loss of market share	Streamlining business methods resulting in a reduction in operating and monitoring costs of operations	Expected	Risk/opportunity relevance is expected to increase significantly	Current	Risk/opportunity relevance is expected to increase significantly	
			Access to financing and incentives (Industry 5.0)			Current	Risk/opportunity relevance is expected to increase	

EU Data Point Table

The following table summarises all information elements derived from other EU legislation listed in Appendix B of the ESRS 2 reporting requirement ("General information") of Delegated Regulation (EU) 2023/2772.

ESRS	Duty to inform	Description of the information obligation	SFDR Reference[114]	Third pillar reference[115]	Reference to the Benchmark Regulation[116]	EU Climate Legislation Reference[117]	Status of the information obligation	Paragraph
ESRS 2	GOV-1, 21 (d)	Gender diversity on the board	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816[118], Annex II		Reported	General information, Governance
ESRS 2	GOV-1, 21 (e)	Percentage of independent members of the board of directors			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Governance
ESRS 2	GOV-4, 30	Duty of Care Statement	Annex I, Table 3, Indicator No. 10				Reported	General information, Governance
ESRS 2	SBM-1, 40 (of)	Involvement in activities related to fossil fuel activities	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[119], table 1 – Qualitative information on	Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy

[114]Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).

[115]Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

[116]Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[117]Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for the achievement of climate neutrality, and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

[118]Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

119Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 with regard to disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

				environmental risk and table 2 – Qualitative information on social risk				
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to the production of chemicals	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.iii)	Participation in activities related to controversial weapons	Annex I, Table 1, Indicator No. 14		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818[120]and Annex II of the delegated regulation (EU) 2020/1816		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to tobacco cultivation and production					Reported	General information, Strategy
ESRS E1	E1-1, 14	Transition plan to achieve climate neutrality by 2050				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Reported	Environmental Disclosure, E1-1 – Transition Plan for Climate Change Mitigation
ESRS E1	E1-1, 16 (g)	Companies excluded from the benchmark indices aligned with the paris agreement		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking wallet – Indicators of potential transition risk related to climate change: Credit quality of exposures by	Article 12, paragraph 1, letters d) to g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		Reported	Environmental Disclosure, E1-1 – Transition Plan for Climate Change Mitigation

120Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

				sector, emissions and residual maturity				
ESRS E1	E1-4, 34	GHG Emission Reduction Targets	Annex I, Table 2, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking wallet – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Reported	Environmental disclosure, E1-4 – Objectives relating to mitigation and adaptation to climate change
ESRS E1	E1-5, 38	Fossil fuel energy consumption disaggregated by source (sectors with high climate impact only)	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				Reported	Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 37	Energy consumption and energy mix	Annex I, Table 1, Indicator No. 5				Reported	Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 41-43	Energy intensity associated with activities in sectors with high climate impact	Annex I, Table 1, Indicator No. 6				Reported	Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-6, 44	Gross emissions of scope 1, 2, 3 and total GHG emissions	Annex I, Table 1, Indicators Nos. 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking wallet – Indicators of potential transition risk related to climate change: Credit	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		Reported	Environmental Disclosure, E1-6 – Total GHG Emissions and Scope 1, 2, 3

				quality of exposures by sector, emissions and residual maturity				
ESRS E1	E1-6, 53-55	Gross GHG emissions intensity	Annex I, Table 1, Indicator No. 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		Reported	Environmental Disclosure, E1-6 – Total GHG Emissions and Scope 1, 2, 3
ESRS E1	E1-7, 56	GHG absorptions and carbon credits				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Not relevant	NA
ESRS E1	E1-9, 66	Exposure of the benchmark portfolio to physical climate-related risks			Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		The Group has availed itself of the phase-in	NA
ESRS E1	E1-9, 66 (a), 66 (c)	a) Breakdown of monetary amounts by acute and chronic physical risk c) Location of significant activities with significant physical risk		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking portfolio – Indicators of potential physical risk associated with climate change: exposures subject to physical risk			The Group has availed itself of the phase-in	NA

ESRS E1	E1-9, 67 (c)	Breakdown of the book value of your real estate assets by energy efficiency class		Article 449 bis of the Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking portfolio – Indicators of potential transition risk related to climate change: loans secured by real estate – Energy efficiency of collateral			The Group has availed itself of the phase-in	NA
ESRS E1	E1-9, 69	Degree of exposure of the portfolio to climate-related opportunities			Annex II to Delegated Regulation (EU) 2020/1818		The Group has availed itself of the phase-in	NA
ESRS E2	E2-4, 28	Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into air, water and land	Annex I, Table 1, Indicator No. 8; Annex I, Table 2, Indicator No. 2; Annex 1, Table 2, Indicator No. 1; Annex I, Table 2, Indicator No. 3				Reported	Environmental information, E2-4 – Air, water and soil pollution
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, Indicator No. 7				Reported	Environmental Information, E3-1 – Policies related to water and marine resources
ESRS E3	E3-1, 13	Dedicated Policy	Annex I, Table 2, Indicator No. 8				Reported	Environmental Information, E3-1 – Policies related to water and marine resources
ESRS E3	E3-1, 14	Sustainability of oceans and seas	Annex I, Table 2, Indicator No. 12				Reported	Environmental Information, E3-1 – Policies related to

								water and marine resources
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, Indicator No. 6.2				Reported	Environmental information, E3-4 – Water consumption
ESRS E3	E3-4, 29	Total water consumption in m3 compared to net revenues from own operations	Annex I, Table 2, Indicator No. 6.1				Reported	Environmental information, E3-4 – Water consumption
ESRS 2	SBM-3 – E4, 16 (ai)		Annex I, Table 1, Indicator No. 7				Reported	General information, Management of impacts, risks and opportunities
ESRS 2	SBM-3 – E4, 16 (b)		Annex I, Table 2, Indicator No. 10				Reported	General information, Management of impacts, risks and opportunities
ESRS 2	SBM-3 – E4, 16 (c)		Annex I, Table 2, Indicator No. 14				Reported	General information, Management of impacts, risks and opportunities
ESRS E4	E4-2, 24 (b)	Sustainable agricultural/land use policies or practices	Annex I, Table 2, Indicator No. 11				Not relevant	NA
ESRS E4	E4-2, 24 (c)	Sustainable sea/ocean use practices or policies	Annex I, Table 2, Indicator No. 12				Not relevant	NA
ESRS E4	E4-2, 24 (d)	Policies to address deforestation	Annex I, Table 2, Indicator No. 15				Not relevant	NA
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, Indicator No. 13				Reported	Environmental Disclosure, E5-5 – Outgoing Resource Flows

ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, Indicator No. 9				Reported	Environmental Disclosure, E5-5 – Outgoing Resource Flows
ESRS 2	SBM3 – S1, 14 (f)	Risk of forced labor	Annex I, Table 3, Indicator No. 13				Reported	General information, Strategy
ESRS 2	SBM3 – S1, 14 (g)	Risk of child labor	Annex I, Table 3, Indicator No. 12				Reported	General information, Strategy
ESRS S1	S1-1, 20	Political commitments on human rights	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Reported	Social disclosure, S1-2 – Processes for involving own workers and workers' representatives on impacts
ESRS S1	S1-1, 21	Due diligence policies on matters covered by core conventions 1 to 8 of the International Labour Organization			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social disclosure, S1-2 – Processes for involving own workers and workers' representatives on impacts
ESRS S1	S1-1, 22	Procedures and measures to prevent trafficking in human beings	Annex I, Table 3, Indicator No. 11				Reported	Social Disclosure, S1-1 – Policies Relating to Your Workforce
ESRS S1	S1-1, 23	Prevention policy or management system for accidents at work	Annex I, Table 3, Indicator No. 1				Reported	Social Disclosure, S1-14 – Health and Safety Metrics
ESRS S1	S1-3, 32 (c)	Complaints/Complaint Handling Mechanisms	Annex I, Table 3, Indicator No. 5				Reported	Social Disclosure, S1-3 – Processes to Remediate Adverse Impacts and Channels for Workforce to Report Concerns
ESRS S1	S1-14, 88 (b), (c)	Number of deaths and number and rate of work-related injuries	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social Disclosure, S1-14 – Health and Safety Metrics

ESRS S1	S1-14, 88 (e)	Number of days lost due to injuries, accidents, fatalities or illnesses	Annex I, Table 3, Indicator No. 3				Reported	Social Disclosure, S1-14 – Health and Safety Metrics
ESRS S1	S1-16, 97 (a)	Incorrect gender pay gap	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	NA
ESRS S1	S1-16, 97 (b)	Excessive pay gap in favor of the CEO	Annex I, Table 3, Indicator No. 8				Not relevant	NA
ESRS S1	S1-17, 103 (a)	Incidents related to discrimination	Annex I, Table 3, Indicator No. 7				Reported	Social Disclosure, S1-17 – Incidents, Complaints and Serious Impacts on Human Rights
ESRS S1	S1-17, 104 (a)	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines,	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Reported	Social Disclosure, S1-17 – Incidents, Complaints and Serious Impacts on Human Rights
ESRS 2	SBM-3 – S2, 11 (b)	Serious risk of child labor or forced labor in the labor chain	Annex I, Table 3, Indicators Nos. 12 and 13				Reported	General information, Strategy
ESRS S2	S2-1, 17	Political commitments on human rights	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Reported	Social Disclosure, S2-1 – Policies related to workers in the value chain
ESRS S2	S2-1, 18	Worker-related policies in the value chain	Annex I, Table 3, Indicators Nos. 11 and 4				Reported	Social Disclosure, S2-1 – Policies related to workers in the value chain
ESRS S2	S2-1, 19	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated		Reported	Social Disclosure, S2-1 – Policies related to workers in the value chain

					Regulation (EU) 2020/1818			
ESRS S2	S2-1, 19	Due diligence policies on matters covered by core conventions 1 to 8 of the International Labour Organization			Commission Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social Disclosure, S2-1 – Policies related to workers in the value chain
ESRS S2	S2-4, 36	Human rights issues and incidents in its upstream and downstream value chain	Annex I, Table 3, Indicator No. 14				Reported	Social Disclosure, S2-4 – Actions on relevant impacts for workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities for workers in the value chain, as well as the effectiveness of such actions
ESRS S3	S3-1, 16	Political commitments on human rights	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Not relevant	NA
ESRS S3	S3-1, 17	Failure to comply with the United Nations Guiding Principles on Business and Human Rights, ILO Principles or OECD Guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Not relevant	NA
ESRS S3	S3-4, 36	Human Rights Problems and Incidents	Annex I, Table 3, Indicator No. 14				Not relevant	NA
ESRS S4	S4-1, 16	Consumer and end-user related policies	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Reported	Social Disclosure, S4-1 – Consumer and End-User Policies

ESRS S4	S4-1, 17	Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818		Reported	Social Disclosure, S4-1 – Consumer and End-User Policies
ESRS S4	S4-4, 35	Human Rights Problems and Incidents	Annex I, Table 3, Indicator No. 14				Reported	Social Disclosure, S4-4 – Actions related to material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users and effectiveness of such actions
ESRS G1	G1-1, 10 (b)	United Nations Convention against Corruption	Annex I, Table 3, Indicator No. 15				Reported	Governance Disclosure, G1-1 – Corporate Culture and Business Conduct
ESRS G1	G1-1, 10 (d)	Whistleblower Protection	Annex I, Table 3, Indicator No. 6				Reported	Governance Disclosure, G1-1 – Corporate Culture and Business Conduct
ESRS G1	G1-4, 24 (a)	Fines imposed for violations of laws against active and passive corruption	Annex I, Table 3, Indicator No. 17		Annex II to Delegated Regulation (EU) 2020/1816		Reported	Governance Disclosure, G1-4 – Incidents of Corruption or Bribery
ESRS G1	G1-4, 24 (b)	Rules for the fight against active and passive corruption	Annex I, Table 3, Indicator No. 16				Reported	Governance Disclosure, G1-4 – Incidents of Corruption or Bribery

Tables S1-6

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Aeffe SpA - Italy				
	Woman	Man	Other	Not reported	Total
Permanent contract	548	10	0	0	**558**
Fixed-term contract	25	161	0	0	**186**
TOTAL	**573**	**171**	-	-	744
Full time contract	491	160	0	0	**651**
Part time contract	82	11	0	0	**93**
Contract with variable hours	0	0	0	0	-
TOTAL	**573**	**171**	-	-	744

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Pollini SpA				
	Woman	Man	Other	Not reported	Total
Permanent contract	140	47	0	0	**187**
Fixed-term contract	2	1	0	0	**3**
TOTAL	**142**	**48**	-	-	190
Full time contract	126	47	0	0	**173**
Part time contract	16	1	0	0	**17**
Contract with variable hours	0	0	0	0	-
TOTAL	**142**	**48**	-	-	190

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Pollini Retail SpA				
	Woman	Man	Other	Not reported	Total
Permanent contract	83	9	-	-	92
Fixed-term contract	15	2	-	-	17
TOTAL	98	11	-	-	109
Full time contract	50	9	-	-	59
Part time contract	48	2	-	-	50
Contract with variable hours	-	-	-	-	-
TOTAL	98	11	-	-	109

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Aeffe Group Inc.				
	Woman	Man	Other	Not reported	Total
Permanent contract	12	5	1	0	18
Fixed-term contract	0	0	0	0	-
TOTAL	12	5	1	-	18
Full time contract	0	0	0	0	-
Part time contract	12	5	1	0	18
Contract with variable hours	0	0	0	0	-
TOTAL	12	5	1	-	18

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Aeffe Germany GmbH				
	Woman	Man	Other	Not reported	Total
Permanent contract	4	1	0	0	5
Fixed-term contract	6	1	0	0	7
TOTAL	10	2	-	-	12
Full time contract	7	2	0	0	9
Part time contract	3	0	0	0	3
Contract with variable hours	0	0	0	0	-
TOTAL	10	2	-	-	12

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Aeffe Spain Slu				
	Woman	Man	Other	Not reported	Total
Permanent contract	5	2	0	0	7
Fixed-term contract	3	1	0	0	4
TOTAL	8	3	-	-	11
Full time contract	4	2	0	0	6
Part time contract	4	1	0	0	5
Contract with variable hours	0	0	0	0	-
TOTAL	8	3	-	-	11

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Aeffe Netherlands BV				
	Woman	Man	Other	Not reported	Total
Permanent contract	2	1	0	0	3
Fixed-term contract	15	4	0	0	19
TOTAL	17	5	-	-	22
Full time contract	8	4	0	0	12
Part time contract	9	1	0	0	10
Contract with variable hours	0	0	0	0	-
TOTAL	17	5	-	-	22

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Fashoff UK Ltd.				
	Woman	Man	Other	Not reported	Total
Permanent contract	11	4	0	0	15
Fixed-term contract	0	0	0	0	-
TOTAL	11	4	-	-	15
Full time contract	10	4	0	0	14
Part time contract	1	0	0	0	1
Contract with variable hours	0	0	0	0	-
TOTAL	11	4	-	-	15

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Moschino Korea Ltd.				
	Woman	Man	Other	Not reported	Total
Permanent contract	30	4	0	0	**34**
Fixed-term contract	1	-	0	0	**1**
TOTAL	**31**	**4**	-	-	35
Full time contract	31	4	0	0	**35**
Part time contract	0	0	0	0	-
Contract with variable hours	0	0	0	0	-
TOTAL	**31**	**4**	-	-	35

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Moschino France S.A.R.L.				
	Woman	Man	Other	Not reported	Total
Permanent contract	9	4	0	0	**13**
Fixed-term contract	1	0	0	0	**1**
TOTAL	**10**	**4**	-	-	**14**
Full time contract	10	4	0	0	**14**
Part time contract	0	0	0	0	-
Contract with variable hours	0	0	0	0	-
TOTAL	**10**	**4**	-	-	**14**

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Moschino Asia Pacific Ltd.				
	Woman	Man	Other	Not reported	Total
Permanent contract	15	1	0	0	16
Fixed-term contract	0	0	0	0	-
TOTAL	15	1	-	-	16
Full time contract	15	1	0	0	16
Part time contract	0	0	0	0	-
Contract with variable hours	0	0	0	0	-
TOTAL	15	1	-	-	16

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Pollini Suisse Sagl				
	Woman	Man	Other	Not reported	Total
Permanent contract	4	4	0	0	8
Fixed-term contract	1	0	0	0	1
TOTAL	5	4	-	-	9
Full time contract	5	4	0	0	9
Part time contract	0	0	0	0	-
Contract with variable hours	0	0	0	0	-
TOTAL	5	4	-	-	9

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Pollini Austria GmbH				
	Woman	Man	Other	Not reported	Total
Permanent contract	11	5	0	0	16
Fixed-term contract	0	0	0	0	-
TOTAL	11	5	-	-	16
Full time contract	0	5	0	0	5
Part time contract	11	0	0	0	11
Contract with variable hours	0	0	0	0	-
TOTAL	11	5	-	-	16

EMPLOYEES BY CONTRACT TYPE DIVIDED BY GENDER AND REGION	FY 2024				
	Moschino Shanghai Ltd				
	Woman	Man	Other	Not reported	Total
Permanent contract	0	0	0	0	-
Fixed-term contract	95	10	0	0	105
TOTAL	95	10	-	-	105
Full time contract	95	10	0	0	105
Part time contract	0	0	0	0	-
Contract with variable hours	0	0	0	0	-
TOTAL	95	10	-	-	105

Certification of the Consolidated Financial Statements pursuant to art.81-ter of Consob Regulation N. 11971 of May 14, 1999, as amended

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 art. 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 the preparation of the consolidated financial statements at December 31, 2024.

The undersigned moreover attest that the consolidated financial statements:

1) 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 Council, dated July 19, 2002;
2) correspond to the amounts shown in Company's accounts, books and records;
3) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

14 March 2025

Chief executive officer

Simone Badioli

Manager responsible for preparing Aeffe S.p.A. financial reports

Matteo Scarpellini

Certification of the Sustainabiliry Statements pursuant to art.81-ter of Consob Regulation N. 11971 of May 14, 1999, as amended

The undersigned Simone Badioli as chief executive officer and Matteo Scarpellini as sutainability reporting of Aeffe S.p.A. attest(*), pursuant to the provisions of art. 154 bis, clauses 3 and 4, of Legislative Decree n. 58 of 1998, that the Sustainability Statements included in the Consolidated Report on Operations were drawn up:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree 6 September 2024, No.125;
- with the specifications adopted pursuant to Article 8.4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

14 March 2025

Chief executive officer

Simone Badioli

Manager responsible for preparing Aeffe S.p.A. financial reports

Matteo Scarpellini

(*) Certification issued according to the form defined in the Consob document for the consultation of 13 December 2024

DRAFT SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2024

Report on operations

1. TREND OF THE COMPANY MANAGEMENT

INCOME STATEMENT

(Values in thousands of EUR)	Full Year 2024	% on revenues	Full Year 2023	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	**133,458,183**	**100.0%**	**183,696,470**	**100.0%**	**(50,238,287)**	**(27.3%)**
Other revenues and income	109,955,422	82.4%	12,591,914	6.9%	97,363,508	773.2%
TOTAL REVENUES	**243,413,605**	**182.4%**	**196,288,384**	**106.9%**	**47,125,221**	**24.0%**
Changes in inventory	(12,549,340)	(9.4%)	(7,897,238)	(4.3%)	(4,652,102)	58.9%
Costs of raw materials, cons. and goods for resale	(37,306,052)	(28.0%)	(60,916,487)	(33.2%)	23,610,435	(38.8%)
Costs of services	(60,059,742)	(45.0%)	(79,023,858)	(43.0%)	18,964,116	(24.0%)
Costs for use of third parties assets	(1,182,958)	(0.9%)	(1,958,276)	(1.1%)	775,318	(39.6%)
Labour costs	(43,802,610)	(32.8%)	(46,562,744)	(25.3%)	2,760,134	(5.9%)
Other operating expenses	(1,551,631)	(1.2%)	(3,387,023)	(1.8%)	1,835,392	(54.2%)
Total Operating Costs	(156,452,333)	(117.2%)	(199,745,626)	(108.7%)	43,293,293	(21.7%)
GROSS OPERATING MARGIN (EBITDA)	**86,961,272**	**65.2%**	**(3,457,242)**	**(1.9%)**	**90,418,514**	**(2,615.3%)**
Amortisation of intangible fixed assets	(2,503,359)	(1.9%)	(2,684,978)	(1.5%)	181,619	(6.8%)
Depreciation of tangible fixed assets	(2,866,847)	(2.1%)	(3,145,440)	(1.7%)	278,593	(8.9%)
Depreciation of right-of-use assets	(10,538,312)	(7.9%)	(10,908,975)	(5.9%)	370,663	(3.4%)
Revaluations / (write-downs) and provisions	(26,177,112)	(19.6%)	(31,586,983)	(17.2%)	5,409,871	(17.1%)
Total Amortisation, write-downs and provisions	(42,085,630)	(31.5%)	(48,326,376)	(26.3%)	6,240,746	(12.9%)
NET OPERATING PROFIT / LOSS (EBIT)	**44,875,642**	**33.6%**	**(51,783,618)**	**(28.2%)**	**96,659,260**	**(186.7%)**
Financial income	849,193	0.6%	92,582	0.1%	756,611	817.2%
Income from partecipations	15,000,000	11.2%	-	0.0%	15,000,000	n.a.
Financial expenses	(6,966,835)	(5.2%)	(6,162,284)	(3.4%)	(804,551)	13.1%
Leasing interest expenses	(1,352,954)	(1.0%)	(1,490,146)	(0.8%)	137,192	(9.2%)
Total Financial Income/(expenses)	7,529,404	5.6%	(7,559,848)	(4.1%)	15,089,252	(199.6%)
PROFIT / LOSS BEFORE TAXES	**52,405,046**	**39.3%**	**(59,343,466)**	**(32.3%)**	**111,748,512**	**(188.3%)**
Taxes	(16,798,271)	(12.6%)	7,762,559	4.2%	(24,560,830)	(316.4%)
NET PROFIT / LOSS	**35,606,775**	**26.7%**	**(51,580,907)**	**(28.1%)**	**87,187,682**	**(169.0%)**

Revenues from sales and services

In 2024, revenues went from EUR 183,696 thousand in 2023 to EUR 133,458 thousand in 2024, with a decrease of 27.3%. The reduction in revenues is attributable to the slowdown in both the retail and wholesale channels.

52% of revenues are earned in Italy while 48% come from foreign markets.

Labour costs

Labour costs went from EUR 46,563 thousand in 2023 to EUR 43,803 thousand in 2024, with a decrease of 5,9% as a result of the company's reorganization process.

Gross Operating Margin (EBITDA)

In the 2024 financial year, EBITDA is equal to EUR 86,961 thousand, an increase compared to the 2023 financial year (in 2023, negative EBITDA of EUR 3,457 thousand). This increase is mainly a consequence of the effects of the transfer by the Company of the ownership of the "Moschino" brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

Net operating profit (EBIT)

EBIT 2024 is equal to EUR 44,876 thousand, recording an increase of EUR 96,659 thousand, compared to the negative EBIT of 2023 equal to EUR 51,784 thousand. The increase is mainly determined by the effects of the transfer of ownership of the "Moschino" brand in relation to all products belonging to product class 3 of the Nice Classification and to the lower write-downs of shareholdings and receivables from subsidiaries carried out in 2024 compared to 2023.

Net financial charges

Net financial expenses moves from EUR -7,560 thousand in 2023 to EUR 7,529 thousand in 2024 with an increase of 199,6% mainly due to the distribution of profit reserves by the subsidiary Pollini S.p.A. amounting to EUR 15,000 thousand. Net of this transaction, financial income and expenses remain substantially unchanged.

Result before taxes

Pre-tax profit moves from EUR -59,343 thousand in 2023 to EUR -52,405 thousand in 2024, a positive change in absolute value of EUR 111,749 thousand due to the reasons mentioned above.

Net result

Net income for the year moves from EUR -51,581 thousand in 2023 to EUR 35,607 thousand in 2024, with a positive change in absolute value of EUR 87,188 thousand due to the reasons mentioned above.

BALANCE SHEET

(Values in units of EUR)	31 December 2024	31 December 2023
Trade receivables	62,518,508	56,855,903
Stock and inventories	30,482,258	43,982,492
Trade payables	(43,008,087)	(63,026,805)
Operating net working capital	**49,992,679**	**37,811,590**
Other short term receivables	19,771,873	22,417,064
Tax receivables	4,984,747	7,786,638
Other short term liabilities	(8,237,620)	(17,582,065)
Tax payables	(4,290,585)	(1,996,912)
Net working capital	**62,221,094**	**48,436,315**
Tangible fixed assets	46,151,647	48,912,965
Intangible fixed assets	25,614,454	38,086,686
Right-of-use assets	33,675,063	56,660,267
Equity investments	50,016,313	50,616,053
Other fixed assets	25,811,339	3,855,714
Fixed assets	**181,268,816**	**198,131,685**
Post employment benefits	(2,460,735)	(2,627,058)
Provisions	(45,008,729)	(19,475,386)
Goods intended for sale	4,349,496	
Long term not financial liabilities	(1,090,833)	(1,397,873)
Deferred tax assets	9,113,946	7,549,454
Deferred tax liabilities	(23,090,999)	(6,757,376)
NET CAPITAL INVESTED	**185,302,056**	**223,859,761**
Share capital	24,606,246	24,606,246
Other reserves	20,577,039	72,156,450
Profits/(Losses) carried-forward	2,374,995	2,374,995
Profits/(Loss) for the period	35,606,775	(51,580,907)
Shareholders' equity	**83,165,055**	**47,556,784**
Cash	(2,734,278)	(2,561,025)
Long term financial liabilities	40,425,379	58,660,277
Short term financial liabilities	25,987,549	66,014,442
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	**63,678,650**	**122,113,694**
Short term lease liabilities	7,192,909	9,209,021
Long term lease liabilities	31,265,442	44,980,262
NET FINANCIAL POSITION	**102,137,001**	**176,302,977**
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	**185,302,056**	**223,859,761**

NET CAPITAL INVESTED

Compared to December 31, 2023, net invested capital decreased by 17.2% equal to EUR 38,558 thousand.

Net working capital

Net working capital amounts to EUR 62,221 thousand at 31 December 2024 compared with EUR 48,436 thousand at 31 December 2023.

The changes in the main items are commented below:

- the net operating working capital increased by EUR 12,181 thousand overall. This change is related to the reduction in trade payables and inventories resulting from the contraction in sales that occurred during the year 2024;

- the sum of other current receivables and other current payables decreased by a total of EUR 11,989 thousand compared to the previous period mainly due to the reduction in advance royalties and anticipated costs for spring/summer 2025 compared to spring/summer 2024;

- the overall change in tax credits and liabilities equal to EUR 508 thousand is mainly attributable to the decrease in tax credits for IRES and the increase in tax liabilities for IRAP.

Fixed assets

Fixed assets at 31 December 2024 decreased by EUR 16,863 thousand compared to 31 December 2023, mainly due to the transfer of ownership of the “Moschino” brand with reference to all products belonging to product class 3 of the Nice Classification.

The changes in the main items are commented below:

- tangible fixed assets increased overall by EUR 2,761 thousand due to the following changes:
    - investments of EUR 169 thousand in works on third-party assets, IT equipment and general and specific systems;
    - decreases of EUR 62 thousand;
    - depreciation of EUR 2,866 thousand.
- intangible assets increased overall by EUR 12,472 thousand due to the following changes:
    - decreases of EUR 10,750 thousand following the transfer of ownership of the “Moschino” brand with reference to all products belonging to product class 3 of the Nice Classification;
    - investments of EUR 781 thousand in software;
    - depreciation of EUR 2,504 thousand.
- the assets for rights of use moved by EUR 22,985 thousand mainly due to the sale of the boutique in Milan in via Montenapoleone 18 and the reclassification of the rights of use of the boutique in Rome intended for sale during the 2025 financial year.
- the investments moved by EUR 600 thousand. For details, see point 4 Investments in the explanatory note.

NET FINANCIAL POSITION

The Company's net financial debt stands at EUR 102,137 thousand as of 31 December 2024 compared to EUR 176,303 thousand as of 31 December 2023 with an improvement of EUR 74,166 thousand.

The liquid assets as of December 31, 2024 are substantially in line with the previous year's value.

Financial debt, net of the effect of the application of IFRS 16, is equal to EUR 63,679 thousand at 31 December 2024 compared to EUR 122,114 thousand at 31 December 2023.

With regard to financial debt, it should be noted that Aeffe S.p.A. and Euroitalia S.r.l. signed and executed, during 2024, a framework agreement for the transfer by Aeffe of the ownership of the “Moschino” trademark with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, for a consideration of EUR 98,000 thousand fully paid.

SHAREHOLDERS' EQUITY

Total shareholders' equity increases by EUR 35,608 thousand due to the operating profit.

2. RESEARCH & DEVELOPMENT

Considering the particular nature of our products, research & development activities consist in the continual technical/stylistic renewal of our models and the constant improvement of the materials employed in production.

These costs, totalling EUR 19,175 thousand, have been charged to the 2024 Income Statement.

3. INFORMATION PURSUANT TO POINT 6-BIS OF ART. 2428.3 OF THE ITALIAN CIVIL CODE

Pursuant to point 6-bis of art. 2428.3 of the Italian Civil Code, it is confirmed that the Company does not use derivative financial instruments.

Financing requirements and the related risks are managed at acentralised level by the treasury department.

The principal objective is to ensure that the composition of liabilities and assets remains balanced, so that a high degree of financial strength is maintained.

The average cost of borrowing is essentially linked to 3/6-month EURIBOR plus a spread that principally depends on the type of financial instrument used.

The exchange risk associated with commercial transactions not denominated in the functional currency is hedged by the opening of loans in foreign currency in their respective countries.

With reference to the company's objectives and policies concerning financial risk management, please refer to the information already reported in the financial statement notes.

4. INFORMATION ABOUT SHARE CAPITAL

Information about the share capital is provided in the Report on Corporate Governance prepared pursuant to arts. 124 bis of the Consolidated Finance Law and 89 bis of the Consob's Issuers' Regulations, and art. IA2.6 of the related Market Instructions. This report was approved by the Board of Directors on 14 March 2025 and is available in the Governance section of the Company's website: www.aeffe.com.

The following parties hold each more than 3% of the Company's shares at the date of the Report are:

Main shareholders	%
Colloportus S.r.l.	30.899%
Fquattro S.r.l.	30.899%
Other shareholders(*)	38.202%

(*) 8,325% of own shares held by Aeffe S.p.A.

5. TREASURY SHARES

As of 31 December 2024, the Company holds 8,937,519 treasury shares, par value EUR 0.25 each, totalling 8.325% of its share capital. During 2024, treasury shares were not purchased by the Company.

As of 31 December 2024, the Company does not hold shares of any controlling company either directly or indirectly.

6. 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 28 July 2006, is provided in Notes 38 and 39.

7. GEOPOLITICAL CONTEXT

Italy has confirmed its political support for Ukraine, despite not being a major supplier of weapons. The government aims for a just peace, which does not mean Kiev's surrender, and is working to bring Moscow to the negotiating table, promoting reconstruction initiatives and diplomatic mediation.

Regarding the crisis in the Middle East, Italy has adopted a low-profile strategy, remaining aligned with its European partners. The government has highlighted that "the ceasefire in Gaza and Lebanon, and the transition in Syria, have opened a new political phase", offering an opportunity to consolidate regional stability.

The 2024 budget drawn up by the Istituto Affari Internazionali (IAI) shows an Italy active on the international scene. However, 2025 promises to be full of challenges, including the strengthening of European defense in the NATO context and economic competitiveness. The evolution of global crises and Italy's ability to maintain a central role in Europe and the Mediterranean will be crucial for the country's strategic projection in the coming years.

8. SUSTAINABILITY REPORTING

In consideration of the provisions of Art. 7, paragraph 2, of Legislative Decree 125/2024, the information relating to the sustainability reporting of Aeffe SpA is included in the Consolidated Sustainability Reporting, drawn up in accordance with Art. 4 of the same Decree and included in the management report of the consolidated financial statements.

9. SIGNIFICANT EVENTS OF THE PERIOD

On January 30, 2024, Aeffe has announced the appointment of Adrian Appiolaza as the new Creative Director of Moschino brand.

On September 24, 2024, the Board of Directors of Aeffe S.p.A. has communicated Alberta Ferretti's decision to leave the Creative Direction of the brand she founded, with the Spring/Summer 2025 fashion show it has been concluded the stylistic journey of the Italian designer, protagonist of an entrepreneurial and creative adventure that began in 1980.

On September 26, 2024, Aeffe Spa and Euroitalia S.r.l. have reached and also executed a framework agreement for Aeffe to transfer ownership of the “Moschino” brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, as well as scented candles and rooms and textile perfumes, for an amount of 98,000,000 euros.

On October 15, 2024, it has been announced the appointment of Lorenzo Serafini as Creative Director of the Alberta Ferretti brand. Aeffe Group, in collaboration with Lorenzo Serafini and interpreting the needs of the current market, have developed a new strategy. This includes the integration of the Philosophy line within the Alberta Ferretti brand from the Fall/Winter 2025 season, with the aim of strengthening the brand’s appeal and positioning for the future.

9. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 24 December 2024, the Company signed the Extraordinary Wage Integration Fund agreement for company crisis effective from 13 January 2025 for a total duration of 12 months. With this agreement, the Company continues the operation to streamline personnel costs begun during 2024 with the Solidarity Contract pursuant to art. 21 paragraph 1 letter c) of Legislative Decree no. 148/2015 and with the Ordinary Wage Integration Fund.

10. OUTLOOK

Starting from the 2023 financial year and for the entire 2024 financial year, the Aeffe Group has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over EUR 90 million), during 2024, the Group decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which brought a significant capital gain, allowed the Group to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025.

In light of all of the above, the Group has prepared a new 2025-2028 Industrial Plan, approved by the Board of Directors on 23 January 2025, in order to set new strategic objectives.

11. PROPOSALS TO APPROVE THE FINANCIAL STATEMENTS AND ALLOCATE THE RESULT FOR THE YEAR 2024

Shareholders,

In presenting the financial statements as of 31 December 2024 for your approval, we propose to allocate the profit for the financial year of EUR 35,606,775 as follows:

EUR 889,659 to the Legal Reserve;

EUR 34,717,116 to the Extraordinary Reserve.

14 March 2025

Chief executive officer
Simone Badioli

Financial Statements

BALANCE SHEET (*)

(Values in units of EUR)	Notes	31 December 2024	31 December 2023	Change
Trademarks		23,880,979	36,526,209	(12,645,230)
Other intangible fixed assets		1,733,475	1,560,477	172,998
Intangible fixed assets	(1)	25,614,454	38,086,686	(12,472,232)
Lands		17,319,592	17,319,592	-
Buildings		20,017,406	20,628,544	(611,138)
Leasehold improvements		5,855,345	7,199,410	(1,344,065)
Plant and machinary		936,464	1,224,869	(288,405)
Equipment		63,665	106,994	(43,329)
Other tangible fixed assets		1,959,175	2,433,556	(474,381)
Tangible fixed assets	(2)	46,151,647	48,912,965	(2,761,318)
Right-of-use assets	(3)	33,675,063	56,660,267	(22,985,204)
Equity investments	(4)	50,016,313	50,616,053	(599,740)
Other fixed assets	(5)	25,811,339	3,855,714	21,955,625
Deferred tax assets	(6)	9,113,946	7,549,454	1,564,492
NON-CURRENT ASSETS		**190,382,762**	**205,681,139**	**(15,298,377)**
Stocks and inventories	(7)	30,482,258	43,982,492	(13,500,234)
Trade receivables	(8)	62,518,508	56,855,903	5,662,605
Tax receivables	(9)	4,984,747	7,786,638	(2,801,891)
Cash	(10)	2,734,278	2,561,025	173,253
Other receivables	(11)	19,771,873	22,417,064	(2,645,191)
CURRENT ASSETS		**120,491,664**	**133,603,122**	**(13,111,458)**
GOODS INTENDED FOR SALE	**(12)**	**4,349,496**		**4,349,496**
TOTAL ASSETS		**315,223,922**	**339,284,261**	**(24,060,339)**
Share capital		24,606,246	24,606,246	-
Other reserves		20,577,039	72,156,450	(51,579,411)
Profits / (Losses) carried-forward		2,374,995	2,374,995	-
Net profit / loss		35,606,775	(51,580,907)	87,187,682
SHAREHOLDERS' EQUITY	**(13)**	**83,165,055**	**47,556,784**	**35,608,271**
Provisions	(14)	45,008,729	19,475,386	25,533,343
Deferred tax liabilities	(5)	23,090,999	6,757,376	16,333,623
Post employment benefits	(15)	2,460,735	2,627,058	(166,323)
Long term financial liabilities	(16)	71,690,821	103,640,539	(31,949,718)
Long term not financial liabilities	(17)	1,090,833	1,397,873	(307,040)
NON-CURRENT LIABILITIES		**143,342,117**	**133,898,232**	**9,443,885**
Trade payables	(18)	43,008,087	63,026,805	(20,018,718)
Tax payables	(19)	4,290,585	1,996,912	2,293,673
Short term financial liabilities	(20)	33,180,458	75,223,463	(42,043,005)
Other liabilities	(21)	8,237,620	17,582,065	(9,344,445)
CURRENT LIABILITIES		**88,716,750**	**157,829,245**	**(69,112,495)**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**315,223,922**	**339,284,261**	**(24,060,339)**

(*) Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of transactions with related parties on the balance sheet of Aeffe S.p.A. are shown in Attachment I and described in Notes 38 and 39.

INCOME STATEMENT (*)

(Values in units of EUR)	Notes	Full year 2024	%	Full year 2023	%
REVENUES FROM SALES AND SERVICES	**(22)**	**133,458,183**	**100.0%**	**183,696,470**	**100.0%**
Other revenues and income	(23)	109,955,422	82.4%	12,591,914	6.9%
TOTAL REVENUES		**243,413,605**	**182.4%**	**196,288,384**	**106.9%**
Changes in inventory		(12,549,340)	(9.4%)	(7,897,238)	(4.3%)
Costs of raw materials, cons. and goods for resale	(24)	(37,306,052)	(28.0%)	(60,916,487)	(33.2%)
Costs of services	(25)	(60,059,742)	(45.0%)	(79,023,858)	(43.0%)
Costs for use of third parties assets	(26)	(1,182,958)	(0.9%)	(1,958,276)	(1.1%)
Labour costs	(27)	(43,802,610)	(32.8%)	(46,562,744)	(25.3%)
Other operating expenses	(28)	(1,551,631)	(1.2%)	(3,387,023)	(1.8%)
Amortisation and write-downs	(29)	(42,085,630)	(31.5%)	(48,326,376)	(26.3%)
Financial Income / (expenses)	(30)	7,529,404	5.6%	(7,559,848)	(4.1%)
PROFIT / LOSS BEFORE TAXES		**52,405,046**	**39.3%**	**(59,343,466)**	**(32.3%)**
Income Taxes	(31)	(16,798,271)	(12.6%)	7,762,559	4.2%
NET PROFIT / LOSS		**35,606,775**	**26.7%**	**(51,580,907)**	**(28.1%)**

(*) Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of transactions with related parties on the income statement of Aeffe S.p.A. are shown in the income statement presented in Attachment II and described in Notes 38 and 39.

COMPREHENSIVE INCOME STATEMENT

(Values in units of EUR)	Full Year 2024	Full Year 2023
Profit/(loss) for the period (A)	**35,606,775**	**(51,580,907)**
Remeasurement of defined benefit plans	1,886	91,776
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)	**1,886**	**91,776**
Gains/(losses) on cash flow hedges	-	-
Gains/(losses) on exchange differences on translating foreign operations	-	-
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)	**-**	**-**
Totale Other comprehensive income, net of tax(B1)+(B2)=(B)	**1,886**	**91,776**
Total Comprehensive income / (loss) (A) + (B)	**35,608,661**	**(51,489,131)**

CASH FLOW STATEMENT (*)

(Values in thousands of EUR)	Notes	Full Year 2024	Full Year 2023
Opening balance of Aeffe S.p.A.		2,561	5,762
Opening balance of Moschino S.p.A. merged for incorporation			1,963
Opening balance of Aeffe Retail S.p.A. merged for incorporation			768
Opening balance		**2,561**	**8,493**
Profit before taxes		52,405	(59,343)
Amortisation / write-downs		(45,945)	48,326
Accrual (+)/availment (-) of long term provisions and post employment benefits		25,367	(360)
Paid income taxes		265	1,163
Financial income (-) and financial charges (+)		(7,529)	7,560
Change in operating assets and liabilities		(42,563)	8,263
Cash flow (absorbed) / generated by operating activity	**(33)**	**(18,001)**	**8,340**
Increase (-)/ decrease (+) in intangible fixed assets		98,000	(992)
Increase (-)/ decrease (+) in tangible fixed assets		(143)	(2,204)
Increase (-)/ decrease (+) in right-of-use assets (1)		3,588	(8,263)
Investments and write-downs (-)/ Disinvestments and revaluations (+)		600	(2)
Cash flow (absorbed) / generated by investing activity	**(34)**	**102,045**	**(11,461)**
Other variations in reserves and profits carried-forward of shareholders' equity		1	
Proceeds (+)/repayments (-) of financial payments		(53,715)	10,760
Proceeds (+)/ repayment (-) of lease payments		(15,731)	(79)
Increase (-)/ decrease (+) in long term financial receivables		(21,956)	(3,202)
Financial income (+) and financial charges (-)		7,529	(7,560)
Cash flow (absorbed) / generated by financing activity	**(35)**	**(83,872)**	**(80)**
Closing balance		**2,734**	**2,561**

(*) Pursuant to Consob Resolution no. 15519 dated 27 July 2006, the effects of transactions with related parties on the cash flows of Aeffe S.p.A. are shown in the cash flow statement presented in Attachment III and described in Notes 38 and 39.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Legal reserve	Extraordinary reserve from realignment of D.L. 104/2020	Remeasurement of defined benefit plans reserve	Profits / (Losses) carried-forward	Net profit / loss	Total shareholders' equity
AT JANUARY 31,2024	24,606	62,264	(15,909)	7,742	11,253	4,032	3,807	(1,033)	2,375	(51,581)	47,556
Cover of 2023 loss		(51,581)								51,581	-
Total comprehensive income/(loss) 2024										35,607	35,607
Other variations								1			1
AT DECEMBER 31,2024	24,606	10,683	(15,909)	7,742	11,253	4,032	3,807	(1,032)	2,375	35,607	83,164

(Values in thousands of EUR)	Share capital	Share premium reserve	Other reserves	Fair Value reserve	IAS reserve	Legal reserve	Extraordinary reserve from realignment of D.L. 104/2020	Remeasurement of defined benefit plans reserve	Profits / (Losses) carried-forward	Net profit / loss	Total shareholders' equity
AT JANUARY 31,2023	24,606	67,599	21,265	7,742	(90)	4,032	3,807	(755)	2,375	(5,335)	125,246
Cover of 2022 loss		(5,335)								5,335	-
Total comprehensive income/(loss) 2023										(51,581)	(51,581)
Merger by incorporation Moschino S.p.A.			(21,450)		5,578			(122)			(15,994)
Merger by incorporation Aeffe Retail S.p.A.			(15,724)		5,765			(64)			(10,023)
Other variations								(92)			(92)
AT DECEMBER 31,2023	24,606	62,264	(15,909)	7,742	11,253	4,032	3,807	(1,033)	2,375	(51,581)	47,556

EXPLANATORY NOTES

GENERAL INFORMATION

Aeffe S.p.A. (the "Company") is an Italian legal entity and a Parent Company that holds, directly or indirectly, equity investments in the companies that lead the business sectors in which the Aeffe is active.

The Company is based in San Giovanni in Marignano (Rimini) and is currently listed in the – STAR Segment – of the MTA, the Italian Stock Exchange operated by Borsa Italiana.

The Company has the following branch offices and local units:

1) Office and showroom in Donizetti Street n.47/8 – Milan (MI)
2) Office and showroom in San Gregorio 28/32 Street – Milan (MI)
3) Office and showroom in Napo Torriani Street 1/1a – Milan (MI)
4) Storage in Felice Casati Street 32 – Milan (MI)
5) Storage in Tavollo Street – San Giovanni in Marignano (RN)
6) Boutique Moschino – Spiga 26 Street - Milan (MI)
7) Boutique Moschino – Babuino 16 Street – Rome (RM)
8) Boutique Alberta Ferretti – Condotti 34 Street - Rome (RM)
9) Boutique Philosophy of Lorenzo Serafini – Belsiana 70 Street - Rome (RM)
10) Space A – Porta Rossa 107 Street – Firenze (FI)
11) Space A – S.re San Marco 295/296 – Venezia (VE)
12) Outlet Alberta Ferretti-Moschino – Della Moda 1 Street – Serravalle Scrivia (AL)
13) Outlet Alberta Ferretti-Moschino – SP 126 Km. 1,6 – Aiello (UD)
14) Outlet Alberta Ferretti-Moschino – Ponte di Piscina Cupa Street – Castel Romano (RM)
15) Outlet Alberta Ferretti-Moschino – Str Provinciale Sannitica, 336 – Marcianise (CE)
16) Outlet Alberta Ferretti-Moschino – Aretina 61 Street – Leccio di Reggello (FI)
17) Outlet Alberta Ferretti-Moschino – Marco Polo 1 Street – Noventa di Piave (VE)
18) Outlet Alberta Ferretti-Moschino – Armea 43 Street– Sanremo (IM)
19) Outlet Alberta Ferretti-Moschino – Contrada Mandre Bianche – Agira (EN)

Furthermore, the Company has the following deposits with third parties:

1) Storage in Rivoltona 2/d Street Segrate – Milan (MI)
2) Storage in Delle industrie 6 Street – Montaletto – Cervia (RA)
3) Storage in Olmi 15 Street – San Giovanni in Marignano (RN)
4) Storage in Erbosa I street n. 92 – Gatteo (FC)
5) Storage in Tamerici 9 street – San Giovanni in Marignano (RN).

These financial statements have been prepared in EUR, which is the functional currency of the economy in which the Company operates.

The financial statements are accompanied by notes that explain the Company's economic and financial position as of and for the year ended 31 December 2024. This information is presented on a comparative basis, after adjusting the prior year's financial statements for consistency.

Unless stated otherwise, all amounts have been rounded to thousands of EUR.

The financial statements comprise the balance sheet, the income statement, comprehensive income statement, the statement of changes in shareholders' equity, the cash flow statement and these explanatory notes.

Unless stated otherwise in the accounting policies described below, these financial statements have been prepared on an historical cost basis in accordance with the historic cost principle.

The financial statements have been audited by Ria Grant Thornton S.p.A.

Following the spin-off of the company Fratelli Ferretti Holding S.r.l., which took place with notarial deed 7643 of 25 July 2024, of which the data from the latest approved financial statements are reported in Annex IV, Aeffe S.p.A is subject to the joint control of Colloportus S.r.l. and Fquattro S.r.l.. For further information, please refer to the information provided on the website www.aeffe.com, governance section.

DECLARATION OF CONFORMITY AND BASIS OF PRESENTATION

Pursuant to art. 3 of Decree 38/2005 dated 28th February 2005, these financial statements have been prepared in accordance with International Accounting Standards (IAS/IFRS). The explanatory notes, also prepared in accordance with IAS/IFRS, have been supplemented by the additional information requested by CONSOB and by its instructions issued in accordance with art. 9 of Decree 38/2005 (resolutions 15519 and 15520 dated 27th July 2006 and communication DEM/6064293 dated 28th July 2006, pursuant to art. 114.5 of the Consolidated Finance Law), by art. 78 of the Issuers' Regulations, by the EC document issued in November 2003 and, where applicable, by the Italian Civil Code. Consistent with last year's annual report, some of the required information are presented in the Directors' Report (Report on operations).

FINANCIAL STATEMENT FORMATS

As part of the options available under IAS 1 for the presentation of its economic and financial position, the Company 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 no. 15519 dated 27th July 2006 regarding the format of the financial statements, additional schedules have also been presented for the income statement, the balance sheet and the cash flow statement in order to identify any significant transactions with related parties. This has been done to avoid compromising the overall legibility of the main financial statements.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this financial statement are the same used as those used in the preparation of the 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 Comapny to pursue operating activities and, in preparing the 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 the 2023 financial year and for the entire 2024 financial year, the Company undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over EUR 90 million), during 2024, the Company decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which generated a capital gain of 87 million EUR (detailed in notes 23 "Other revenues and income" and 41 "Significant non-recurring events and transactions"), allowed the Company to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025.

In light of all the above, the Company has prepared a new Industrial Plan 2025-2028, approved by the Board of Directors on 23 January 2025, in order to set new strategic objectives.

The Industrial Plan is the result of the analysis and forecasts of each individual Brand in the portfolio and examines, over the four-year period, the various areas of development and evolution, namely product offering, distribution, communication & marketing, collaborations & licenses, organization.

At corporate level, a medium-long term strategy has been identified through the analysis of specific aspects. Specifically:

- Significant growth in the Retail Channel focused on the positioning of the Group's DOS, also aiming to increase the average sales receipt
- Redevelopment of the distribution network through the elevation of key accounts and the expansion of the presence
- Development of new markets by re-entering previously lost markets
- Focus on geopricing and e-commerce
- Product, quality but also creativity and innovation under the spotlight
- Accessory as a starting point to convey new messages and attract new customer segments.

These areas, integrated with the Company macro-strategy, have led to the setting of specific targets for each Brand.

Moschino brand:

- Increase in the perception of the Brand (also thanks to the change of creative director and the consequent different product offering)
- Progressive improvement of distribution
- Increase in the number of Franchisees and expansion of digital channels
- Progressive increase in retail presence in Asia

Pollini brand:

- Consolidation of performance in consolidated geographical areas
- Penetration into new countries with development potential with respect to the positioning of the Brand
- Progressive increase in Franchisees in Europe (including Italy) and in selected foreign countries
- Opening of pop-ups and shopping shops

Alberta Ferretti brand:

- Organic growth and consolidation of DOS, new openings and retouching of store concepts in key locations
- Franchising development in high-potential markets
- Network redevelopment through collaboration with key partners
- Activation and strengthening of collaboration with department stores worldwide
- Focus on the effective exploitation of various online channels for a seamless and successful omnichannel experience.
- Collaborations and Partnerships

Specifically, the industrial plan mainly includes a strategic relaunch of the Moschino brand, initially focused on changing the product offering with a consequent increase in the brand's position on the market. These results will be achieved thanks to the contribution of the new creative director Adrian Appiolaza, appointed on January 30, 2024.

Furthermore, always with a view to increasing the Moschino brand, in general for the wholesale channel in all areas where the brand is present, the plan includes a progressive improvement of the distribution channel, aiming to increase turnover through new sales models, building strong relationships with selected customers. For the retail channel, the industrial plan mainly envisages maintaining the direct presence in China, with the consolidation of the stores higher performing, the closure of sales outlets located in cities no longer considered strategic and with high potential and a gradual opportunistic increase in the sales network through the opening of new directly managed stores.

While hoping for a quick resolution of international conflicts, the 2025 financial year for the Company will still be an exercise in approaching the desired path of recovery of volumes and sales performance of products, especially under the Moschino brand, in consideration of the difficulties that the reference market continues to present.

Already starting from 2026, with a consolidation trend projected for 2027 and 2028, 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).

Following the reduction in sales volumes and turnover highlighted in 2024, the industrial plan projections include several organizational efficiency and cost containment actions, in particular with regard to service provision (consulting, stylistic and communication) and personnel performance. These actions will allow for a progressive recovery of operating margins.

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 2025-2028 industrial plan on which the assessment of the Company's ability to continue to operate as a going concern is based, 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.

Accounting standards, amendments and interpretations approved by the European Union, applicable from 1 January 2024:

- Lease liabilities in a sale and leaseback transaction (amendments to IFRS 16);
- Classification of liabilities as current and non-current and non-current liabilities with covenants (amendments to IAS 1);
- Financing arrangements for supplies (amendments to IAS 7 and IFRS 7).

The adoption of these amendments had no impact on the financial statements.

Accounting principles, amendments and interpretations not yet applicable or not adopted early by the Comapny:

- Impossibility of exchange (amendments to IAS 21).
- Classification of liabilities as current and non-current and non-current liabilities with clauses (amendments to IAS 1);

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

Intangible fixed assets

Intangible fixed assets are identifiable non-monetary assets, without physical substance, that are controlled by the company and able to generate future economic benefits for the Company. Intangible fixed assets are initially recorded at purchase cost (being their fair value in the case of business combinations), as represented by the acquisition price paid including any charges directly attributable to the preparatory or production phase, if the conditions are met for the capitalisation of costs incurred on the internal generation of assets. Following initial recognition, intangible fixed assets are carried at cost, net of accumulated amortisation and any impairment recorded in accordance with IAS 36 (*Impairment of Assets*). Subsequent expenditure on intangible fixed assets is capitalised only if it increases the future economic benefits embodied in the specific asset to which it relates. All other costs are charged to the income statement as incurred.

Of intangible fixed assets, a distinction can be made between: a) those with an "infinite" useful life, such as goodwill, which are not amortised but subjected to an annual impairment test (or whenever there is reason to believe that the asset may have been impaired) in accordance with IAS 36; b) those with a finite useful life or other intangible fixed assets, the valuation criteria for which are reported in the following paragraphs.

Brands

Brands are recognised at cost and are amortised systematically on a straight-line basis during their estimated useful life (40 years) from when the asset is available for use. By applying IFRS 3, all business combinations since 31 December 2001 have been restated, with an indication, based on an independent estimate, of the new value of intangible fixed assets that were not reported when the shareholdings were acquired.

The Company has seen fit to give brands a finite life of 40 years in view of the policies adopted by other market operators. Prudently, it has adopted an extremely long – although not infinite and thus unidentifiable – useful life for its own brands (reflecting the prolonged benefits derived from these). This decision is in line with intangible fixed assets typical of the fashion industry, based on previous experience of other international operators in the sector (market comparables).

In compliance with IAS 36, brands are subjected to a recoverable value test in the presence of indications of possible loss of value.

To determine the recoverable value of the brands recorded in the balance sheet, the current value was estimated by discounting the hypothetical value of the royalties deriving from the transfer for use to third parties of these intangible assets, on the basis of which the cash flows are linked to the recognition of a percentage of royalties applied to the amount of revenue that the brand is able to generate prospectively, over its useful life. The industry averages were used as the royalty rates (equal to 10%), from which the average percentage of incidence of the maintenance costs of each brand on the turnover was deduced (equal to 3.50% for Moschino and 9,07% for Alberta Ferretti). The presumed royalty percentage was also determined net of the tax effect.

In this case, considering the historicity of the trademarks being evaluated, it was considered correct to use a time horizon (useful life) of unlimited duration of the distinctive sign, which in any case corresponds to an algorithm equal to approximately 25/30 years.

The expected royalties were determined on the basis of the turnover attributable to each specific brand and extrapolated from the 2025 Budget and for the financial years 2026-2028 from the expected economic development plans approved by the Company.

For the period following the explicit planning period (post 2028), in determining the expected turnover and, therefore, the presumed royalties, a minimum annual growth rate g was considered (equal to 2.02%), equal to inflation average expectation in the countries in which the Company operates, weighted based on the 2028 EBITDA produced in these countries. The average cost of capital (WACC) was used as the discount rate, equal to 7.88% (9.40% as at 31/12/2023) for the explicit planning period and equal to 9.11% (10.08% that at 12/31/2023) for the subsequent period.

Furthermore, the Company conducted the usual sensitivity analyses, required by IAS 36, in order to highlight the effects produced on the "value in use" of the brands by an increase in the WACC discount rate. In particular, the percentage increase in the WACC was identified which would lead to a zeroing of the headroom found between the value in use and the carrying amount (percentage increase in the WACC for each brand: +44.75% Moschino; +2 .82% Alberta Ferretti).

The analysis carried out did not reveal any situations of impairment as the net book value of the individual brands was lower than the related recoverable value.

Other intangible fixed assets

This caption comprises the costs incurred to acquire software, which is amortised over a period not exceeding 3 years.

The principal amortisation rates applied are summarised below:

Category	%
Royalties from patents and intellectual property	33%
Brands	2,5%

Research costs are charged to the income statement as incurred.

At 31 December 2024 the Company has not recorded intangible fixed assets with an “infinite” useful life in the intangible fixed assets.

Tangible fixed assets

Tangible fixed assets, stated net of accumulated depreciation, are recorded at purchase or production cost except for those assets which have been revalued in accordance with specific laws. Cost includes related charges and directly-attributable expenses.

Tangible fixed assets are depreciated systematically each year on a straight-line basis using economic-technical rates that reflect the residual useful lives of each asset. Tangible fixed assets are written down in the event of permanent impairment, regardless of the depreciation already accumulated.

Ordinary maintenance expenses are charged in full to the income statement. Improvement expenditure is allocated to the fixed assets concerned and depreciated over their residual useful lives.

Construction in progress and advances to suppliers are recorded at the cost incurred, including directly-related charges.

As an exception to the general principle, the carrying amount of land and buildings has been adjusted to reflect the value determined by reference to an independent appraisal. This was performed to identify the separate value of land that was previously included in the "land and buildings" caption and consequently depreciated. The depreciation rates are applied on a straight-line basis over the new estimated useful lives of the buildings: 50 years (2%).

The depreciation rates applied are summarised below:

Category	%
Industrial buildings	2%
Plant and machinery	12,5%
Photovoltaic systems	9%
Industrial and commercial equipment	25%
Electronic machines	20%
Furniture and furnishings	12%
Motor vehicles	20%
Cars	25%

Land is not depreciated.

Leasehold improvements, including the costs of fitting and modernising directly-managed shops and all other property used for business purposes but not owned by the Company, are depreciated over the shorter of the duration of the lease, including any renewal periods, or their useful lives.

Improvement expenditure is added to the carrying amount of the assets concerned if the future economic benefits for the Company are likely to exceed those determined originally. Such expenditure is depreciated over the residual useful lives of the assets concerned. All other maintenance costs are charged to the income statement as incurred.

Leasing IFRS16

The IFRS 16 introduces some elements of professional judgment which involve the definition of some accounting policies and the use of assumptions. The main ones are summarized below:

Lease term: the identification of the duration of the rental contract is a very relevant issue since the form, legislation and commercial practices on property rental contracts vary significantly from one jurisdiction to another and the assessment of the effects of the renewal options at the end of the non-cancellable period on the lease term estimate entails the use of assumptions. In fact, for the definition of the lease term, the Company considered the presence of renewal and cancellation options respectively for the lessee, the lessor or both. In the presence of renewal options exercisable by both contractual parties, it considered the existence or not of significant economic disincentives in refusing the renewal request as required by paragraph B34 of IFRS 16. In the presence of options exercisable only by one of the two parties considered paragraph B35 of IFRS 16. The application of the above, taking into account the specific facts and circumstances as well as the estimate that the option is reasonably certain, has meant that, for contracts with an annual duration renewable automatically unless canceled, an average duration of ten years was considered, basing this choice on historical evidence while in other cases if it is only the Company that can exercise the option, a duration was considered until the second renewal provided for in the contract, based on the historical evidence and the fact that renewal beyond the second period cannot be considered reasonably certain.

Definition of the discount rate: since in most of the rental contracts stipulated by the Company, there is no implicit interest rate, the Company has calculated an incremental Borrowing Rate-IBR. In order to determine the IBR to be used for discounting future rent payments, the Group has identified each country as a portfolio of contracts with similar characteristics and has determined the relative IBR as the rate of a risk-free instrument of the respective country in which the contract was stipulated, based on the different contractual deadlines. The weighted average IBR applied during the transition was 2.22%, while the weighted average IBR as at 31/12/24 amounts to 2.37%.

Activities by right of use: the Company detects activities by right of use on the lease start date (ie on the date on which the underlying asset is available for use). The right of use activities that fall under the definition of investments in real estate activities are classified in this balance sheet item. The assets by right of use are measured at cost, net of accumulated depreciation, of accumulated impairment losses and modified for any re-measurement of the leasing liability. The cost of the assets by right of use includes the initially recognized value of the leasing liability, initial direct costs incurred, the payments due for the leasing made on the date or before the effective date net of the leasing incentives received. Unless the Company is reasonably certain that it purchases the leased asset at the end of the lease contract, the assets by right of use are amortized linearly in the shorter period between the duration of the contract and the useful life of the leased asset.

The amortization of right-of-use assets is applied on the basis of the provisions of IAS 16. Finally, right-of-use assets are subjected to impairment testing on the basis of the provisions of IAS 36. The item right-of-use assets it therefore also includes the key money paid by the Group, as it is classified, based on the IFRS16 principle, as initial direct leasing costs. The "rights of use" of each individual CGU are subjected to impairment tests in the presence of triggering events (involving the individual CGU).

The impairment test is carried out by comparing the net book value of the CGU (understood as Net Invested Capital - in the CGU) with the recoverable value (understood, as required by paragraphs 18 and 74 of the international accounting standard IAS 36, as the greater of fair value less costs to sell and value in use).

IFRS 13 brings together the definition of fair value by establishing that it is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the measurement date. IFRS 13 establishes a hierarchy that classifies the inputs of the measurement techniques adopted to measure fair value into levels. The expected levels, displayed in hierarchical order, are as follows:

- level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
- level 2 inputs: these are variables other than the quoted prices included in level 1 that can be observed directly or indirectly for assets or liabilities;
- level 3 inputs: these are unobservable variables for assets or liabilities.

To determine the value in use of an asset, the present value of the estimated future financial flows is calculated, before taxes, by applying a discount rate, before taxes, which reflects the current market assessments of the time value of money and specific risks of the activity.

To estimate the "fair value", Aeffe discounts future rents to market value while for the "value in use" it discounts the expected future cash flows (Discounted Cash Flow - DCF) generated by the CGU.

Leasing liabilities: at the start date of the leasing contract, the Company recognizes the leasing liability measured as the present value of future residual payments until the end of the contract. Future payments include fixed payments, net of any leasing incentives to be received, variable payments that depend on an index or rate and the amounts that the Group is expected to pay as guarantees of the residual value. Future payments also include the exercise price of the purchase option, if the Group has reasonable certainty to exercise the option and the leasing termination penalty payments, if the Group has reasonable certainty to exercise the resolution option. Variable payments, which do not depend on an index or rate, but which for the Group mainly depend on the volume of sales, continue to be recorded as costs in the income statement, among the costs for services. To calculate the present value of future payments, the Group uses the Incremental Borrowing rate (IBR) on the contract start date. Subsequently, the leasing liability is increased for interest and decreased for payments made. In addition, the leasing liability is remeasured to take into account changes to the terms of the contract.

Short term leases and low value assets leases: the Company avails itself of the exemption from the application of IFRS 16 for short-term contracts (less than 12 months) and for contracts in which the individual leased asset is of small value. The payments of the fees of these contracts are accounted for linearly as costs in the income statement, based on the terms and conditions of the contract.

Determination of recoverable value (Impairment)

Under IAS 36, intangible and tangible fixed assets must be subjected to impairment testing if there is evidence (events, change of circumstances) to suggest a possible loss of value. The purpose of this is to ensure that assets are not recorded in the balance sheet at an amount that exceeds their recoverable value.

Brands and other intangible assets, together with tangible fixed assets, rights of use assets and other non-current assets, are subjected to a recoverable value check in the presence of indications of possible impairment.

An impairment loss occurs and is accounted for when the book value of an asset or cash-generating unit exceeds the recoverable value. The book value of the asset is adjusted to the recoverable value and the impairment loss is recognized in the income statement.

The recoverable value of these assets is the higher between their fair value, net of disposal costs, and their value in use. In order to determine value in use, the estimated future cash flows, including those deriving from the disposal of the asset at the end of its useful life, are discounted using a post-tax rate that reflects the current market assessment of the value of money and the risks associated with the Group's activities. If it is not possible to estimate an independent cash flow for a single asset, the minimum operating unit (cash generating unit) to which the asset belongs and to which it is possible to associate future independent cash flows is identified.

The transfer by Aeffe S.p.A. of ownership of the class 3 of the Nice Classification of its main brand (Moschino) is to be considered an extraordinary event which therefore requires assessments in relation to the risk that the accounting values of the above-mentioned assets (brands and other intangible assets) may have suffered lasting losses in value.

Furthermore, it is specified that, also taking into account the uncertainty of the reference context, the estimate of the value in use and the fair value were entrusted to an independent external expert.

Therefore, we first proceeded to carry out the impairment test on "Pret-a-porter division”. The «Prêt-à-porter» division, which is made up of the Aeffe corporate reality, operates mainly in the creation, creation and distribution of luxury ready-to-wear clothing collections and lingerie, beachwear and loungewear collections.

The impairment test was conducted by first testing the recoverability of the carrying amount, i.e. the Net Invested Capital, of each CGU through the value in use, determined by discounting the result flows of the plan each CGU, or by applying the methodology directly referred to by IAS 36: the financial method of Discounted Cash Flow, in the asset side formulation.

The flows of the explicit period were determined starting from the operating income (EBIT) of each financial year 2025 - 2028, calculating and subtracting the notional direct taxes at the full rate and subsequently adding the negative income components that do not give rise to monetary outflows, such as depreciation and provisions, in order to identify the "financial flow of current operational management", which can be interpreted as a "potential" monetary flow; in fact, the amount of monetary resources actually released by current core management is affected by the variation undergone over the period by the assets elements that arise and expire as a result of the operating cycles (trade receivables, inventories, trade payables, payables to personnel, etc.) – changes in Net Working Capital (NCC). Finally, the monetary flow of operational management was determined taking into consideration both the aforementioned CCN deltas and investments (net of disinvestments) in fixed capital - so-called CAPEX – and changes in operating funds. For the years following 2028, i.e. for the years following the explicit planning period - and, therefore, for the estimate of the Terminal Value -, it was prudentially decided to identify the prospectively average cash flows that could be produced by «Pret-a» division" with the average (normalized for non-repeatable and extraordinary flows) of the EBITs of the last two explicit planning years (2027 - 2028), appropriately considered net of notional taxes at the full rate and projected in perpetuity. For the post-2028 period, a minimum annual g growth rate was also considered (equal to 2.00%), equal to the average expected inflation in the countries in which the Company operates, weighted based on the 2028 EBITDA produced in these countries.

The flows were discounted at the weighted average cost of capital of the Company WACC, equal to 7.88%, determined on the basis of the following parameters:

- Free Risk Rate of a mature country (Germany), i.e. rate of return on 10Y Bunds relating to the twelve months preceding 12/31/2024 (Source: investing.com).
- Beta volatility coefficient constructed as the average of the 2Y unlevered β of a sample of comparable companies leveraged as a function of the average D/E ratio of the same comparables (Source: Bloomberg).
- Equity Risk Premium, premium for the ideal risk as identified by best practices.
- Country Risk Premium, determined as the average risk of the countries in which the Group operates, weighted by the percentage of production of the 2028 EBIT in said countries (Source: Aswath Damodaran).
- Coefficient α, which considers, among other things, the small cap and randomness premiums of execution of the plan.
- Cost of the Company's net debt, determined by considering the actual average rate (as of 12/31/2024) of the Comapny's credit lines.
- Financial structure, determined as the average of the comparables already considered for the definition of the β (Source: Bloomberg).

To discount the Terminal Value, a WACC of 9.11% was adopted, determined by considering an additional premium α on the cost of equity capital.

The value in use of the two CGUs, calculated according to the DCF methodology, was higher than the book value of the related Net Invested Capital.

Furthermore, the Company nevertheless conducted the usual sensitivity analyses, required by IAS 36, in order to highlight the effects produced on the "value in use" of the CGUs by an increase in the WACC discount rate and a decrease in the growth rate.

The analysis carried out did not reveal any situations of impairment as the net book value of the two CGUs was lower than the related recoverable value.

Finally, the Company carried out an analysis aimed at assessing the recoverability of the right-of-use assets and of the intangible and tangible assets attributable to the individual directly operated stores (DOS) - substantially attributable to the key money paid for the takeover - which highlighted impairment indicators linked to the increase in rates.

In particular, for the stores (Cash Generating Units - CGU), the recoverable value, has been determined as the greater of the fair value and the value in use of the relative CGU, and compared with the net carrying amount ("carrying amount").

The test was conducted first of all by identifying the recoverable value of the stores (for which the Company appears to have recorded key money) in the sense of fair value. In particular, the fair value was calculated based on current empirical data from the real estate market, as the difference between:

- the current value of the residual rents considering the market values (Sources: Main Streets across the World - Cushman & Wakefield; Real Estate Market Observatory - Revenue Agency) of the rents applicable for properties located in the same cities and streets as stores being estimated and the specific size (m2) of the stores being tested;
- the current value of the residual rental payments considering the contractual values.

Also in this case the discount rate is the Group WACC, adjusted to consider the specific country and inflation risks of the state in which the store is located. The useful life of the asset was assumed to be equal to the duration of the lease contract. The fair value thus determined was compared with the net book value of the key money and fittings of each store. In the event that this comparison highlighted a loss of value, considering that the Accounting Standard provides that the recoverable value represents the greater of the fair value and the value in use, the value in use of the stores was also determined using the previously exposed DCF financial methodology.

To estimate the value in use of the stores (CGU), the operating cash flows deduced from the actual economic data as of 12/31/2024, as well as the prospective 2025 - 2028 data, as approved by the Parent Company, were considered. For the years after 2028 and until the expiry date of the rental contract, the cash flows were estimated analytically, year by year, on the basis of the latest available EBIT increased by a growth rate g - equal to expected inflation 2029 in Italy or France, based on the geographical location of the shop - netted considering full rate taxes. To discount the cash flows, the same WACC rate determined for the CGU «Pret-a-porter» was adopted, modified only to consider only the country risk of Italy, and not the weighted average of Countries of operation of the Company.

The analysis carried out did not reveal any loss of value.

The usual sensitivity analyzes were conducted, required by IAS 36, in order to highlight the effects produced on the "fair value" or "value in use" of the stores following: a hypothetical reduction in the rental price per square meter or a hypothetical increase in the WACC discount rate.

The analyzes on the variability of the results of the estimates made regarding the stores as the main valuation inputs assumed changed, hypothesized alternatively: for fair value valuations, the potential decrease in market prices per square meter and, for fair value valuations, value in use, the percentage increase in the WACC discount rate, which respectively lead to the elimination of the margins found in the impairment test.

A sensitivity analysis was first carried out on the market prices per square meter of the rents of each shop in order to identify the decrease in the same which would lead the recoverable value of the assets of each shop to be at least equal to the relative carrying amount (i.e. all zeroing of the headroom encountered). This decrease is between 33% and 82%.

In the event that the comparison between fair value and net book value has highlighted a loss in value, considering that the Accounting Standard provides that the recoverable value represents the greater of the fair value and the value in use, we also proceeded to determine the use value of the shops.

A sensitivity analysis on the discount rates (WACC) was carried out on the value in use of these stores, in order to identify the rate increase that would bring the recoverable value to be at least equal to the relative carrying amount (i.e. to zero of the headroom encountered). The increase in WACC is between 20.23% and 39.81%.

In defining the recoverable value of all assets subject to impairment testing, the financial impacts estimated by management for achieving its Environmental, Social, and corporate Governance (ESG) objectives were taken into consideration. In fact, in 2024 AEFFE continued the path started previously regarding the in-depth mapping of ESG risks, also with the support of external professionals, starting from the materiality analysis, which will lead to a progressive integration of the factors of sustainability within its corporate risk management model. The company has identified its sustainability objectives and defined a prospective implementation plan for their achievement. The same was formalized in terms of economic impacts in a timely manner for the year 2025, implemented in the company budget. Aeffe has also estimated, on the basis of the 2025 budget, the economic impacts over the plan period, including them in its industrial economic plan, considered for the purposes of the impairment test.

Reinstatement of value

The value of financial assets recorded at amortised cost is reinstated when a subsequent increase in their recoverable value can, objectively, be attributed to an event that took place subsequent to recognition of the impairment loss.

The value of other non-financial assets is reinstated if the reasons for impairment no longer apply and the basis for determining their recoverable value has changed.

Write-backs are credited immediately to the income statement and the carrying amount of the asset concerned is adjusted to reflect its recoverable value. Recoverable value cannot exceed the carrying amount that would have been recognised, net of depreciation, had the value of the asset not been written down due to impairment in prior years.

The written down value of goodwill is never reinstated.

Equity investments

Equity investments in subsidiaries, associates and joint ventures are recognised according to the equity method. The surplus cost over shareholders' equity on the acquisition date is treated in the same way as described in the section on consolidation principles. Other equity investments are recognised using the cost method, which is reduced for impairment losses. The original value is restated in subsequent years if the reasons for the write-down no longer apply.

Assets held for sale

This item includes assets where the book value will be recovered mainly through sale rather than continuous use. For this to happen, the asset (or group) must be available for sale in its current condition, subject to standard conditions applicable to the sale of such assets (or groups), and the sale must be highly probable. An asset classified as held for sale is recognised at the lesser of its book value and fair value, excluding selling costs, as stipulated in IFRS 5.

Trade and other receivables

Receivables are stated at their estimated realisable value, being their nominal value less the allowance for collection losses on doubtful accounts. They are review regularly in terms of ageing and seasonality in order to avoid adjustments for unexpected losses. Non-current receivables that include an element of embedded interest are discounted using a suitable market rate. This caption also includes the accrued income and prepaid expenses recorded to match income and costs relating to more than one year in the accounting periods to which they relate. A specific analysis is carried out both of the positions in dispute and of the positions that present some symptoms of delay in collections for the purpose of determining the provision for bad debts. Furthermore, the evaluation of residual credits is also carried out considering the expected loss which is calculated over the entire life of the trade credit. The evaluation of the overall realizable value of trade receivables requires the development of estimates regarding the probability of recovery of the aforementioned practices, as well as the percentages of write-downs applied to receivables not in dispute. The allocation to the bad debt fund is made consistently with the situation of your credits, considering that these credits are partly covered by insurance.

Inventories

Inventories are recorded at purchase or production cost or, if lower, at their estimated net realisable value. Net realisable value is the estimated selling price under normal operating conditions, net of completion costs and all other selling-related expenses.

The cost of production of finished products includes the cost of raw materials, outsourced materials and processing, and all other direct and indirect manufacturing costs reasonably attributable to them, with the exclusion of financing costs.

Obsolete and slow-moving inventories are valued to reflect their likely use or realisability.

In particular, the Company, in relation to finished products relating to previous seasons present in inventories at 31 December 2024, adjusts the value of such inventories to the realizable value obtained from the sale through the stockists channel.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits and all highly liquid investments with an original maturity of three months or less. Securities included in cash and cash equivalents are measured at their fair value.

Provisions

The provisions for risks and charges cover known or likely losses or charges, the timing and extent of which cannot be determined at period end. Provisions are recorded only when there is a legal or implicit obligation that, to be settled, requires the consumption of resources capable of generating economic benefits, and the amount concerned can be estimated reliably. If the effect is significant, provisions are calculated by discounting expected future cash flows using a pre-tax rate that reflects the current market assessment of the present value of money and the specific risks associated with the liability.

Employee benefits

Employee severance indemnities are covered by IAS 19 ("Employee Benefits") since they are deemed to be a form of defined benefit plan. Company contributions to defined benefit plans are charged to the income statement on an accruals basis.

The Company's net liability for defined benefit plans is determined on an actuarial basis, using the projected unit credit method. All actuarial gains and losses determined as of 1st January 2005, the IFRS transition date, have been recognised.

Financial payables

Financial payables, excepting derivates, are recorded at their fair value, after transactions costs directly attributable.

Bank overdrafts and loans

Loans are initially measured at cost, which approximates their fair value, net of any transaction-related expenses. Subsequently, they are measured at amortised cost. Any difference between cost and the redemption value is recorded in the income statement over the duration of the loan, using the effective interest method.

Loans are classified as current liabilities unless the Company has an unconditional right to defer their settlement for at least twelve months subsequent to the accounting reference date.

Trade and other payables

Payables are stated at the nominal value. The financial element embedded in non-current payables is separated using a market rate of interest.

Treasury shares

Treasury shares are presented as a deduction from capital for the part of their nominal value, and from a specific reserve for the part in excess to their nominal value.

Contributions to the capital account and for overheads

Any public contributions are reported when there is a reasonable certainty that the Company will meet all the conditions foreseen to receive the contributions and actually receives them. The Company has opted to present any contributions to the capital account in the financial statement as items in adjustment of the book value of the property to which they refer, and any contributions to overhead as a direct deduction from the relative cost.

Revenues

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 Company's revenues derives from the recognition of the Roylalties, 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.

Most of the Company'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..

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.

Costs

Costs and expenses are recorded on an accruals basis.

Design and production costs for sample collections incurred during the period are correlated to the turnover from sales of collection and are thus carried in the income statement in proportion to the revenue generated. The remaining portion to be carried in the income statement during the period in which the corresponding revenue is generated is posted to other current assets.

Financial income and expenses

These include all items of a financial nature written to the income statement for the period, including interest payable on financial debts calculated using the effective interest method (mainly current account overdrafts and medium and long-term loans), foreign currency gains and losses, dividends received, and the portion of interest payable deriving from the accounting treatment of assets under finance leases (IAS 17).

Interest income and expenses are reported in the income statement for the period in which they are realised/incurred.

Dividends are recognised in the period when the Company's right to a dividend payment matures, subject to ratification.

The amount of interest payable on finance leases is booked to the income statement using the effective interest method.

Taxes

Income taxes for the period include all taxes calculated on taxable income. Income taxes for the period are recorded in the income statement.

Taxes other than income taxes, such as property tax, are reported under operating expenses or, if the necessary conditions are fulfilled, are capitalized in the related real estate.

Current taxes on income taxable in the period represent the tax burden calculated using current rates of taxation in force on the balance sheet date.

Deferred taxes are recognised for all temporary differences existing on the balance sheet date between the book value of assets and liabilities and the corresponding values used to determine taxable income for tax purposes.

Payables for deferred taxes relate to:

- positive components of income for the current period but taxable in future periods;
- negative components of income deductible in excess compared to the amount recorded in the income statement as a result of the application of the International Accounting Standards.

Receivables for deferred taxes are recognised:

- for all negative components of income non-deductible in the period under examination but that could be deducted in future periods;
- for the carryover of unused tax losses, if it is probable that taxable income, for which the tax loss may be used, will be generated.

Credits for deferred tax assets and debits for deferred tax liabilities are calculated based on the rates of taxation applicable to tax calculation on income in periods in which temporary differences are reversed, based on the rate of taxation and tax regulations in force on the balance sheet date.

The impact on these taxes of any change in rates of taxation is posted to the income statement in the period in which the change occurs.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of ordinary shares outstanding.

Main estimates used by the Management

Hereafter we report the main estimates and assumptions used by the Management to draft the financial statements, whose variations, not foreseeable at the moment, could affect the economic and equity situation of the Company.

- **Estimates used for actuarial calculation serve to calculate the benefit plans in the sphere of future benefits of the working relationship:**

– The inflation rate foreseen is 2.0%;
– The discount rate used is 2.93%;
– The annual rate in increase of the severance indemnity fund foreseen is 3.0%;
– The expected Company's turn-over of employees is 6%.

- **Estimates used in the actuarial calculations to determine the supplementary clientele severance indemnity fund:**

– The voluntary turnover rate foreseen is 0.00%;
– The corporate turnover rate foreseen is 5.00%;
– The discount rate used is 3.18%;

OTHER INFORMATION

Management of financial risk

The financial risks to which the Company is exposed in the performance of its business are as follows:

- risk of liquidity
- market risk (inclusive the exchange risk, rate risk, price risk);
- credit risk;

Liquidity and market risk

Management of the financial needs and relative risks (mainly rate and exchange risks) is handled at the level of the central treasury on the basis of the guidelines established by the Managing Director and approved by the Chief Executive Officer.

The main goal of these guidelines consists of:

(i) Liquidity risk

The Company manages the liquidity risk with a view to guarantee the presence of a liability structure in balance with the asset composition of the financial statement, in order to maintain an elevated solid equity.

(ii) Exchange risk:

The Company operates internationally and is therefore exposed to the exchange risk. The exchange risk arises when assets and liabilities are reported in a currency other than that in which the Company operates.

The mode of management of this risk consists of minimizing the risk connected with exchange rates by using operating coverage. Alternatively, the Company, if exposed to the exchange risk, covers itself by loans in foreign currency.

(iii) Rate risk:

The interest rate risk to which the companies in the Group are exposed originates mainly from the medium and long-term financial payables in existence, that are almost all at variable rates and expose the Company to the risk of variation in cash flows as the interest rates vary.

The average cost of indebtedness tends to be parametrized with the status of the EURIBOR rate at 3/6 months, plus a spread that depends mainly on the type of financial instrument used. In general, the margins applied are in line with the best market standards. As of December 31, 2024 a hypothetical upward variation of 10% in the interest rate, all other variables being equal, would have produced a higher cost before taxes (and thus a corresponding reduction in the shareholders' equity) of about 642 thousand euros annually (552 thousand euros as of December 31, 2023).

The cash flow risk on interest rates has never been managed in the past through the use of derivative contracts - interest rate swaps - which transform the variable rate into a fixed rate. As of December 31, 2024, there are no interest rate risk hedging instruments.

(iv) Price risk

The Company makes its purchases and sales worldwide and is therefore exposed to the normal risk of variations in price, typical of the sector.

Credit risk

With reference to receivables in Italy, the Company deals only with known and reliable clients. It is a policy of the Company that clients requesting extended payment terms are subject to procedures of audit of the class of merit. Moreover, the balance of receivables is monitored during the year to ensure that the doubtful positions are not significant.

The credit quality of unexpired financial assets and those that have not undergone value impairment can be valued with reference to the internal credit management procedure.

Customer monitoring activity consists mainly of a preliminary stage, in which we gather data and information about new clients, and a subsequent activation stage in which a credit is recognized and the development of the credit position is supervised.

The preliminary stage consists of collecting the administrative and fiscal data necessary to make a complete and correct assessment of the risks connected with the new client. Activation of the client is subject to the completeness of the data and approval, after any further clarification by the Customer Office.

Every new customer has a credit line: its concession is linked to further information (years in business, payment terms, and customer's reputation) all of which are essential to make an evaluation of the level of solvency. After gathering this information, the documentation on the potential customer is submitted for approval by the company organizations.

Management of overdue receivable is differentiated depending on the seniority of the client (overdue payment group).

For overdue payments up to 60 days, reminders are sent through the branch or directly by the Customer Office; clearly, if an overdue payment exceeds 15 days or the amount of the credit granted, all further supplied to the client are suspended. For overdue credits "exceeding 90 days", where necessary, legal steps are taken.

As regards foreign receivables, the Company proceeds as follows:

a) some of foreign receivables are guaranteed by primary credit insurance companies.
b) the residual uninsured part of receivables is managed:
    a. Most of them by request of letter of credit and 30% advances within two weeks of the order confirmation;
    b. The residual receivables not covered by insurance nor by request of letter of credit or by advance, are specifically authorized and managed following the procedure for Italian receivables.

This procedure serves to define the rules and operating mechanisms that guarantee a flow of payments sufficient to ensure the solvency of the client and guarantee the Company an income from the relationship.

As of the reference date of the financial statement, the maximum credit risk exposure was equal to the value of each category of receivable indicated here below:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	Change %
Trade receivables	62,519	56,856	5,663	10.0%
Other current receivables	19,772	22,417	(2,645)	(11.8%)
Total	**82,291**	**79,273**	**3,018**	**3.8%**

See note 8 for the comment and breakdown of the item "trade receivables" and note 11 for "other current receivables".
The fair value of the above categories has not been indicated, as the book value is a reasonable approximation.
As of 31 December 2024, overdue trade receivables amount to EUR 55,509 thousand (EUR 45,527 thousand in 2023). The breakdown by due date is as follows:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
By 30 days	3,672	2,460	1,212	49.3%
31 - 60 days	2,198	4,514	(2,316)	(51.3%)
61 - 90 days	3,945	2,917	1,028	35.2%
Exceeding 90 days	45,694	35,636	10,058	28.2%
Total	**55,509**	**45,527**	**9,982**	**21.9%**

The change in overdue receivables of EUR 9,982 thousand is mainly determined by the increase in intercompany trade receivables.

It should be noted that the share of trade receivables overdue by more than 90 days includes receivables from the Chinese subsidiary amounting to EUR 28,269 thousand (EUR 24,871 thousand at 12/31/23), of which EUR 13,091 thousand have been written down through allocation to the doubtful debt provision.

There are no further risks of uncollectability relating to overdue receivables.

Cash flow statement

The cash flow statement presented by the Company in accordance with IAS 7 has been prepared using the indirect method. The cash and cash equivalents included in the cash flow statement represent the amounts reported in the balance sheet at the accounting reference date. Cash equivalents comprise short term and highly liquid applications of funds that can be readily converted into cash; the risk of changes in their value is minimal. Accordingly, a financial investment is usually classified as a cash equivalent if it matures rapidly, i.e. within three months or less of the acquisition date.

Bank overdrafts are generally part of financing activities, except when they are repayable on demand and are an integral part of the management of a company's cash and cash equivalents, in which case they are classified as a reduction of its cash equivalents.

Foreign currency cash flows have been translated using the average exchange rate for the year. Income and expenses deriving from interest, dividends received and income taxes are included in the cash flows from operating activities.

Under IAS 7, the cash flow statement must identify separately the cash flow deriving from operating, investing and financing activities:

(i) cash flow from operating activities: the cash flow deriving from operating activities mainly relates to income-generating activities and is presented by the Company using the indirect method; on this basis, net profit is adjusted for the effects of items that did not give rise to payments or cash inflows during the year (non-monetary transactions);

(ii) cash flow from investing activities: investing activities are presented separately since, among other factors, they reflect the investment/disposals made in order to obtain future revenues and cash inflows;

(iii) cash flow from financing activities: financing activities comprise the cash flows that modify the size and composition of shareholders' equity and financial payables.

COMMENTS ON THE BALANCE SHEET

NON-CURRENT ASSETS

1. *Intangible fixed assets*

The composition of intangible fixed assets is analysed in the following table, together with the changes that took place during the year:

(Values in thousands of EUR)	Brands	Other	Total
Net book value as of 01.01.23	**2,520**	**857**	**3,377**
Increases externally acquired	-	*1,006*	*1,006*
Increases merger Moschino S.p.A.	36,059	341	36,400
Disposals	-	*(11)*	*(11)*
Amortisation	(2,053)	(632)	(2,685)
Net book value as of 31.12.23	**36,526**	**1,561**	**38,087**
Increases externally acquired	-	*781*	*781*
Disposals	(10,750)		(10,750)
Amortisation	*(1,895)*	*(609)*	*(2,504)*
Net book value as of 31.12.24	**23,881**	**1,733**	**25,614**

Brands

This caption is related to the value of the brand owned by the Company

Brand “Alberta Ferretti” equal to EUR 2,268 thousand, residual amortisation period is 18 years.

The “Moschino” brand records a decrease of EUR 10,751 thousand relating to the transfer of product class 3 and at 12/31/24 the value amounts to EUR 21,613 thousand whose residual amortization period is 20 years

Other

The caption “Other” relates to user licenses for software.

2. *Tangible fixed assets*

The composition of tangible fixed assets is analysed in the following table:

(Values in thousands of EUR)	Lands	Buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total
Net book value as of 01.01.23	**17,320**	**21,240**	**602**	**1,107**	**37**	**591**	**40,897**
Increases			1,554	179	58	651	2,442
Increases merger Moschino			7,944	243	166	2,067	10,420
Infreases merger Aeffe Retail			330	107	8	546	991
Disposals			(1,793)	(25)	(102)	(774)	(2,694)
Depreciation		(611)	(1,438)	(387)	(61)	(648)	(3,145)
Net book value as of 31.12.23	**17,320**	**20,629**	**7,199**	**1,224**	**106**	**2,433**	**48,911**
Increases			13	69	8	79	169
Disposals			(45)			(17)	(62)
Depreciation		(611)	(1,311)	(357)	(51)	(536)	(2,866)
Net book value as of 31.12.24	**17,320**	**20,018**	**5,856**	**936**	**63**	**1,959**	**46,152**

Tangible fixed assets have changed mainly as follows:

- increases of EUR 169 thousand in improvements to the building and leasehold, information tools and general and specific plant and machinery;
- decreases of EUR 62 thousand;
- depreciation of EUR 2,866 thousand.

3. *Right-of-use assets*

The following table details its composition and movements:

(Values in thousands of EUR)	Buildings	Car	Other	Total
Net book value as of 01.01.23	**6,743**	**723**	**533**	**7,999**
Increases	58,310	960	888	60,158
Disposals	(384)			(384)
Translation differences and other variations	(203)			(203)
Depreciation	(9,921)	(502)	(486)	(10,909)
Net book value as of 31.12.23	**54,545**	**1,181**	**935**	**56,661**
Increases	180	545	994	1,718
Disposals	(5,307)			(5,307)
Translation differences and other variations	(8,859)			(8,859)
Depreciation	(9,426)	(555)	(558)	(10,538)
Net book value as of 31.12.24	**31,133**	**1,171**	**1,371**	**33,675**

The item Buildings includes Right-of-use assets mainly relating to rental contracts for shops and, to a lesser extent, to rental contracts for offices and other spaces. The increases are linked to new rental contracts relating to the opening or relocation of retail stores and to the renewal of existing rental contracts. The decreases are linked to the closure of the Alberta Ferretti brand boutique located in Milan at Via Montenapoleone 18.

During the financial year, the Company reclassified the fixed assets of the boutique located in Rome in Via Condotti to assets available for sale, a shop no longer included in the Company's strategic path.

During the year, the Company formalized an impairment test with the methods described previously in the paragraph "IFRS 16". In particular, for the Cash Generating Units (CGU) the recoverable value was calculated as the greater of the fair value and value in use of the relevant Cash Generating Unit, with the book value of its net invested capital ("carrying amount") and the analysis carried out did not reveal any loss of value.

Key money

Following the merger operations by incorporation of the subsidiaries Moschino S.p.A. and Aeffe Retail S.p.A. at the same time as the application of IFRS 16, the Company included the amortization plans of the Key Manuals including them within the rights of use.

4. Equity investments

4.1 Equity investments in controlled companies

The composition of the item Investments in subsidiaries as of 31 December 2024 and 2023 is highlighted in the following table: (values in thousands of EUR)

Company	Direct interest %	Net book vale at 31/12/2023	Devaluations 2024	Transfer 2024	Net book value at 31/12/2024
Pollini SpA	100.0%	41,945			41,945
Moschino Kids Srl	55.0%	*7*		*(2)*	*5*
Aeffe Germany Gbmh	100.0%				-
Aeffe Spagna Slu	100.0%	*320*			*320*
Aeffe Netherlands Bv	100.0%				-
Aeffe Group Inc.	100.0%	*440*	*(440)*		-
Fashoff UK Ltd	100.0%	2,342			2,342
Moschino France Sarl	100.0%	*5,539*	*(158)*		*5,381*
Moschino Asia Pacific Ltd	100.0%				-
Moschino Korea Ltd	100.0%				-
Moschino Shangai Ltd (subsidiary through Moschino Asia Pacific Ltd)	100.0%				-
Totale		*50,594*	*(598)*	*(2)*	*49,994*

The changes recorded during 2024 refer to the effects deriving from the write-downs made by the Company to cover the losses reported by the subsidiaries indicated above. From the analyses carried out in accordance with IAS 36, no other impairment test indicators were found, therefore, the Company did not carry out the impairment tests.

The following table shows the movements in the Provision for Excess Devaluation of Equity Investments, which reports in the provisions item the amount deemed adequate to cover the losses (for the pertinent percentage share) that remain after the book value of the equity investment has been written off to zero: (values in thousands of EUR)

Company	Direct interest %	Book vale at 31/12/2023	2024 provision	2024 provision release	Book value at 31/12/2024
Aeffe Germany Gbmh	100.0%	(401)	(698)		(1,099)
Aeffe Netherlands Bv	100.0%	*(140)*	*(495)*		*(635)*
Moschino Asia Pacific Ltd	100.0%	(3,073)	(17,039)		(20,112)
Moschino Korea Ltd	100.0%	*(2,613)*	*(2,426)*		*(5,039)*
Moschino Shangai Ltd (subsidiary through Moschino Asia Pacific Ltd)	100.0%	(11,515)		1,094	(10,421)
Aeffe group inc	100.0%		*(1,957)*		*(1,957)*
Totale		*(17,743)*	*(22,615)*	*1,094*	*(39,264)*

The following table shows the main data of the IAS financial statements of the subsidiaries as of 31 December 2024 together with the historical cost of the investments and, if present, the Provision for Depreciation and Provision for Excess Depreciation of Participations as of 31 December 2024: (values in thousands of EUR)

Comapany	Registered office	Share Capital	Net profit for the period	Net equity	Direct interest %	Number of shares	Book value	Provision for equity investments write-downs	Provision for risks and charges	Equity investments net of provisions
Pollini SpA	Gatteo (FC) Italia	6,000	204	48,386	100%	6,000,000	41,945			41,945
Moschino Kids Srl	Padernello (TV) Italia	10	300	782	55.0%	n.d.	6			6
Aeffe Germany Gmbh	Metzingen (Germany)	25	(698)	(1,099)	100%	n.d.	525	(525)	(1,099)	(1,099)
Aeffe Spagna Slu	Barcellona (Spain)	320	(151)	245	100%	n.d.	320			320
Aeffe Netherlnads Bv	Rotterdam (Netherlands)	25	(495)	(635)	100%	n.d.	25	(25)	(635)	(635)
Aeffe Group Inc.	New York (USA)	10	(2,425)	(1,957)	100%	n.d.	13,962	(13,962)	(1,957)	(1,957)
Fashoff UK Ltd	London (GB)	1,869	(2,172)	3,154	100%	n.d.	2,342			2,342
Moschino France Sarl	Paris (France)	50	(159)	5,381	100%	n.d.	8,400	(3,019)		5,381
Moschino Asia Pacific Ltd	Hong Kong (H.K.)	62	(16,824)	(20,112)	100%	n.d.	54	(54)	(20,112)	(20,112)
Moschino Korea L.t.d.	Seoul (KR)	4,042	(2,594)	(5,040)	100%	n.d.	4	(4)	(5,040)	(5,040)
Moschino Shangai Ltd	Huangpu (Shanghai)	20,973	(13,982)	(10,422)	100%	n.d.			(10,422)	(10,422)
Total							67,583	(17,589)	(39,264)	10,730

4.2 Equity investments in other companies

The composition of the item Investments in other as of 31 December 2024 is highlighted in the following table:

(values in thousands of EUR)

Comapny	Registered office	Share Capital	Net profit for the period	Net equity	Direct interest %	Number of shares	Book value
Conai							0,19
Caaf Emilia Romagna					0,688%	5.000	3
Assoform					1,670%		2
Consorzio Assoenergia Rimini					2,100%		1
Fondazione MadeinItaly circolare-sostenibile							9
Consorzio RE.CREA							2
Effegidi							6
Total investemts in other companies:							22

5. *Other fixed assets*

This item mainly includes receivables from subsidiary companies.

The item other assets recorded an increase of EUR 21,956 thousand with a balance at the end of the financial year of EUR 25,811 thousand. This increase derives mainly from the financing granted to the subsidiary Moschino Asia Pacific Ltd for the recapitalization of the company Moschino Shanghai Ltd, 100% owned by Moschino Asia Pacific.

6. *Deferred tax assets and liabilities*

This caption is analysed below as of 31 December 2024 and 2023:

(Values in thousands of EUR)	Receivables		Liabilities	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Tangible fixed assets			(17)	(17)
Intangible fixed assets	52	3	(130)	(130)
Provisions	1,121	717		
Costs deducible in future periods		262		
Income taxable in future periods			(16,442)	69
Tax losses carried forward	5,738	6,547		
Other tax assets (liabilities) from transition to IAS	2,203	20	(6,502)	(6,679)
Total	**9,114**	**7,549**	**(23,091)**	**(6,757)**

Changes in temporary differences during the year are shown in the following table:

(Values in thousands of EUR)	Opening balance	Recorded in the income statement	Other	Closing balance
Tangible fixed assets	(17)			(17)
Intangible fixed assets	(127)	49		(78)
Provisions	717	404		1,121
Costs deducible in future periods	262	(165)	(97)	
Income taxable in future periods	69	(16,511)		(16,442)
Tax losses carried forward	6,547	(187)	(622)	5,738
Other tax assets (liabilities) from transition to IAS	(6,659)	2,320	40	(4,299)
Tax previous periods		46	(46)	
Totale	**792**	**(14,044)**	**(725)**	**(13,977)**

The decrease of EUR 725 thousand in the "Other" column essentially refers to the partial compensation of the IRES debt for the financial year generated as a result of the participation of the controlled companies in the tax consolidation with the credit for advance taxes accrued in some companies of the Group.

The determination for deferred tax assets was made by assessing the reasonable certainty of recoverability on the basis of the 2025-2028 Industrial Plan approved on 23 January 2025.

CURRENT ASSETS

7. Stocks and inventories

This caption comprises:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Raw, ancillary and consumable materials	4,339	5,290	(951)	(18.0%)
Work in progress	3,866	4,533	(667)	(14.7%)
Finished products and goods for resale	22,277	34,159	(11,882)	(34.8%)
Total	**30,482**	**43,982**	**(13,500)**	**(30.7%)**

Inventories are valued at the lower of cost and net realizable value.

For finished products, the production cost includes the costs of raw materials, materials and external processing, as well as all other direct and indirect production costs, for the portions reasonably attributable to the products, excluding financial charges.

The stocks of raw materials and products in progress refer substantially to the production of the spring/summer 2025 collections, while the finished products mainly concern the autumn/winter 2024, spring/summer 2025 collections and the autumn/winter 2025 sample collection.

The value of the finished products and goods inventories recorded a decrease of EUR 11,833 thousand compared to the value of the previous year mainly due to the contraction in sales that occurred during 2024.

The value of the inventories is already indicated net of the obsolescence provision equal to EUR 9,098 thousand.

The obsolescence provision reflects the best estimate made by management on the basis of the distribution of inventory by year and season, on considerations derived from past experience of sales through alternative channels and future sales volume prospects.

8. *Trade receivables*

This caption is analysed in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	Change %
Customers receivables	14,270	21,752	(7,482)	(34.4%)
Subsidiaries receivables	62,680	50,513	12,167	24.1%
Parent Company receivables		5	(5)	(100.0%)
(Allowance for Subsidiaries doubtful receivables)	(13,091)	(13,091)		n.a.
(Allowance for doubtful receivables)	(1,341)	(2,323)	982	(42.3%)
Total	**62,518**	**56,856**	**5,662**	**10.0%**

At of December 31, 2024, trade receivables amounted to EUR 62,518 thousand, with an increase of 10% compared to their value as of December 31, 2023.

Trade receivables decreased by 34.4% mainly due to the contraction in sales that occurred during 2024.

Receivables from subsidiaries showed a balance at the end of the year of EUR 62,680 thousand compared to EUR 50,513 thousand in the previous year, with an increase of 24.1%.

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

The following table shows changes in the allowance for doubtful accounts:

(Values in thousands of EUR)	31 December 2023	Increases	Decreases	31 December 2024
(Allowance for doubtful account)	2,323	700	(1,682)	1,341
Total	**2,323**	**700**	**(1,682)**	**1,341**

9. *Tax receivables*

This caption is analysed in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
VAT	1,457	1,355	102	7.5%
Corporate income tax (IRES)	1,254	3,162	(1,908)	(60.3%)
Local business tax (IRAP)		686	(686)	(100.0%)
Other tax receivables	2,274	2,583	(309)	(12.0%)
Total	**4,985**	**7,786**	**(2,801)**	**(36.0%)**

The change in tax credits is mainly attributable to the decrease in IRES and IRAP credits.

10. Cash

This caption comprises:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	Change %
Bank and post office deposits	2,535	2,346	189	8.1%
Cash in hand	199	215	(16)	(7.4%)
Total	**2,734**	**2,561**	**174**	**6.8%**

Bank and postal deposits represent the nominal value of the current account balances with banks, including the interest accrued at period end. Cash and cash equivalents represent the nominal value of the cash held at period end.

11. Other receivables

This caption comprises:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Credits for prepaid costs	16,086	18,160	(2,074)	(11.4%)
Advance payments and credit notes to be received	375	1,023	(649)	(63.4%)
Accrued income and prepaid expenses	1,193	1,021	172	16.8%
Others	1,943	1,667	276	16.6%
Firr	174	547	(373)	(68.2%)
Total	**19,771**	**22,418**	**(2,647)**	**(11.8%)**

The credits for advance costs refer to the suspension of the portion of the design and production costs of the samples relating to the spring/summer 2025 and autumn-winter 2024 collections for which the corresponding sales revenues have not yet been generated.

The decrease of EUR 2,074 thousand is mainly due to the contraction in sales that occurred during the year 2024 and consequently in costs.

Accruals and deferrals mainly refer to passive rents, insurance premiums and periodic maintenance and/or subscription fees.

The receivable from Firr arises following to the agency activity carried out by the maison Moschino S.p.A.

The item “Other” mainly refers to receivables from suppliers for credit notes relating to returns of materials/finished products and discounts on purchases, credits vs. Social security institutions, credits towards employees, credits for advance payments and short-term security deposits.

12. Assets available for sale

During the financial year, the Company reclassified the fixed assets of the boutique located in Rome in Via Condotti to assets available for sale, a shop no longer included in the strategic path of the Company for a value of EUR 4,350 thousand.

13. SHAREHOLDERS' EQUITY

The main elements comprising shareholders' equity as of 31 December 2024 are described below.

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change
Share capital	24,606	24,606	-
Share premium reserve	10,683	62,264	(51,581)
Other reserves	4,979	4,979	-
Fair value reserve	7,742	7,742	-
Legal reserve	4,032	4,032	-
IAS reserve	11,253	11,253	-
Reamisurement of defined benefit plans reserve	(1,032)	(1,033)	1
Extraordinary reserve from realignment of D.L. 104/2020	3,807	3,807	-
Profits/(Losses) carried-forward	2,375	2,375	-
Net profit / (loss)	35,607	(51,581)	87,188
Incorporation merger reserve	(20,888)	(20,888)	-
Total	**83,164**	**47,556**	**35,608**

Share capital

Share capital as of 31 December 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 31 December 2024 the Company holds 8,937,519 treasury shares, the representing the 8.325% of its share capital.

There are no shares with restricted voting rights, without voting rights or with preferential rights. During 2024, no treasury shares were purchased by the Company.

Share premium reserve

The change in the share premium reserve equal to EUR 51,581 thousand is related to the coverage of the loss for the 2023 financial year.

Other reserves

The item “Other reserves” as of 31 December 2024 amounts to EUR 4,979 thousand and has not changed compared to the year 2023. It is specified that the reserves have not been moved by income or expenses directly charged to net equity.

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.

Legal reserve

The legal reserve amounts to EUR 4,032 thousand at 31 December 2024 and has not changed compared to the year 2023.

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. The item has not changed compared to 2023.

Reamisurement of defined benefit plans reserve

The remeasurement of defined benefit plans reserve, formed as a result of the application, from 1st January 2013 (retrospectively), of the amendment to IAS 19.

Extraordinary reserve from realignement of D.L. 104/2020

The Extraordinary reserve from realignement of D.L. 104/2020 amounts to EUR 3,807 thousand at 31 December 2024 and has not changed compared to the year 2023.

This reserve has been registered in Year 2021 when the Company has made use of the right to realign the civil and fiscal values relating to business assets, as required by Article 110, paragraph 8 of the Legislative Decree 104 of 14 August 2020 (the so-called August Decree), converted into Law no. 126, with reference to the building of the registered office.

Profits/(Losses) carried-forward

The Profits/(losses) item at 31 December 2024, amounts to EUR 2,375 thousand and has not changed compared to the year 2023.

Net Profit /loss

The item shows a profit for the year of EUR 35,607 thousand.

Merger Reserve

The item has not changed compared to 2024.

Information on distributable reserves

The following schedule provides information on the way each equity reserve can be used and/or distributed, together with how they have been used in the past three years.

(Values in thousands of EUR)	Amount	Possible uses	Amount distributable	Uses in prior years		
				To cover losses	For capital increases	For distribution to shareholders
Share capital	24,606					
Legal reserve	4,032	B				
Share premium reserve:						
- including	9,794	A,B,C	9,794	56,916		
- including	889	B				
Other reserves:						
- inc. extraordinary reserve	4,979	A,B,C	4,979	15,920		
IAS reserve (art.6 D.Lgs. 38/2005)	11,253	B				
Fair Value reserve (art. 6 D.Lgs. 38/2005)	7,742	B				
Remeasurement of defined benefit plans reserve	(1,032)					
Merger reserve	(20,888)					
Profit/(losses) carried-forward	2,375	A,B,C	2,375			
Extraordinary reserve from realignment L.D. 104/2020	3,807	A,B,C	3,807			
Total	**47,557**		**20,955**	**72,836**	-	-

LEGEND: A (for capital increases); B (to cover losses); C (for shareholder distribution)

<u>Restricted Reserves</u>

Pursuant to art. 109.4.b) of the Consolidated Income Tax Law approved by Decree 917 dated 22 December 1986, as modified by Decree 344 dated 12 December 2003, the restricted reserves as of 31 December 2024 amount to EUR 1,302 thousand.

In addition, the Company has made use of the right to realign the civil and fiscal values relating to business assets, as required by Article 110, paragraph 8 of the Legislative Decree 14 August 2020 n. 104 (the so-called August Decree), converted into Law no. 126, with reference to the building of the registered office and a reserve in tax suspension (using part of the extraordinary reserve) for EUR 3,807 thousand was bound.

These constraints, in the event of insufficient reserves and distributable profits, entail being subject to taxation in the event of distribution.

NON-CURRENT LIABILITIES

14. Provisions

The changes in the various provisions are analysed below:

(Values in thousands of EUR)	31 December 2023	Increases	Decreases	31 December 2024
Pensions and similar obligations	1,483	157	(482)	1,158
Fund for expected returns		1,386		1,386
Provision for future risks and charges	250	3,200	(250)	3,200
Other	17,743	22,615	(1,094)	39,264
Total	**19,476**	**27,358**	**(1,826)**	**45,008**

The provision for retirement benefits is determined on the basis of an estimate of the costs to be paid in relation to the termination of agency contracts, considering the provisions of law and any other element useful for such estimate such as statistical data, average duration of agency contracts and their turnover index. The amount of the item is calculated on the basis of the current value of the disbursement necessary to extinguish the obligation.

The value of the provision for expected returns has been estimated against the estimated expected returns that will occur within the scope of commercial agreements.

The provision for future risks and charges is mainly linked to organizational changes.

The following is the movement of the item "Others" which refers to the write-downs of shareholdings for the part exceeding the historical cost:

Company	Direct interest %	Book vale at 31/12/2023	2024 provision	2024 provision release	Book value at 31/12/2024
Aeffe Germany Gbmh	100.0%	(401)	(698)		(1,099)
Aeffe Netherlands Bv	100.0%	*(140)*	*(495)*		*(635)*
Moschino Asia Pacific Ltd	100.0%	(3,073)	(17,039)		(20,112)
Moschino Korea Ltd	100.0%	*(2,613)*	*(2,426)*		*(5,039)*
Moschino Shangai Ltd (subsidiary through Moschino Asia Pacific Ltd)	100.0%	(11,515)		1,094	(10,421)
Aeffe group inc	100.0%		*(1,957)*		*(1,957)*
Totale		*(17,743)*	*(22,615)*	*1,094*	*(39,264)*

15. Post-employment benefits

The severance indemnities payable on a deferred basis to all employees 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 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.

The main changes are described below:

(Values in thousands of EUR)	31 December 2023	Increases	Decreases / Other changes	31 December 2024
Post employment benefits	2,627	77	(243)	2,461
Total	**2,627**	**77**	**(243)**	**2,461**

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 variation.

16. Non-current financial liabilities

Non-current financial payables are analysed in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Loans from financial institutions	40,425	58,660	(18,235)	(31.1%)
Lease liabilities	31,265	44,980	(13,715)	(30.5%)
Total	**71,690**	**103,640**	**(31,950)**	**(30.8%)**

The entry “Loans from financial institutions” relates to the portion of bank loans due beyond 12 months. All other operations are 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 Pollini S.p.A. of EUR 11,420 thousand.

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

Lease liabilities relate to the application of IFRS 16 and below is the table with the movement and temporal distribution of the debt:

(Values in thousands of EUR)	Lease liabilities	By 1 year	From 2 to 5 years	Exceeding 5 years
Net book value as of 31.12.23	**54,189**	**9,209**	**29,849**	**15,131**
Increases	2,209			
Decreases	(4,370)			
Lease repayment	(10,377)			
Financial expenses	1,353			
Decreases for goods intended for sale	(4,546)			
Net book value as of 31.12.24	**38,458**	**7,192**	**22,459**	**8,807**

The following table details the bank loans outstanding as of 31 December 2024, including both the current and the non-current portion:

(Values in thousands of EUR)	Total amount	Current portion	Non-current portion
Bank borrowings	58,707	18,282	40,425
Total	**58,707**	**18,282**	**40,425**

Maturities beyond five years amount to EUR 4,375 thousand.

17. Non-current not financial liabilities

Non-financial liabilities decreased by EUR 307 and are related to contributions granted by the lessors, during the opening phase of the store, for renovation and fitting-out works and charged to the income statement on the basis of the duration of the rental contract.

CURRENT LIABILITIES

18. Trade payables

This caption is analysed below on a comparative basis:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	Change %
Payables for advances from costumers	1,456	2,058	(602)	(29.3%)
Payables with subsidiaries	13,539	22,579	(9,040)	(40.0%)
Payables with third parties	28,013	38,390	(10,377)	(27.0%)
Total	**43,008**	**63,027**	**(20,019)**	**(31.8%)**

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

The decrease in trade payables and payables to subsidiaries is mainly due to the contraction in sales that occurred during 2024 and the resulting costs.

19. Tax payables

Tax payables are analysed on a comparative basis in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	Change %
Amounts due to tax authority for withheld taxes	4,274	1,997	2,277	114.0%
Other	17	-	17	n.a.
Total	**4,291**	**1,997**	**2,294**	**114.9%**

20. *Short-term financial liabilities*

This caption is analysed in the following table:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Due to banks	25,988	66,014	(40,026)	(60.6%)
Lease liabilities	7,193	9,209	(2,016)	(21.9%)
Total	**33,181**	**75,223**	**(42,042)**	**(55.9%)**

Bank overdrafts include advances from banks, short-term loans, and the current portion of long-term loans. Advances mainly comprise the drawdown against short-term lines of credit arranged to finance working capital.

The reduction in debts to banks is mainly determined by the effects of the transfer of ownership of the "Moschino" trademark with reference to all products belonging to product class 3 of the Nice Classification.

Lease liabilities are related to the application of IFRS 16.

21. *Other liabilities*

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

(Values in thousands of EUR)	31 December 2024	31 December 2023	Change	%
Due to total security organization	2,719	2,766	(47)	(1.7%)
Due to employees	3,473	3,395	78	2.3%
Trade debtors - credit balances	586	1,748	(1,162)	(66.5%)
Accrued expenses and deferred income	1,279	9,460	(8,181)	(86.5%)
Other	180	213	(33)	(15.3%)
Total	**8,237**	**17,582**	**(9,345)**	**(53.1%)**

The amounts due to social security institutions, recorded at nominal value, relate to the social security charges on the wages and salaries of the Company's employees.

The decrease in the item "accruals and deferred income" is mainly due to the reduction in royalty advances for Spring/Summer 2025 compared to Spring/Summer 2024.

COMMENTS ON THE INCOME STATEMENT

22. *Revenues from sales and services*

Accounting Policy:

Sales and performance revenue is derived primarily from the sale of goods with revenue recognition "at point in time" when control of the good has been transferred to the customer. This is expected both for Wholesale distribution (shipping of goods to the customer) and for retail distribution when the goods are sold through a physical store. Regarding the export of goods, control can be transferred in various phases depending on the type of Incoterm applied to the specific customer. Given this, it leads to a limited judgment on the identification of the transfer of control of the asset and the consequent recognition of revenue.

A part of the Company's revenues comes from the recognition of royalties, agreed on the basis of a percentage pre-established in the contract with the customer, on the net turnover. Royalties accrue "at point in time", therefore at the moment of issue by the licensee of the sales invoices of the licensed products.

Determination of the transaction price:

The majority of the Company's revenues are derived from list prices which may vary depending on product type, brand and geographic region. Some contracts with the Company's retail Group provide for the transfer of control with the right of return.

Regarding the recognition of royalties, these are calculated on the basis of a percentage of the licensee's net turnover. The percentage may vary based on the type of product.

Breakdown of revenues from sales and services (IFRS 15)

(Values in thousands of EUR) Full Year 2024	**Prêt-à porter Division**	**Footwear and leather goods Division**	**Total Aeffe Spa**
Geographical area	**99,183**	**34,275**	**133,458**
Italy	44,144	25,306	69,450
Europe (Italy excluded)	22,083	3,159	25,242
Asia and Rest of the World	26,601	4,663	31,264
America	6,355	1,147	7,502
Brand	**99,183**	**34,275**	**133,458**
Alberta Ferretti	15,692	1,200	16,892
Philosophy	14,710	643	15,353
Moschino	68,323	32,428	100,751
Other	458	4	462
Distribution channel	**99,183**	**34,275**	**133,458**
Wholesale	71,958	8,802	80,760
Retail	22,963	12,291	35,254
Royalties	4,262	13,182	17,444
Timing of goods and services transfer	**99,183**	**34,275**	**133,458**
POINT IN TIME (transfer of significant risks and benefits connected to the property of the asset)	71,958	8,802	80,760
POINT IN TIME (Royalties accrual on Licensee's turnover)	4,262	13,182	17,444

In 2024, revenues went from EUR 183,696 thousand in 2023 to EUR 133,458 thousand in 2024, with a decrease of 27.3%. The reduction in revenues is attributable to the slowdown in both the retail and wholesale channels.

52% of revenues are earned in Italy while 48% come from foreign markets.

23. *Other revenues and income*

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Rental income	3,089	3,089	-	n.a.
Other income	106,866	9,503	97,363	1,024.6%
Total	**109,955**	**12,592**	**97,363**	**773.2%**

The item other revenues includes services, profits on commercial exchanges, sales of raw materials and packaging, R&D tax credit and the release of some funds.

In 2024, the item other revenues includes the capital gain of EUR 87,249 thousand realized following the transfer by Aeffe of the ownership of the “Moschino” brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

24. *Costs of raw materials*

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Raw, ancillary and consumable materials and goods for resale	37,306	60,916	(23,610)	(38.8%)
Total	**37,306**	**60,916**	**(23,610)**	**(38.8%)**

This item mainly includes costs for the purchase of raw materials such as fabrics, yarns, leather and accessories, purchases of finished products for resale (marketed products) and packaging.

The decrease in raw material costs is determined by the contraction in turnover on the channel.

25. *Costs of services*

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Subcontracted work	14,356	18,297	(3,941)	(21.5%)
Consultancy fees	17,502	25,147	(7,645)	(30.4%)
Advertising	11,149	13,467	(2,318)	(17.2%)
Commission	4,220	6,311	(2,091)	(33.1%)
Transport	2,907	3,949	(1,042)	(26.4%)
Utilities	1,067	1,186	(119)	(10.0%)
Directors' and auditors' fees	1,831	2,717	(886)	(32.6%)
Insurance	361	303	58	19.1%
Bank charges	266	296	(30)	(10.1%)
Travelling expenses	636	894	(258)	(28.9%)
Other services	5,765	6,457	(692)	(10.7%)
Total	**60,060**	**79,024**	**(18,964)**	**(24.0%)**

Service costs went from EUR 79,024 thousand in the 2023 financial year to EUR 60,060 thousand in the 2024 financial year, with a decrease of 24%.

26. Costs for use of third parties assest

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Rental expenses	782	972	(190)	(19.5%)
Royalties	152	597	(445)	(74.5%)
Hire charges and similar	249	388	(139)	(35.8%)
Total	**1,183**	**1,957**	**(774)**	**(39.6%)**

27. Labour costs

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Wages and payrolls	43,803	46,563	(2,760)	(5.9%)
Total	**43,803**	**46,563**	**(2,760)**	**(5.9%)**

Personnel costs went from EUR 46,563 thousand in 2023 to EUR 43,803 thousand in 2024, with a decrease of 5.9% mainly due to the corporate reorganization process.

During 2024, the Solidarity Contract was used pursuant to art. 21 paragraph 1 letter c) of Legislative Decree no. 148/2015 with effect from 2 April 2024 to 31 August 2024 and subsequently the Ordinary Earnings Integration Fund was opened with effect from 1 October 2024, for a period of 12 weeks.

The national employment contract applied is that of the textile and clothing industry sector of November 2024.

The average number of employees in 2024 is analysed below:

(Average number of employees by category)	Full Year 2024	Full Year 2023	Change	Change %
Workers	168	165	3	1.8%
Office staff - supervisors	557	595	(38)	(6.4%)
Executive and senior managers	19	20	(1)	(5.0%)
Total	**744**	**780**	**(36)**	**(4.6%)**

28. Other operating expenses

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Taxes	672	887	(215)	(24.2%)
Gifts	276	594	(318)	(53.5%)
Other operating expenses	604	1,905	(1,301)	(68.3%)
Total	**1,552**	**3,386**	**(1,834)**	**(54.2%)**

The item "Other" mainly includes donations, contributions to trade associations and exchange losses.

29. Amortisation and write-downs

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Amortisation of intangible fixed assets	2,503	2,685	(182)	(6.8%)
Depreciation of tangible fixed assets	2,867	3,145	(278)	(8.8%)
Depreciation of right-of-use assets	10,538	10,909	(371)	(3.4%)
Write-downs and provisions	26,177	31,587	(5,410)	(17.1%)
Total	**42,085**	**48,326**	**(6,241)**	**(12.9%)**

The item "Write-downs and provisions" includes both the write-downs of the cost of the above-mentioned investments and the additional provisions to the risk fund to cover losses for the portion of the write-down exceeding the historical cost of the investments themselves. The details are as follows:

Company	2024 provision	2024 provision release	Devaluation 2024	Book value at 31/12/2024
Aeffe Germany Gbmh	(698)			(698)
Aeffe Netherlands Bv	*(495)*			*(495)*
Moschino Asia Pacific Ltd	(17,039)			(17,039)
Moschino Korea Ltd	*(2,426)*			*(2,426)*
Moschino Shangai Ltd		1,094		1,094
Aeffe group Inc	*(1,957)*		*(440)*	*(2,397)*
Moschino France Sarl			(159)	(159)
Totale	*(22,615)*	*1,094*	*(599)*	*(22,120)*

Furthermore, provisions were made to the bad debt provision for EUR 700 thousand, to the provision for future risks and charges for EUR 3,200 thousand and to the provision for supplementary customer indemnity for EUR 157 thousand.

30. Financial income/ expenses

The caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	Change %
Interest income	465	79	386	488.6%
Financial discounts	1	1	-	n.a.
Foreign exchange gains	383	13	370	2,846.2%
Financial income	**849**	**93**	**756**	**812.9%**
Income from participation	**15,000**		**15,000**	**n.a.**
Bank interest expenses	6,550	5,733	817	14.3%
Foreign exchange losses	-	25	(25)	(100.0%)
Other expenses	417	404	13	3.2%
Financial expenses	**6,967**	**6,162**	**805**	**13.1%**
Leasing interest expenses	1,353	1,490	(137)	(9.2%)
Leasing interest expenses	**1,353**	**1,490**	**(137)**	**(9.2%)**
Total	**7,529**	**(7,559)**	**15,088**	**n.a.**

Net financial management goes from EUR -7,559 thousand in 2023 to EUR 7,529 thousand in 2024 with an increase of 199.6% mainly due to the distribution of profit reserves by the subsidiary Pollini S.p.A. equal to EUR 15,000 thousand. Net of this operation, financial income and expenses remain substantially unchanged.

31. *Income taxes*

This caption comprises:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023	Change	%
Current income taxes	2,755		2,755	n.a.
Deferred income (expenses) taxes	14,043	(7,763)	21,806	n.a.
Total income taxes	**16,798**	**(7,763)**	**24,561**	**n.a.**

The changes in deferred income (expenses) taxes are analysed in the note on deferred tax assets and liabilities.

The effective tax rates for 2023 and 2024 are reconciled with the theoretical rate in the following table:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Profit before taxes	52,405	(59,343)
Theoretical tax rate	24.0%	24.0%
Theoretical income taxes (IRES)	**12,577**	**(14,242)**
Fiscal effect	6,922	6,539
Total income taxes excluding IRAP (current and deferred)	**19,499**	**(7,703)**
IRAP (current and deferred)	**(2,701)**	**(59)**
Total income taxes (current and deferred)	**16,798**	**(7,762)**

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.

32. *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) From continuing and discontinued activities	Full Year 2024	Full year 2023
From continuing activities		
Earning/(loss) for determining basic result per share	35,607	(51,581)
Earning/(loss) for determing result per share	**35,607**	**(51,581)**
Dilutive effects	-	-
Earning/(loss) for determing dilutive result per share	**35,607**	**(51,581)**
From continuing and discontinued activities		
Earning/(loss) for the period	35,607	(51,581)
Earning/(loss) from discontinued operations	-	-
Earning/(loss) for determining basic result per share	**35,607**	**(51,581)**
Dilutive effects	-	-
Earning/(loss) for determing dilutive result per share	**35,607**	**(51,581)**
Number of reference share		
Average number of shares for determing result per share	**98,425**	**98,425**
Share options	-	-
Average number of shares for determing diluted result per share	**98,425**	**98,425**

Basic earnings/loss per share

Net profit attributable to holders of ordinary shares of the Company is equal to 35,607 thousand (December 2023 loss of -51,581 thousand).

Dilutive earning/(loss) per share

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

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow used in 2024 amounts to EUR 2,734 thousand.

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Opening balance of Aeffe S.p.A.	2.561	5,762
Opening balance of Moschino S.p.A. merged for incorporation		1,963
Opening balance of Aeffe Retail S.p.A. merged for incorporation		768
Opening balance (A)	**2,561**	**8,493**
Cash flow (absorbed) / generated by operating activity (B)	(18,001)	8,340
Cash flow (absorbed) / generated by investing activity (C)	102,045	(11,461)
Cash flow (absorbed) / generated by financing activity (D)	(83,872)	(80)
Increase / (decrease) in cash flow (E)=(B)+(C)+(D)	**173**	**(3,201)**
Closing balance (F)=(A)+(E)	**2,734**	**2,561**

33. Net cash flow (absorbed)/generated by operating activity

Operational management in 2024 used cash flows of EUR 18,001 thousand.

The cash flow from operating activities is analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Opening balance of Aeffe S.p.A.	2.561	5,762
Opening balance of Moschino S.p.A. merged for incorporation		1,963
Opening balance of Aeffe Retail S.p.A. merged for incorporation		768
Opening balance (A)	**2,561**	**8,493**
Profit before taxes	52,405	(59,343)
Amortisation	(45,945)	48,326
Accrual (+)/availment (-) of long term provisions and post employment benefits	25,367	(360)
Paid income taxes	265	1,163
Financial income (-) and financial charges (+)	(7,529)	7,560
Change in operating assets and liabilities	(42,563)	8,263
Cash flow (absorbed)/ generated by operating activity	**(18,001)**	**8,340**

34. Net cash flow (absorbed)/generated by investing activity

The cash flow used EUR 102,045 thousand in the investment activity of 2024.

The factors comprising this use of funds are analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Increase (-)/ decrease (+) in intangible fixed assets	98,000	(992)
Increase (-)/ decrease (+) in tangible fixed assets	(143)	(2,204)
Increase (-)/ decrease (+) in right-of-use assets	3,588	(8,263)
Investments (-)/ Disinvestments (+)	600	(2)
Cash flow (absorbed)/ generated by investing activity	**102,045**	**(11,461)**

35. *Net cash flow (absorbed)/generated by financing activity*

The cash flow used by the financial activity in 2024 is EUR 83.872 thousand.

The factors comprising this use of funds are analysed below:

(Values in thousands of EUR)	Full Year 2024	Full Year 2023
Other variations in reserves and profits carried-forward of shareholders' equity	1	-
Proceeds (+)/repayments (-) of financial payments	(53,715)	10,760
Proceeds (+)/ repayment (-) of lease payments	(15,731)	(79)
Increase (-)/ decrease (+) in long term financial receivables	(21,956)	(3,202)
Financial income (+) and financial charges (-)	7,529	(7,560)
Cash flow (absorbed)/ generated by financing activity	**(83,872)**	**(80)**

OTHER INFORMATION

36. *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.

37. *Net financial position*

As required by ESMA guidance 32-382-1138 of March 4, 2021, in line with the "Warning no. 5/21 "of 29 April 2021 of Consob, it should be noted that the debt of the Aeffe S.p.A. at 31 December 2024 is as follows:

(Values in thousands of EUR)	31 December 2024	31 December 2023
A - Cash	2,734	2,561
B - Cash equivalents		
C - Other current financial assets	-	-
D - Liquidity (A + B + C)	**2,734**	**2,561**
E - Current financial debt	7,706	48,112
F - Current portion of non-current financial debt	25,474	27,111
G - Current financial indebtedness (E + F)	**33,180**	**75,223**
H - Net current financial indebtedness (G - D)	**30,446**	**72,662**
I - Non-current financial debt	71,691	103,640
J - Debt instruments	-	-
K - Non-current trade and other payables	-	-
L - Non-current financial indebtedness (I + J + K)	**71,691**	**103,640**
M - Total financial indebtedness (H + L)	**102,137**	**176,302**

The Company's net financial debt stands at EUR 102,137 thousand as of 31 December 2024 compared to EUR 176,302 thousand as of 31 December 2023 with an improvement of EUR 74,166 thousand.

The liquid assets as of December 31, 2024 are substantially in line with the previous year's value.

Financial debt, net of the effect of the application of IFRS 16, is equal to EUR 63,679 thousand at 31 December 2024 compared to EUR 122,114 thousand at 31 December 2023.

With regard to financial debt, it should be noted that Aeffe S.p.A. and Euroitalia S.r.l. signed and executed, during 2024, a framework agreement for the transfer by Aeffe of the ownership of the “Moschino” trademark with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, for a consideration of EUR 98,000 thousand fully paid.

38. Intercompany transactions

Aeffe S.p.A. also operates via its own direct or indirect subsidiaries. Operations carried out with them 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 effect of these transactions on the individual captions reported in the 2024 and 2023 financial statements, as shown in the supplementary income statement and balance sheet prepared for this purpose, is summarised in the following tables:

COSTS AND REVENUES

(Values in thousands of EUR) Year 2024	Revenues from sales and services	Other revenues and income	Costs of raw materials, cons. and goods for resale	Costs of services	Costs for use of third parties assets	Financial income (expenses)
Moschino France Sarl	526	3	207	3,546		
Fashoff Uk Ltd	390	2	4	1,156		
Moschino Shanghai Ltd	6,088			1,100		166
Moschino Korea Ltd	2,626					
Moschino Asia Pacific Ltd	1,187			975		287
Moschino Kids Srl	2,680		881			
Aeffe Group Inc	4,449	2		1,185		
Pollini Group	9,406	4,123	9,232	109	3	
Aeffe Germany Gmbh	687		20			
Aeffe Spagna Slu	554		37			
Aeffe Netherlands Bb	547	1	16			
Total Group companies	**29,140**	**4,131**	**10,397**	**8,071**	**3**	**453**
Total income statement	133,458	109,955	(37,306)	(60,060)	(1,183)	7,529
Incidence % on income statement	**21.8%**	**3.8%**	**(27.9%)**	**(13.4%)**	**(0.3%)**	**6.0%**

(Values in thousands of EUR) Year 2023	Revenues from sales and services	Other revenues and income	Costs of raw materials, cons. and goods for resale	Costs of services	Costs for use of third parties assets	Financial income (expenses)
Moschino France Sarl	1,202	3	248	3,205		11
Fashoff Uk Ltd	362	2	12	1,529		5
Moschino Shanghai Ltd	11,366			1,339		
Moschino Korea Ltd	2,478	3				
Moschino Asia Pacific Ltd	343	31		1,118		32
Moschino Kids Srl	1,991		583			
Aeffe Group Inc	5,126	34	1	1,510		(109)
Pollini Group	12,664	4,201	17,574	197	5	
Aeffe Germany Gmbh	800		230			
Aeffe Spagna Slu	862		7			
Aeffe Netherlands Bb	850	2	8			
Total Group companies	**38,044**	**4,276**	**18,663**	**8,898**	**5**	**(61)**
Total income statement	183,696	12,592	(60,916)	(79,024)	(1,958)	(7,560)
Incidence % on income statement	**20.7%**	**34.0%**	**(30.6%)**	**(11.3%)**	**(0.3%)**	**0.8%**

RECEIVABLES AND PAYABLES

(Values in thousands of EUR)	Other fixed assets	Trade receivables	Other provisions	Trade payables
Year 2024				
Fashoff UK Ltd		736		549
Moschino Shanghai Ltd	5,490	15,179	10,421	527
Moschino France Sarl		557		2,924
Moschino Korea Ltd		11,931	5,040	1,140
Moschino Usa Inc		3,015		
Moschino Kids Srl		308		173
Moschino Asia Pacific Ltd	20,216	1,912	20,112	111
Aeffe Group Inc		5,078	1,957	866
Pollini Group		8,651		7,168
Aeffe Germany Gmbh		1,413	1,099	20
Aeffe Spagna Slu				38
Aeffe Netherlands Bv		809	635	24
Total Group companies	**25,706**	**49,589**	**39,264**	**13,540**
Total balance sheet	25,811	62,519	45,009	43,008
Incidence % on balance sheet	**99.6%**	**79.3%**	**87.2%**	**31.5%**

(Values in thousands of EUR)	Other fixed assets	Trade receivables	Other provisions	Trade payables
Year 2023				
Fashoff UK Ltd		160		1,402
Moschino Shanghai Ltd		11,780	11,515	499
Moschino France Sarl		1,965		3,243
Moschino Korea Ltd		9,111	2,613	1,790
Moschino Usa Inc		4,980		157
Moschino Kids Srl		1,097		158
Moschino Asia Pacific Ltd	3,761	418	3,073	15
Aeffe Group Inc		4		565
Pollini Group		5,677		14,741
Aeffe Germany Gmbh		1,093	401	-
Aeffe Spagna Slu		214		1
Aeffe Netherlands Bv		924	140	8
Total Group companies	**3,761**	**37,423**	**17,743**	**22,579**
Total balance sheet	3,856	56,856	19,475	63,027
Incidence % on balance sheet	**97.5%**	**65.8%**	**91.1%**	**35.8%**

39. Transactions with related parties

Transactions between the Company and 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 following schedule summarises the Company's transactions with other related parties:

(Values in thousands of EUR)	31 December 2024	31 December 2023	Nature of the transactions
Shareholder Alberta Ferretti with Aeffe S.p.A.			
Contract for the sale of artistic assets and design	1,000	1,000	Cost
Commerciale Valconca with Aeffe S.p.A.			
Revenues	83	121	Revenues
Cost of services	74	75	Cost
Property rental	50	50	Cost
Commercial	-	490	Receivable
Commercial	61		Payable
Ferrim with Aeffe S.p.A.			
Property rental	2,067	1,991	Cost

The following table indicates the data related on the incidence of related party transactions on the income statement, balance sheet and cash flow as of 31 December 2024 and 31 December 2023:

(Values in thousands of EUR)	Balance 2024	Value rel. party 2024	%	Balance 2023	Value rel. party 2023	%
Incidence of related party transactions on the income statement						
Revenues from sales and services	133,458	83	0.1%	183,696	121	0.1%
Costs of services	60,060	1,074	1.8%	79,024	1,075	1.4%
Incidence of related party transactions on the balance sheet						
Trade payables	(43,008)	61	n.a.	(63,027)		0.0%
Trade receivables	62,519	-	0.0%	56,856	490	0.9%
Incidence of related party transactions on the cash flow						
Cash flow (absorbed) / generated by operating activity	(18,001)	(501)	2.8%	8,340	(931)	n.a.
Incidence of related party transactions on the indebtedness						
Net financial indebtedness	(63,679)	(501)	0.8%	(122,114)	(931)	0.8%

For further information, please refer to the attachments of this note.

40. Atypical and/or unusual transactions

Pursuant to Co.N.So.B Communication DEM/6064293 dated 28 July 2006, it is confirmed that the Company did not enter into any atypical and/or unusual transactions (as defined in such Communication) during 2024.

41. Significant non-recurring events and transactions pursuant to the Co.N.So.B regulation of 28 July 2006

On 26 September 2024, Aeffe S.p.A. and Euroitalia S.r.l. signed and executed a framework agreement for the transfer by Aeffe of the ownership of the "Moschino" trademark with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes.

The economic and financial effects of the transactions are reported in the following summary table:

(Values in thousands of EUR)	Full Year 2024
Non-recurring income statement transactions	
Other revenues and income	87,249
Taxes	(24,343)
Non-recurring balance sheet transactions	
Intangible fixed assets	(10,751)
Deferred tax assets	(4,188)
Cash	98,000
Tax payables	(3,403)
Deferred tax liabilities	(16,752)

42. Guarantees and commitments

As of 31 December 2024, the Company has given performance guarantees to third parties totaling EUR 26,974 thousand (EUR 4,394 thousand as of 31 December 2023).

43. Contingent liabilities

Fiscal disputes

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

44. Information pursuant to art. 149-duodecies of Co.N.So.B's Issuers' Regulations

The following schedule, prepared pursuant to art. 149-duodecies of Co.N.So.B's Issuers' Regulation, shows the fees incurred in 2024 for auditing services and non-auditing services provided by the appointed firm for auditors. No services were provided by members of the auditing firm's network.

(Values in thousands of EUR)	Service provider	2024 fees
Audit	RIA GRANT THORNTON S.p.A.	124
Audit for company Moschino Kids Srl	RIA GRANT THORNTON S.p.A.	17
Audit non-financial statement (DNF)	BDO ITALIA S.p.A.	40
Audit non-financial statement (DNF)	RIA GRANT THORNTON S.p.A.	28
R&D tax credit certification	RIA GRANT THORNTON S.p.A.	12
Consolidated ESEF financial statements	BDO ITALIA S.p.A.	8
Audit Consolidated ESEF financial statements	RIA GRANT THORNTON S.p.A.	8
Vat compliance validation	RIA GRANT THORNTON S.p.A.	6
Total		**243**

ATTACHMENTS TO THE EXPLANATORY NOTES

ATTACHMENT I:	Balance Sheet with related parties
ATTACHMENT II:	Income Statement with related parties
ATTACHMENT III:	Cash Flow Statement with related parties
ATTACHMENT IV:	Prospect of crucial data from the statutory financial statements of Fratelli Ferretti Holding S.r.l. at 31 December 2023

ATTACHMENT I

Balance Sheet, with related parties

Pursuant to Co.N.So.B Resolution no. 15519 dated 27 July 2006

(Values in thousands of EUR)	Notes	31 December 2024	Of which related parties	31 December 2023	Of which related parties
Trademarks		23,881		36,526	
Other intangible fixed assets		1,733		1,560	
Intangible fixed assets	(1)	25,614		38,087	
Lands		17,320		17,320	
Buildings		20,017		20,629	
Leasehold improvements		5,855		7,199	
Plant and machinery		936		1,225	
Equipment		64		107	
Other tangible fixed assets		1,959		2,434	
Total tangible fixed assets	(2)	46,152		48,913	
Right-of-use assets	(3)	33,675		56,660	
Equity investments	(4)	50,016	49,994	50,616	50,594
Other fixed assets	(5)	25,811	25,706	3,856	3,761
Deferred tax assets	(6)	9,114		7,549	
NON-CURRENT ASSETS		**190,383**		**205,681**	
Stocks and inventories	(7)	30,482		43,982	
Trade receivables	(8)	62,519	49,589	56,856	37,913
Tax receivables	(9)	4,985		7,787	
Cash	(10)	2,734		2,561	
Other receivables	(11)	19,772		22,417	
CURRENT ASSETS		**120,492**		**133,603**	
GOODS INTENDED FOR SALE	**(12)**	**4,349**			
TOTAL ASSETS		**315,224**		**339,284**	
Share capital		24,606		24,606	
Other reserves		20,577		72,156	
Profits / (Losses) carried-forward		2,375		2,375	
Net profit / loss		35,607		(51,581)	
SHAREHOLDERS' EQUITY	**(12)**	**83,165**		**47,557**	
Provisions	(13)	45,009	39,264	19,475	17,743
Deferred tax liabilities	(5)	23,091		6,757	
Post employment benefits	(14)	2,461		2,627	
Long term financial liabilities	(15)	71,691	325	103,641	4,742
Long term not financial liabilities	(16)	1,091		1,398	
NON-CURRENT LIABILITIES		**143,342**		**133,898**	
Trade payables	(17)	43,008	13,601	63,027	22,579
Tax payables	(18)	4,291		1,997	
Short term financial liabilities	(19)	33,180	396	75,223	1,869
Other liabilities	(20)	8,238		17,582	
CURRENT LIABILITIES		**88,717**		**157,829**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**315,224**		**339,284**	

ATTACHMENT II

Income Statement, with related parties

Pursuant to Co.N.So.B Resolution no. 15519 dated 27 July 2006

(Values in thousands of EUR)	Notes	Fyll year 2024	of which relate parties	Full year 2023	of which relate parties
REVENUES FROM SALES AND SERVICES	**(22)**	**133,458**	**29,223**	**183,696**	**38,165**
Other revenues and income	(23)	109,955	4,131	12,592	4,276
TOTAL REVENUES		**243,414**		**196,288**	
Changes in inventory		(12,549)		(7,897)	
Costs of raw materials, cons. and for resale	(24)	(37,306)	(10,397)	(60,916)	(18,663)
Costs of services	(25)	(60,060)	(9,145)	(79,024)	(9,973)
Costs for use of third parties assets	(26)	(1,183)	(3)	(1,958)	(5)
Labour costs	(27)	(43,803)		(46,563)	
Other operating expenses	(28)	(1,552)		(3,387)	
Amortisation and write-downs	(29)	(42,086)	(1,681)	(48,326)	(1,563)
Financial income/(expenses)	(30)	7,529	265	(7,560)	(276)
PROFIT / LOSS BEFORE TAXES		**52,405**		**(59,343)**	
Income taxes	(31)	(16,798)		7,763	
NET PROFIT / LOSS		**35,607**		**(51,581)**	

ATTACHMENT III

Cash Flow Statement, with related parties

Pursuant to Co.N.So.B Resolution no. 15519 dated 27 July 2006

(Values in thousands of Eur)	Notes	Full year 2024	Of which related parties	Full year 2023	Of which related parties
Opening balance of Aeffe S.p.A.		2,561		5,762	
Opening balance of Moschino S.p.A. merged for incorporation				1,963	
Opening balance of Aeffe Retail S.p.A. merged for incorporation				768	
Opening balance		**2,561**		**8,493**	
Profit before taxes		52,405		(59,343)	
Amortisation / write-downs		(45,945)	(1,681)	48,326	(1,563)
Accrual (+)/availment (-) of long term provisions and post employment benefits		25,367		(360)	
Paid income taxes		265		1,163	
Financial income (-) and financial charges (+)		(7,529)		7,560	
Change in operating assets and liabilities		(42,563)	(20,654)	8,263	(15,646)
Cash flow (absorbed) / generated by operating activity	**(33)**	**(18,001)**		**5,609**	
Increase (-)/ decrease (+) in intangible fixed assets		98,000		(992)	
Increase (-)/ decrease (+) in tangible fixed assets		(143)		(2,204)	
Increase (-)/ decrease (+) in right-of-use assets (1)		3,588		8,263)	
Investments and write-downs (-)/ Disinvestments and revaluations (+)		600		(2)	
Cash flow (absorbed) / generated by investing activity	**(34)**	**102,045**		**(11,461)**	
Variations in shareholders' equity		1			
Proceeds (+)/repayments (-) of financial payments		(53,715)		10,760	(2,625)
Proceeds (+)/ repayment (-) of lease payments		(15,731)	5,891	(79)	1,720
Increase (-)/ decrease (+) in long term financial receivables		(21,956)	(21,945)	(3,202)	(3,202)
Financial income (+) and financial charges (-)		7,529	265	(7,560)	(276)
Cash flow (absorbed) / generated by financing activity	**(35)**	**(83,872)**		**(80)**	
Closing balance		**2,734**		**2,561**	

ATTACHMENT IV

Prospect of crucial data from the statutory financial statements of Fratelli Ferretti Holding at 31 December 2023

(Values in units of EUR)	STATUTORY FINANCIAL STATEMENTS 2023	STATUTORY FINANCIAL STATEMENTS 2022
BALANCE SHEET		
Intangible fixed assets	46,800	55,066
Tangible fixed assets	-	1,235,226
Equity investments	54,554,186	54,554,986
Non current assets	**54,600,986**	**55,845,278**
Trade receivables	188,446	173,739
Tax receivables	894,344	1,049,094
Cash	354,758	29,254
Other receivables	92	3,374
Current assets	**1,437,640**	**1,255,461**
Total assets	**56,038,626**	**57,100,739**
Share capital	100,000	100,000
Share premium reserve	47,674,104	49,879,769
Other reserves	20,000	20,000
Approximations	1	-1
Net profit/(loss)	232,879	(705,665)
Shareholders' equity	**48,026,984**	**49,294,103**
Provisions	-	43,095
Long term financial liabilities	-	0
Non-current liabilities	**-**	**43,095**
Trade payables	8,011,642	7,763,541
Current liabilities	**8,011,642**	**7,763,541**
Total shareholders' equity and liabilities	**56,038,626**	**57,100,739**
INCOME STATEMENT		
Revenues from sales and services	**435,519**	**480,953**
Other revenues and income	1,749,521	
Total revenues	**2,185,040**	**480,953**
Operating costs	(612,279)	(695,463)
Costs for use of third parties assets	-	0
Amortisation and write-downs	(279,852)	(275,479)
Other operating expenses	(587,726)	(18,848)
Financial income (expenses)	(328,439)	(73,696)
Profit before taxes	**376,744**	**(582,533)**
Income taxes	(143,865)	(123,132)
Net profit/(loss)	**232,879**	**(705,665)**

Certification of the Consolidated Financial Statements pursuant to art.81-ter of Consob Regulation N. 11971 of 14 May 1999, as amended

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 art. 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 the preparation of the statutory financial statements at 31 December of 2024.

The undersigned moreover attest that the consolidated financial statements:

a) 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 Council, dated 19 July 2002;

b) correspond to the amounts shown in Company's accounts, books and records;

c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

The report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which they are exposed.

14 March 2025

Chief executive officer

Simone Badioli

Manager responsible for preparing Aeffe S.p.A. financial reports

Matteo Scarpellini

Ria Grant Thornton

Independent auditors' report

pursuant to article 14 of Legislative Decree

n. 39 of January 27, 2010 and article 10

of EU Regulation n. 537/2014

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To the Shareholders of

Aeffe S.p.A.

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aeffe Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of this report. We are independent of the Aeffe S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the paragraph "Directors' assessment of the going concern assumption" in the notes to the financial statements, where the Directors describe the effects of the actions taken during the year to achieve the economic, patrimonial and financial equilibrium of the Group, as well as the strategic lines and consequent actions to be undertaken, contained in the 2025-2028 industrial plan, on which is based the assessment of the Group's ability to continue operating as an entity in operation, and consequently, they considered appropriate use the assumption of business going concerne in the preparation of the consolidated financial statements at 31 December 2024. In particular, the Board shall highlight the following. ”*Starting from the 2023 financial year and for the entire 2024 financial year, the Aeffe Group has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.*

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over Euro 90 million), during 2024, the Group decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which generated a capital gain of 87 million euros (detailed in notes 23 “Other revenues and income” and 41 “Significant non-recurring events and transactions”), allowed the Group to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025. Specifically, the industrial plan mainly includes a strategic relaunch of the Moschino brand, initially focused on changing the product offering with a consequent increase in the brand's position on the market. These results will be achieved thanks to the contribution of the new creative director Adrian Appiolaza, appointed on January 30, 2024. While hoping for a quick resolution of international conflicts, the 2025 financial year for the group will still be an exercise in approaching the desired path of recovery of volumes and sales performance of products, especially under the Moschino brand, in consideration of the difficulties that the reference market continues to present. Already starting from 2026, with a consolidation trend projected for 2027 and 2028, 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).

Following the reduction in sales volumes and turnover highlighted in 2024, the industrial plan projections include several organizational efficiency and cost containment actions, in particular with regard to service provision (consulting, stylistic and communication) and personnel performance. These actions will allow for a progressive recovery of operating margins.

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 2025-2028 industrial plan on which the assessment of the Group's ability to continue to operate as a going concern is based, 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”.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ria Grant Thornton

Evaluation of Brands Alberta Ferretti, Moschino e Pollini

Description of the Key matter	Audit procedures in response to the Key matter
The consolidated financial statements as at December 31, 2024 include among the non-current assets Alberta Ferretti, Moschino and Pollini's brands (hereinafter also the "brands") for a value of Euro 46,9 million, accounted as intangible assets with a finite useful utile, and systematically amortised straight-line basis over the estimated useful life period in 40 years. The accounting standard IAS 36 provides that the Brands are subjected to a verification of the recoverable value should indicators of possible loss in value occur. The Directors considered the transfer of ownership of the Class 3 of the Nice Classification of its main brand Moschino an extraordinary event which therefore requires assessments in relation to the risk that the accounting values may have suffered lasting losses in value. The brands were therefore subjected to impairment tests to compare their recoverable values with their book values. In order to determine the recoverable value of the brands subject to impairment testing, management has applied the method of discounting royalties hypothetical. This method consists of discounting to present value, over a period deemed to be reasonable, the royalty flows that the market would be willing to pay (or does pay) to the owner of an intangible asset to acquire a license to use it. Carrying out the impairment test involves complex assessments that require a high degree of subjective judgment. For these reasons, we have considered the valuation of Brands as a key aspect of the auditing activity. The paragraphs "Brands" and " Determination of recoverable value (Impairment)" in the notes to the financial statements contain information on the tests carried out with regard to rands, including a "sensitivity analysis".	The audit procedures carried out also with the involvement of experts from the Grant Thornton network comprised: – the analysis of the reasonableness of the depreciation criteria adopted; – an understanding of the process applied in preparing the impairment test on brands; – the analysis of the reasonableness of the main assumptions, adopted to prepare the Aeffe Group business plan 2025-2028, approved by the Company's Board of Directors on 23 January 2025, from which the cash flows underlying the impairment tests are derived; – an understanding of the calculation of hypothetical royalties; – the analysis of the methodological correctness and mathematical accuracy of the model used to determine the value of use of the brands; – the assessment of the reasonableness of the interest rate (WACC) and perpetual growth rate (g-rate); – the examination of the sensitivity analysis with reference to the key assumptions used for the impairment tests including the interest rate (WACC) and the perpetual growth rate applied (g-rate); – the examination of the appropriateness of the information provided by the Directors in the explanatory notes in relation to the brands and the impairment tests.

Evaluation of inventory

Description of the Key matter	Audit procedures in response to the Key matter
The consolidated financial statement as at December 31, 2024 include among current assets net inventories of Euro 89,2 million. The determination of the carrying amount of inventories, as the lower value between the production cost or purchase cost and the estimate net realisable value, is a complex accounting estimate requiring a high degree of judgment, as influenced by multiple factors, including: – the characteristics of the sector in which the Company operates; – the seasonality of sales; – the pricing policies adopted and the disposal capacity of the sales channels. For these reasons, we considered the valuation of inventories to be a key aspect of the audit. The paragraph "Inventories" and note 7 "Stocks and Inventories" of the explanatory notes to the financial statements contain information on the valuation of inventories.	The audit procedures performed included: – an understanding of the business processes, the related IT environment and the relevant controls adopted by the directors in order to determine the valuation of inventories; – an analysis of changes in inventories during the year, considering the expected life cycle of inventories based on their age, and an analysis of the historical trend of sale, also through the channel of the stockists; – verification, by means of documentary analysis and discussion with the company departments involved, of the methodology adopted for the purposes of determining minor between the cost of production or purchase and the presumed net realisable value, aimed at understanding the assumptions underlying the expected dynamics of the disposal of goods; – verification of the completeness and accuracy of the database used by the Directors to calculate the minor between the cost of production or purchase and the presumed net realisable value; – examination of the appropriateness of the information provided by the directors in the notes to the financial statements regarding inventories.

Responsibilities of the Directors and Board of statutory auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in this regard.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concernand using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company Aeffe S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standard on Auditng (ISA Italia), we have exercised professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also have provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to article 10 of EU Regulation n.537/14

The Shareholders' Meeting of Aeffe S.p.A. has appointed as on April 16, 2016 as auditors of the Company for the years from December 31, 2016 to December 31, 2024.

We declare that we have not provide prohibited non-audit service, referred to article 5, par.1, of EU Regulation 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in article 11 of the EU Regulation 537/2014.

Report on other legal and regulatory requirements

Opinion on compliance with the provisions of Delegated Regulation (EU) 2019/815

The Directors of Aeffe S.p.A. are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the single electronic communication format (ESEF - European Single Electronic Format, hereinafter "Delegated Regulation") to the consolidated financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provision of the Delegated Regulations.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Aeffe S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Aeffe Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are consistent with the consolidated financial statements of Aeffe Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

Bologna, March 28, 2025

Ria Grant Thornton S.p.A.

Signed by

Marco Bassi

Partner

As disclosed by the Directors, the accompanying consolidated financial statements of Aeffe S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Ria Grant Thornton

Independent Auditor's report on the consolidated sustainability statement Pursuant to article 14-bis of Legislative Decree No.39 of January 27, 2010

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To the Shareholders of
Aeffe S.p.A.

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Aeffe Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Aeffe Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (European Sustainability Reporting Standards, hereinafter also the "ESRS");
- the information set out in paragraph "*Information pursuant to Article 8 of Regulation (EU) 2020/852*" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under the Standard are further described in the "*Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* "section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The comparative information presented in the consolidated sustainability report in relation to the year ended 31 December 2023 was not subjected to any assurance procedures.

Responsibilities of the Directors and the Board of Statutory Auditors of Aeffe S.p.A. for the Consolidated Sustainability Report

The Directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the “materiality assessment process”) and for describing those procedures in the “*IRO-1 – Description of processes to identify and assess relevant impacts, risks and opportunities – Double Relevance Analysis*”.

The Directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph “*Information pursuant to Article 8 of Regulation (EU) 2020/852*”.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the Directors are required to prepare such information on the basis of assumptions, described in the consolidated Sustainability Report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure provided by the Group regarding the processing limitations of some metrics required by ESRS, as indicated in the Sustainability Reporting. These limitations are due to the unavailability of data, as well as the impossibility, at present, to adopt reliable estimates.

Auditor’s responsibilities for the limited assurance conclusion on the Consolidated Sustainability Report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Sustainability Report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed on consolidated sustainability report were based on our professional judgement and included inquiries, primarily of personnel of Aeffe S.p.A. responsible for the preparation of the information presented in the Consolidated Sustainability Report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- we understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- Understanding of the Group's process for identifying and assessing relevant impacts, risks and opportunities ('IRO'), based on the principle of double relevance, in relation to sustainability issues and based on the information acquired therein, consideration of any contradictory elements that may indicate the existence of sustainability issues not considered by the Group in the materiality assessment process. In particular, mainly through investigations, observations and inspections, we have understood how the Group:
  - has taken into account the interests and views of the stakeholders involved;
  - identified the IRO related to sustainability issues, and we found that they are consistent with our knowledge of the Group and the context in which it operates
- Understanding of the processes underlying the generation, collection and management of qualitative and quantitative information included in the consolidated sustainability report, including the analysis of the reporting perimeter through interviews with personnel of Aeffe S.p.A. and limited documentary checks;
- we identified the disclosures where a material misstatement is likely to arise;
- we defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified, including;
  - surveys and limited audits with regard to qualitative information and, in particular, policies, actions and objectives relevant to sustainability issues;
  - inspection, observation and recalculation procedures on a sample basis with reference to quantitative information.
- we understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- we reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting

framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;

- we verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- we obtained management's representation letter.

Bologna, 28 marzo 2025

Ria Grant Thornton S.p.A.

Marco Bassi
Parter

Independent auditors' report

pursuant to article 14 of Legislative Decree

n. 39 of January 27, 2010 and article 10

of EU Regulation n. 537 dated April 16th, 2014

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To the Shareholders of

Aeffe S.p.A.

Report on the Audit of the separate financial statements

Opinion

We have audited the separate financial statements of Aeffe S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2024 and of its economic performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and with requirements of national regulations issued pursuant to art. 9 of Legislative Decree n.38/2005.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of this report. We are independent of the Company in accordance with the ethical and independence requirements applicable in the Italian regulation to audit of separate financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the paragraph "Directors' assessment of the going concern assumption" in the notes to the separate financial statements, where the Directors describe the effects of the actions taken during the year to achieve the economic, patrimonial and financial equilibrium of the Company , as well as the strategic lines and consequent actions to be undertaken, contained in the 2025-2028 industrial plan, on which is based the assessment of the Company's ability to continue operating as an entity in operation, and consequently, they considered appropriate use the assumption of business going concerne in the preparation of the separate financial statements at 31 December 2024. In particular, the

Board shall highlight the following. "*Starting from the 2023 financial year and for the entire 2024 financial year, the Company has undertaken a process of corporate, organizational and process rationalization that has led to the execution of numerous operations involving all the Brands in the portfolio. The trend of international markets, the continuation of wars in important countries from the point of view of distribution (Ukraine, Russia, Israel and the Middle East) and a general reduction in consumption have generated a growing awareness of the actions to be carried out. The company has equipped itself with all possible tools also from a creative point of view to face this phase: the repositioning of the Moschino Brand with the Creative Direction of Adrian Appiolaza and the choice to integrate the Philosophy line within the Alberta Ferretti brand led by Lorenzo Serafini were the result of a strategic thought aimed at responding to the needs of the consumer.*

Following the important M&A operations finalized between 2021 and 2022 (investments for the company equal to over Euro 90 million), during 2024, the Company decided to sign an agreement for the transfer of ownership of the Moschino brand with reference to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes; this operation, which generated a capital gain of 87 million euros (detailed in notes 23 "Other revenues and income" and 41 "Significant non-recurring events and transactions"), allowed the Company to have greater equity, economic and financial consistency, consequently providing resources that can guarantee the future development of its Brands starting from 2025. Specifically, the industrial plan mainly includes a strategic relaunch of the Moschino brand, initially focused on changing the product offering with a consequent increase in the brand's position on the market. These results will be achieved thanks to the contribution of the new creative director Adrian Appiolaza, appointed on January 30, 2024. While hoping for a quick resolution of international conflicts, the 2025 financial year for the Company will still be an exercise in approaching the desired path of recovery of volumes and sales performance of products, especially under the Moschino brand, in consideration of the difficulties that the reference market continues to present. Already starting from 2026, with a consolidation trend projected for 2027 and 2028, 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).

Following the reduction in sales volumes and turnover highlighted in 2024, the industrial plan projections include several organizational efficiency and cost containment actions, in particular with regard to service provision (consulting, stylistic and communication) and personnel performance. These actions will allow for a progressive recovery of operating margins.

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 2025-2028 industrial plan on which the assessment of the Company's ability to continue to operate as a going concern is based, 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".

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ria Grant Thornton

Evaluation of Brands Alberta Ferretti and Moschino

Description of the Key matter	**Audit procedures in response to the Key matter**
The financial statements as at December 31, 2024 include among the non-current assets Alberta Ferretti and Moschino brands (hereinafter also the "brands") for a value of Euro 23,9 million, accounted as intangible assets with a finite useful utile, and systematically amortised straight-line basis over the estimated useful life period in 40 years. The accounting standard IAS 36 provides that the Brands are subjected to a verification of the recoverable value should indicators of possible loss in value occur. The Directors considered the transfer of ownership of the Class 3 of the Nice Classification of its main brand Moschino an extraordinary event which therefore requires assessments in relation to the risk that the accounting values may have suffered lasting losses in value. The brands were therefore subjected to impairment tests to compare their recoverable values with their book values. In order to determine the recoverable value of the brands subject to impairment testing, management has applied the method of discounting royalties hypothetical. This method consists of discounting to present value, over a period deemed to be reasonable, the royalty flows that the market would be willing to pay (or does pay) to the owner of an intangible asset to acquire a license to use it. Carrying out the impairment test involves complex assessments that require a high degree of subjective judgment. For these reasons, we have considered the valuation of Brands as a key aspect of the auditing activity. The paragraphs "Brands" and " Determination of recoverable value (Impairment)" in the notes to the financial statements contain information on the tests carried out with regard to rands, including a "sensitivity analysis".	The audit procedures carried out also with the involvement of experts from the Grant Thornton network comprised: – the analysis of the reasonableness of the depreciation criteria adopted; – an understanding of the process applied in preparing the impairment test on brands; – the analysis of the reasonableness of the main assumptions, adopted to prepare the Aeffe Group business plan 2025-2028, approved by the Company's Board of Directors on 23 January 2025, from which the cash flows underlying the impairment tests are derived; – an understanding of the calculation of hypothetical royalties; – the analysis of the methodological correctness and mathematical accuracy of the model used to determine the value of use of the brands; – the assessment of the reasonableness of the interest rate (WACC) and perpetual growth rate (g-rate); – the examination of the sensitivity analysis with reference to the key assumptions used for the impairment tests including the interest rate (WACC) and the perpetual growth rate applied (g-rate); – the examination of the appropriateness of the information provided by the Directors in the explanatory notes in relation to the brands and the impairment tests.

Evaluation of inventory

Description of the Key matter	Audit procedures performed in response to the Key matter
The financial statement as at December 31, 2024 include among current assets net inventories of Euro 30,5 million. The determination of the carrying amount of inventories, as the lower value between the production cost or purchase cost and the estimate net realisable value, is a complex accounting estimate requiring a high degree of judgment, as influenced by multiple factors, including: – the characteristics of the sector in which the Company operates; – the seasonality of sales; – the pricing policies adopted and the disposal capacity of the sales channels. For these reasons, we considered the valuation of inventories to be a key aspect of the audit. The paragraph "Inventories" and note 7 "Stocks and Inventories" of the explanatory notes to the financial statements contain information on the valuation of inventories.	The audit procedures performed included: – an understanding of the business processes, the related IT environment and the relevant controls adopted by the directors in order to determine the valuation of inventories; – an analysis of changes in inventories during the year, considering the expected life cycle of inventories based on their age, and an analysis of the historical trend of sale, also through the channel of the stockists; – verification, by means of documentary analysis and discussion with the company departments involved, of the methodology adopted for the purposes of determining minor between the cost of production or purchase and the presumed net realisable value, aimed at understanding the assumptions underlying the expected dynamics of the disposal of goods; – verification of the completeness and accuracy of the database used by the Directors to calculate the minor between the cost of production or purchase and the presumed net realisable value; – examination of the appropriateness of the information provided by the Directors in the notes to the financial statements regarding inventories.

Responsibilities of the Directors and Board of Statutory Auditors for the Separate Financial Statements

The Directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the separate financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in this regard.

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms provided by the law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standard on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standard on Auditng (ISA Italia), we have exercised professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assessed the risks of material misstatement of the separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtained an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluated the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also have provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we have determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Other information communicated pursuant to article 10 of EU Regulation n.537/14

The Shareholders' Meeting of Aeffe S.p.A. has appointed as on April 16, 2016 as auditors of the Company for the years from December 31, 2016 to December 31, 2024.

We declare that we have not provide prohibited non-audit service, referred to article 5, par.1, of EU Regulation 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in article 11 of the EU Regulation 537/2014.

Report on other legal and regulatory requirements

Opinion on compliance with the provisions of Delegated Regulation (EU) 2019/815

The Directors of Aeffe S.p.A. are responsible for the application of the provisions of Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the single electronic communication format (ESEF - European Single Electronic Format, hereinafter "Delegated Regulation") to the separate financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in Auditing Standard (SA Italia) n. 700B in order to express an opinion on the conformity of the separate financial statements with the provisions of the Delegated Regulations.

In our opinion, the separate financial statements as at December 31, 2024 have be prepared in XHTML format in accordance with the provision of Delegated Regulations.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Aeffe S.p.A. are responsible for the preparation of the report on operations and of the report on corporate governance and ownership structure of Aeffe S.p.A. as at December 31, 2024, including their consistency with the related separate financial statements and their compliance with the laws.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the separate financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are consistent with the separate financial statements of Aeffe S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

Bologna, March 28, 2025

Ria Grant Thornton S.p.A.

Signed by

Marco Bassi

Socio

As disclosed by the Directors, the accompanying separate financial statements of Aeffe S.p.A. constitute a non-official version which has not been prepared in accordance with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Report of the Board of Statutory Auditors to the Shareholders' Meeting
of "AEFFE S.p.A."
called to approve the financial statements as of 31st December 2024
(art. 153, Decree 58/98 and art. 2429 - para. 2 - Italian Civil Code)

Shareholders,

Pursuant to art. 153 of Decree 58/1998 (TUF - Consolidated Finance Law) and art. 2429, para. 2, of the Italian Civil Code, the Board of Statutory Auditors is required to report to the Shareholders' Meeting on the results for the year and the supervisory work carried out in the performance of its duties, making observations with regard to the financial statements and their approval on the matters for which it is own responsible.

During the year, the Board of Statutory Auditors performed its supervisory activities in compliance with current regulations, having regard for the rules of conduct issued by the Italian Accounting Profession, (last updated December 2024), the instructions issued by Consob regarding the audit and other work carried out by Boards of Statutory Auditors, and the indications contained in the Corporate Governance Code for listed companies, approved in January 2020 by the specific Committee established and promoted by Borsa Italiana S.p.A. (the **"Code"**), which has been adopted by AEFFE S.p.A. (hereinafter also referred to as **"AEFFE"** or the **"Company"**).

Given that AEFFE has adopted the traditional governance model, the Board of Statutory Auditors also acts as the "Internal control and audit committee" and, accordingly, this report will also take account of the specific control and monitoring functions with regard to financial disclosures and the legal audit of the accounts envisaged in art. 19 of Decree 39 dated 27th January 2010, as amended by Decree 135 dated 17th July 2016.

For this purpose, in addition to attending the meetings of the Board of Directors, the Executive Committee and the Board Committees (the latter, through the President of the Board of Auditors), the Board of Statutory Auditors also exchanged information constantly with the relevant administrative and audit functions, the Supervisory Body responsible for monitoring the effectiveness of, compliance with and update of the Organization, Management and Control Model adopted pursuant to Decree No. 231/01 (the **"SB"**), and RGT "RIA GRANT THORNTON S.p.A." (hereinafter also referred to as **"RGT"**), the auditing firm engaged to perform the legal audit of the accounts, check the conformity of the Sustenaibility report, ex D.Lgs. 125/2024 (the **"Corporate Sustainability Reporting Directive" or "CSRD"**), and issue the related attestation.

Board of Statutory Auditors

The Board of Statutory Auditors in office on the date of this report was appointed at the ordinary Shareholders' Meeting held on 27th April 2023 and in office until the approval of the Financial statement at 31st December 2025, comprises:

- Stefano Morri (Chairman)
- Carla Trotti (Serving Auditor)
- Fernando Ciotti (Serving Auditor)

The Alternate Auditors are Daniela Elvira Bruno and Nevio Dalla Valle.

The Board of Statutory Auditors confirms that all its members comply with the regulatory instructions issued by Consob regarding the limit on the number of appointments held.

* * * * * * * * *

We confirm that the financial statements of the Company as of 31st December 2024 have been prepared in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, in force on 31st December 2024.

The separate and consolidated financial statements of AEFFE as of 31st December 2024 contain the required attestations of conformity from the Chairman of the Board of Directors and the Executive responsible for preparing the Company's accounting documentation, pursuant to Law 262/2005.

Significant non-recurring transactions

On 30th January 2024, Aeffe Group has announced the appointment of Adrian Appiolaza as the new Creative Director of Moschino brand.

On 26th September 2024, Aeffe Spa and Euroitalia S.r.l. have reached and also executed a framework agreement for Aeffe to transfer ownership of the "Moschino" brand in relation to all products belonging to product class 3 of the Nice Classification, i.e. mainly cosmetics and perfumes, as well as scented candles and rooms and textile perfumes, for an amount of 98,000,000 euros.

On 15th October 2024, it has been announced the appointment of Lorenzo Serafini as Creative Director of the Alberta Ferretti brand. Aeffe Group, in collaboration with Lorenzo Serafini and interpreting the needs of the current market, have developed a new strategy. This includes the integration of the Philosophy line within the Alberta Ferretti brand from the Fall/Winter 2025 season, with the aim of strengthening the brand's appeal and positioning for the future.

No other non-recurring transactions to be reported were identified during the year.

Impairment Test Methodology

As envisaged in the joint document issued by the Bank of Italy/Consob/IVASS on 3rd March 2010, the Board of Directors confirmed on 14th March 2025 that the impairment test methodology adopted complies with the requirements of IAS 36.

The explanatory notes to the financial statements provide information and the results of the evaluation process conducted with the estimate of the recoverable value. The results of the tests performed did not identify any impairment situations.

The details of the impairment test methodology are described in the explanatory notes to the separate and consolidated financial statements drawn up by the Board of Directors.

Atypical or unusual transactions

The Company has not arranged any atypical or unusual transactions, as defined in Consob Communication No. DEM/6064293 of 28th July 2006.

Intercompany and related-party transactions

Pursuant to art. 2391-*bis* of the Italian Civil Code and Consob Decision 17221 of 12th March 2010 on the "Regulation of Related-Party Transactions", as later amended by Decisions 17389 of 23rd June 2010, 19925 of 22nd March 2017, 19974 of 27th April 2017, 21396 of 10th June 2020, 21624 of 10th December 2020 and 22144 of 22nd December 2021, the Board of Directors has approved the "Procedure for related-party transactions" (the "**Procedure**").

We confirm that the Procedure adopted by the Company for the transactions carried out during 2024 is consistent with the principles contained in the Consob Regulation, as last updated by Decision 22144 of 22nd December 2021, and is published on the website of the Company (*www.aeffe.com*).

The transactions carried out with related parties are reported in the explanatory notes to the separate and consolidated financial statements of the Company and the Group, which also describe their economic and financial effects.

This Board has monitored compliance with the Procedure and the suitability of the process followed the Board of Directors in order to identify related parties and, in this regard, has no matters to report.

Supervisory work performed by the Board of Statutory Auditors during 2024

When carrying out its activities, the Board of Statutory Auditors:

- monitored compliance with the law and the Articles of Association;
- monitored compliance with the principles of proper administration;
- attended the meetings of the Board of Directors and the Executive Committee and, via the Chairman of Statutory Auditors or the assigned Statutory Auditor, the meetings of

the Control, Risks and Sustainability Committee and the Compensation Committee, obtaining periodic information from the Directors, at least every quarter, on the general results of operations and the outlook for the future, as well as on the principal economic, financial and equity transactions carried out by AEFFE and its Group of companies (the "**Group**"), ensuring that the resolutions adopted and implemented, based on the available information, we have not detected any violations of the law and the statute, were not obviously imprudent, reckless, subject to potential conflicts of interest, in contrast with shareholders' resolutions or likely to generate heavy losses;

- monitored the adequacy of the organizational structure, in terms of structure, procedure, skills and responsibilities, by direct observation, by the collection of information from the Managers of Business Functions and by attendance at the meetings of the Board Committees;
- monitored the adequacy and functioning of the system of internal control and risk management by attendance at the meetings of the Control, Risks and Sustainability Committee and by obtaining information from the Chief Executive Officer, the Managers of Business Functions, the representatives of the Auditing Firm and the Supervisory Body, to which a member of this Board also belongs. This Board also met with the Internal Audit Manager of the Company, obtaining information from her about the implementation status of the Audit Plan for the year;
- monitored the adequacy of the administrative-accounting system by meeting regularly with the Executive responsible for preparing the Company's accounting documentation (Law 262/2005), also responsible for the certification of Sustainability Reporting, and with the auditing firm RGT, in order also to exchange data and information;
- monitored implementation of the rules of Corporate Governance adopted by the Company, in compliance with the principles embodied in the Code. In particular:
    - checked proper application of the verification criteria adopted by the Board of Directors in order to assess the independence of its members;
    - checked the independence of the Auditing Firm;
    - assessed the independence of the members of the Control Body;
- monitored the adequacy of the instructions given by the Company to its subsidiaries pursuant to art. 114, para. 2, TUF, in order to obtain from them, on a timely basis, the information needed to comply with disclosure requirements imposed by law. In this regard, the Board held meetings and/or exchanged information with the supervisory bodies of the main controlled companies;
- monitored proper application of the requirements placed on the Company by the Market Abuse Regulation, including those relating to internal dealing, investor protection and corporate disclosures.

Given all of the above and having regard for the evolution of the system of internal control and risk management, the analyses performed and the information obtained have not identified any matters inducing this Board to believe that, taken as a whole, the system of internal control and risk management of the Company is inadequate.

The Internal Auditors and the Supervisory Body did not raise any matters of concern to them during the periodic meetings held.

The annual report of the Board of Directors on Corporate Governance and the Ownership Structure does not highlight any matters that should be drawn to your attention.

Monitoring the process of financial disclosure

The Board of Statutory Auditors has verified the existence of an adequate organization governing the process through which financial information is collected, prepared and disseminated.

This Board also acknowledges that the Executive responsible for preparing the Company's accounting documentation has confirmed:

- the adequacy and suitability of the powers and resources granted by the Board of Directors;
- having had direct access to all the information required to produce the accounting information, without need for authorizations of any kind;
- having participated in the internal flows of information for accounting purposes and having approved all the related business processes.

The Board of Statutory Auditors therefore considers that the process followed to prepare financial information is adequate, and that there are no matters to be reported to the Shareholders' Meeting.

Monitoring the process of Sustainability Reporting (CSRD)

As a Public Interest Entity (PIE) and large Group, AEFFE is required to report non-financial information to the public pursuant to Decree 254/2016, drafted pursuant to Legislative Decree no. 125 of 6 September 2024 which implemented Directive (EU) 2022/2464 at Italian national level.

In compliance with the above regulations, the Consolidated Sustainability Report (CSRD) of the AEFFE Group for the financial year ended 31 December 2024, approved by resolution of the Board of Directors on 14 March 2025 and included in the Annual Financial Report at 31 December 2024, has been drawn up to the extent necessary to ensure the comprehensibility of the information relating to the Group's activities, as well as the other qualitative characteristics of the company referred to in ESRS 1, Appendix B, of the Delegated Regulation (EU) 2023/2772 implementing the aforementioned European Directive.

The Consolidated Sustainability Report, included in the Management Report, is subject to limited assurance by the company Ria Grant Thornton S.p.A.

The Sustainability Report also includes the information required by art. 8 of Regulation (EU) 2020/852 of 18 June 2020 (so-called "Environmental Taxonomy Regulation") and of the Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486 connected to it. The drafting of the document took into consideration the recommendations communicated by the European Securities and Markets Authority (ESMA) in October 2023 in reference to the disclosure pursuant to Art. 8 of the Taxonomy Regulation and on issues related to climate change.

The Auditing Company RGT, in the report issued today, highlights that no elements have come to its attention that would suggest that the Sustainability Reporting (CSRD) of the AEFFE Group relating to the financial year ended 31 December 2024 has not been drawn up, in all significant aspects, in compliance with the requirements of Legislative Decree no. 125/2024, the *Global Reporting Initiative Sustainability Reporting Standards* and in line with the indications provided by the principle ISAE 3000 (Revised) - *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

The Board of Statutory Auditors therefore considers that the process followed to prepare non-financial disclosures is adequate, having regard for the strategic objectives of the Group in socio-environmental terms, and that there are no matters to be reported to the Shareholders' Meeting.

Statements, complaints pursuant to art. 2408 of the Italian Civil Code. Any omissions, censurable facts or irregularities identified

During 2024, the Board of Statutory Auditors did not receive any statements and/or complaints, pursuant to art. 2408 of the Italian Civil Code, and did not identify any censurable facts, omissions or irregularities.

During the financial year, we did not make any reports to the Administrative Body pursuant to and for the purposes of art. 25-octies Legislative Decree 12 January 2019, no. 14 and no reports were received from qualified public creditors pursuant to art. 25-novies Legislative Decree 12 January 2019, no. 14.

Remuneration of the directors, the general manager and key management personnel

During 2024, the Board of Statutory Auditors issued a favorable opinion on the determination of the emoluments assigned to a director pursuant and consequent to art. 2389 of the Italian Civil Code.

Other opinions expressed by the Board of Statutory Auditors

No other opinions were issued by the Board of Statutory Auditors during the Shareholders' Meetings held during the year.

Monitoring pursuant to Decree 39/2010 - verification of the independence of the Auditing Firm

This Board has monitored the legal audit of the separate and consolidated financial statements, the independence of the Auditing Firm with particular reference to any non-audit services provided, and the results of the legal audit.

In the context of the meetings held with RGT, the auditing firm, the Board of Statutory Auditors - having regard for the interpretations provided by the most authoritative bodies representing the accounting professions and listed companies - carried out the monitoring duties specified in art. 19 of Decree 39/2010, requesting RGT, the auditing firm, to describe *inter alia* the overall methodology, the audit approach adopted to the various important areas of the financial statements, the fundamental aspects of the audit plan and the principal evidence that emerged from the work carried out.

With regard to the independence of RGT, the auditing firm, the Board of Statutory Auditors assessed the compatibility of engagements other than the legal audit with the prohibitions envisaged in art. 5 of Regulation (EU) 537/2014, and the absence of potential risks for the independence of the auditor deriving from provision of those services.

This Board also examined the transparency report pursuant to art. 18 of Decree 39/2010, prepared by RGT in December 2024 and published on the website of that Auditing Firm (*https://www.ria-grantthornton.it/chi-siamo/transparency-report/*).

The work performed by the Auditing Firm for the Group during 2024 is described in the explanatory notes to the consolidated financial statements. The Board of Statutory Auditors confirms that the consideration recognized for the above activities was appropriate, considering the extent, complexity and characteristics of the work performed, and that the engagements to provide non-audit services were not such as to undermine the independence of the Auditing Firm.

Observations on the report of the Auditing Firm

It is confirmed that, on 28 March 2025, RIA GRANT THORNTON S.p.A., the auditing firm, issued:

- as the Legal Auditor, the reports envisaged in art. 14 of Decree 39/2010 and art. 10 of Regulation (EU) 537/2014, prepared in conformity with the instructions contained in the above Decree, as amended by Decree 135/2016; both reports contain a reference to the paragraph "Directors' assessment of the going concern assumption" in the separate and consolidated financial statements, and the certification that they provide a true and fair view of the financial positions of the Company and Group as of 31st December 2024 and the results of their operations and the cash flows for the year then ended, in conformity with the applicable accounting standards;

the additional report required by art. 11 of Regulation (EU) 537/2014, stating that there are no significant weaknesses in the system of internal control and risk management with regard to the process followed for making financial disclosures, and attaching the declaration envisaged in art. 6 of Regulation (EU) 537/2014, which does not identify any situations that might compromise the independence of the Auditing Firm.

Assignment of the statutory audit assignment for the nine-year period 2025-2033

With the approval of the financial statements at 31st December 2024, the statutory audit assignment assigned to RIA GRANT THORNTON S.p.A. by the Shareholders' Meeting of 13th October 2016 will expire, having reached its ninth financial year or the maximum period permitted by law.

It is therefore recalled that the Shareholders' Meeting convened for 23rd April 2024 will have to resolve on the assignment of the statutory audit assignment for the nine-year period 2025-2033.

For further details, please refer to the "Recommendation of the Internal Control and Auditing Committee of AEFFE SPA for the assignment of the statutory audit of accounts for the nine-year period 2025-2033 (pursuant to art. 13, paragraph 1, of Legislative Decree 27th January 2010 no. 39)" available on the Company's website.

Self-assessment of the Board of Statutory Auditors

In compliance with the *"Rules of Conduct for Boards of Statutory Auditors of listed companies"* issued by the Italian Accounting Profession, which require the Board of Statutory Auditors to carry out, following appointment and annually thereafter, a self-assessment of its work on the joint planning of its activities, of the suitability of its members, of their adequacy with reference to the professionalism, skill, honesty and ethics, and independence requirements, and of the adequacy of the time and resources available considering the complexity of the appointment (the **"Self-assessment"**), the Board of Statutory Auditors confirms that it has carried out the Self-assessment for 2024, the outcome of which is specifically documented in the *"Report on corporate governance and the ownership structure 2024"* pursuant to art. 123-*bis* TUF of the Company, which was made available to the public by the legal deadline on the website of AEFFE (*www.aeffe.com*) and in the other ways envisaged in the current regulations.

Meetings of the Board of Statutory Auditors, the Board of Directors and the Board Committees

During 2024:

- the Board of Statutory Auditors held 14 meetings, each with a duration of about 2 hours and 15 minutes;
- the Board of Statutory Auditors held periodic meetings and exchanged information with the representatives of RGT, the auditing firm;
- the Board of Directors held 7 meetings. In this regard, it is noted that the Board of Directors has ten members, four of whom are independent and one non-executive; four of the ten directors are female;
- the Executive Committee met 3 times;
- the Control, Risks and Sustainability Committee held 6 meetings, while the Compensation Committee held 2.

The Board of Statutory Auditors attended all the meetings of the Board of Directors and the Executive Committee and, through its Chairman or an assigned Statutory Auditor, the meetings of the Board Committees.

Lastly, the Board of Statutory Auditors confirms that it attended the Shareholders' Meetings held on 23rd April 2024.

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On 14th March 2025, the Chairman of the Board of Directors and the Executive responsible for preparing the Company's accounting documentation issued the declarations required pursuant to art. 154-*bis* TUF, diligently monitored by the Board of Auditors, attesting that:

- the separate and consolidated financial statements were prepared in conformity with the applicable international accounting standards endorsed by the European Commission, pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19th July 2002;
- the above documents agree with the accounting entries and registers and are suitable for providing a true and fair view of the economic and financial position of the Issuer and the Group.

The Board of Statutory Auditors monitored the process of financial reporting in accordance with the law.

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Conclusions

Based on the supervisory activities carried out during the year and the results of the work performed by the legal auditor of the accounts, RIA GRANT THORNTON S.p.A., contained in the auditors' report on the financial statements prepared pursuant to arts. 14 and 16 of Decree 39 of 27th January 2010, issued today - expressing an unqualified opinion also with reference to the object of "Information Reminder" - the Board of Statutory Auditors, pursuant to art. 153, para. 2, of Decree 58 of 24th February 1998, believes to the extent of its responsibilities that the financial statements present a true and fair view of the financial position of the Company as of 31st December 2024 and represent fully the business reality of AEFFE S.p.A. as of 31st December 2024, and has no objections to express with regard to the following resolutions proposed by the Board of Directors:

- approval of the separate financial statements as of 31st December 2024;
- allocate the profit for the year amounting to Euro 35,606,775 to legal reserve for Euro 889,659 and to extraordinary reserve for Euro 34,717,116.

Lastly, the Board of Statutory Auditors confirms that, in compliance with art. 19, para. 1, of Decree 39/2010, it will inform the Board of Directors about the outcome of the legal audit of the accounts carried out by the Legal Auditor and send it the additional Report of the Legal Auditor, accompanied by its observations.

San Giovanni in Marignano, 28 March 2025

The Board of Statutory Auditors

Stefano MORRI - Chairman

Carla TROTTI - Serving Auditor

Fernando CIOTTI - Serving Auditor