FOPE GROUP

Consolidated Financial Statement as of December 31, 2024

CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024

This document is a courtesy translation from Italian into English.
In case of any inconsistency between the two versions, the Italian original version shall prevail.

FOPE GROUP REG. IMP. 00163880248 REA 114378

Dear Shareholders,

2024 ended with a net profit for the period of Euro 8.4 million and the proposal to distribute the eighth dividend since the Company was listed.

The year started with a weak first half in terms of revenues (down 15%) due to a slowdown in production and order fulfilment but with the backlog growing by 11%, while the second half of the year was characterised by operations to optimise the delivery capacity of production processes, which allowed the Company to recover the gap in volumes of fulfilled product orders.

Net revenues grew by +10% to Euro 73.4 million, of which 86% generated on international markets. The driver of growth was without doubt the American market, led by the US, although excellent results were also achieved in countries in South-East Asia and the Far East, in which we have increased investments. Strong performance was also recorded in Italy, especially by customers operating in tourist areas.

The new collections were very well received, while the “timeless” pieces and collections that have been on the market for several years continue to be very popular, confirming the ability to develop and affirm the values of our brand and our exclusive product.

The financial hedging policy on gold requirements, in place for the entire year’s requirements, neutralised the volatility of the precious metal market.

Notably, EBITDA margin remained steady at 20.2%, despite the increase in costs related to the extraordinary effort to recover production efficiency and strengthen the structure through the acquisition of skilled resources for the production and support departments of the subsidiaries.

The net financial position is cash positive and recorded an improvement over 2023, despite the investments made and the use of financial resources resulting from the physiological increase in working capital due to the growth of the business.

2025 opened with a significant increase in order volumes and is set to be a year of further growth, for which we have laid solid foundations.

We have strengthened our market presence with the incorporation of FOPE Japan G.K. for the commercial development of the Japanese market, with the opening of the Milan showroom, and with the creation of 30 new Shop-in-Shops (FOPE customised furniture corners inside retailers’ shops).

We also invested in marketing and communication activities with the aim of enhancing brand visibility and affirmation, and of supporting the distribution network, placing a strong focus on digital activities.

We purchased the warehouse adjacent to the headquarters in order to guarantee the availability of new space and allow the expansion of production departments, and completed the implementation of the new IT system, the performance of which is already yielding benefits in terms of the consistency and completeness of the information base and ease of access.

The management structure has been strengthened with the appointment of a General Manager to oversee the various corporate functions, who will be responsible for supporting the CEO and the Board of Directors in implementing projects aimed at market growth and organisational improvement.

Finally, the financial hedging policy on gold requirements, combined with updated list prices, is neutralising gold price volatility, thus safeguarding the sales margins forecast in the budget and offsetting the higher operating costs faced by the Group.

Ethics and sustainability issues are always a priority and focus for the Group as it continues to strive to improve its position, while showing attention for each business activity. Based on non-financial disclosure relating to FY2023, Cerved Rating Agency confirmed its A rating, demonstrating the consolidation of a path based on environmental awareness, human resource management, and the adoption of governance best practices. With specific reference to environmental sustainability, we confirmed the important objective of obtaining the GHG emissions compensation certificate also for 2024.

The important results for the period were achieved thanks to the experience, passion and commitment of the FOPE team, to whom I wish to express our sincere appreciation for the work done and for sharing our ideals and our development plan, which combines the strength of values consolidated over time with a strong innovative drive.

The Financial Statements were audited by the auditing firm BDO Italia S.p.A.

Diego Nardin
FOPE S.p.A. CEO

GROUP PROFILE

FOPE S.p.A., the Parent Company, and the four subsidiaries operate in the jewellery industry as a producer and distributors of high-end jewellery under their own brand names. FOPE is an international brand whose turnover in 2024 consisted of sales on foreign markets to the extent of 85.79%. In addition to developing new product “collections”, the Group is historically focused also on process innovation, to efficiently combine its goldsmith tradition with the best industrial production techniques whereby jewellery featuring elegant and sophisticated designs is made.

The headquarters, offices and workshop of the Parent Company are located in Vicenza, in one of Italy’s main goldsmith districts, where the brand was created and developed.

FOPE S.p.A. is a certified member of the Responsible Jewellery Council, an International non-profit organisation that promotes responsible, ethical, social and environmental standards and practices in respect of human rights.

1929 – Umberto Cazzola opened the first handmade jewellery workshop in the city of Vicenza in Contrà Sant'Ambrogio, with the name Fabbrica Italiana Cinturini Metallici (FICM), specialising in the production of extendible metal watch straps.

1960 – Odino Cazzola founded the FOPE brand giving the company new momentum by focusing efforts on the export of gold cases and bracelets for watches, with his customers base including the greatest Swiss Houses of *Haute Horlogerie*.

1970 – His children, Ines and Umberto, held management positions within the company and revitalised development endeavours. Production was renovated, and precious jewels started to be created. In those years, the Novecento mesh – still in production today – was designed and continued to become a FOPE jewellery classic.

1980 – The product range expanded during those years to meet the needs of an increasingly large and demanding clientele. New productive criteria were introduced in order to meet strict quality standards and ensure compliance with product warranty and international certification.

1997 – The company changed into an Italian limited liability company under the name of FOPE S.r.l.

2000 – FOPE launched significant advertising campaigns, redefining its commercial strategies as it did away with distributors and created a direct relationship with the Jewellery market.

2007 – FOPE launched on the market the extendible Flex'it mesh designed by the company and covered by an international invention patent, crafted entirely in gold. The jewels created with this particular mesh became "*extendible*" thanks to microscopic gold springs inserted between each element of the mesh.

FOPE pursued its international commitment very strongly during those years, resulting in sales volumes of foreign markets exceeding those of the domestic market. The current Governance and Organisation structure was established.

2013 – FOPE launched the "A Tale of Beauty" communication project centring on the essence of Italian character of the brand, with actress Anna Valle acting as its Brand Ambassador.

2014 – The establishment of FOPE Services Dmcc Dubai, a company incorporated under UAE law, enabled the allocation of a FOPE commercial resource dedicated to the development and direct support of the areas of greatest interest in the Gulf countries and South-East Asia.

2015 – Opening, in November, of the Company's first single-brand FOPE boutique in Piazza San Marco in Venice. On December 15th, the Shareholders' Meeting resolved to change FOPE S.r.l. into an Italian law public limited company.

2016 – FOPE S.p.A. listed on the AIM (Alternative Investment Market), currently Euronext Growth Milan, of Borsa Italiana (Italian Stock Exchange). November 30th, 2016 is the first day of trading of the Company's shares on the stock market.

2017 – Acquisition of a minority share (20%) in Milano 1919 S.r.l., a company owning the Antonini jewellery brand. Antonini, a historical and known house of high-quality

Italian jewellery – established and still based in Milan –, produces and distributes prestigious collections of exquisitely and exclusively designed jewellery.

2018 – FOPE Jewellery Limited was established, a company incorporated under English law whose registered office is in Birmingham with a mandate from FOPE S.p.A. to sell the brand's collections and provide operational support to distributors for the English-speaking UK and Irish market, i.e. one of the Group's main markets.

2019 – The new FOPE Boutique in the prestigious Old Bond Street in London opened at the end of November. The purpose of the ambitious project was to showcase the FOPE brand in a location with international standing, such as London, to gain a strong brand awareness effect for the British market and even more for the international market.

2020 – As a result of the lockdown imposed by the health emergency due to COVID-19, the Parent Company closed its headquarters from 14 March to 4 May 2020. During the lockdown period, production and shipment operations stopped, while administrative, sales and marketing tasks continued through remote working.

The FOPE boutique in Kuala Lumpur in Malaysia officially opened at the end of 2020. The project was carried out in collaboration with our distributor in the city, with whom we enjoy a long-standing partnership.

2021 – The FOPE showroom opened in April in an upmarket location in the city of Dubai. In July, FOPE extended its design to men's jewellery and launched a specific collection. The collection, featuring Flex'it bracelets and the use of black diamonds, is designed for dynamic and confident men who travel, love comfort and convenience as well as elegance.

2022 – FOPE Deutschland GmbH was established as a wholly-owned subsidiary of FOPE S.p.A. The new company and the establishment of the resulting operating structure made it possible to revise the entire commercial organisation for the German market with a view to development.

2023 – The Tokyo Ginza single-brand boutique opened in June and the Kuala Lumpur boutique in November. Both boutiques were set up in cooperation with local retailers.

June signed the opening of a new single-brand boutique in Japan, in the most prestigious shopping district of Tokyo, Ginza; confirming the investments in progress, aiming to develop the business in the Japanize market. In November a new boutique was opened also in Kuala Lumpur. Its grand opening took place in February 2024, within the new upscale department store "Seibu", located in the Exchange TRX mall of the Malaysian capital city. Both boutiques represent the Company's goal of reinforcing and promoting the brand in the international markets even more.

2024 – Incorporated during the year 2023, Fope Japan GK, headquartered in Tokyo and regulated by the Japanese law, becomes active with Fope S.p.A. as the 80% shareholder and SwissPrimeBrand Co. Ltd as the 20% shareholder. SwissPrimeBrand Co. Ltd, group partner, handled the initial phases of the product distribution in the Japanese market. The new Asian subsidiary marks an important step in Fope's strategic presence in the main global markets.

The business model is underpinned by the following elements, which make up the Group's strengths:

- collections of products designed and manufactured in-house, at the headquarters in Vicenza, and exclusively sold under the FOPE brand;
- distribution handled by multi-brand jewellers (FOPE S.p.A.'s customers) with medium-high positioning;
- direct sale to jewellers (independent or belonging to a group) without intermediary agents or external distributors (with the exception of the two subsidiaries owned by the Group);
- strong brand and design characterisation and awareness;
- presence in international markets;
- special attention to product and process innovation, relying on patents for inventions developed by the Parent Company;
- direct control across the production chain, from the processing of raw material to finishing.

FOPE S.p.A. is responsible for research and technological development, the concept and creation of new collections, production, logistics as well as the Group's commercial and marketing organisation. All company departments, including production, are located at the headquarters of FOPE S.p.A., within a building constructed in 2000 and extended during 2019, combining space rationality and efficiency with a modern, highly aesthetic architectural style. The absence of any harmful emissions from the production department has enabled the headquarters to remain in the urban context of the city of Vicenza.

FOPE USA Inc., headquartered in Boca Raton (Miami), is the Parent Company's distributor for the US market and agent for the Caribbean and South American markets.

FOPE S.p.A. – DMCC Branch, opened in October 2020 with headquarters in Dubai, is responsible for providing Customer Service to the Group's customers residing in Arab markets and in South-East Asia.

FOPE Jewellery Ltd, headquartered in Solihull (UK), in which FOPE S.p.A. holds a majority stake of 84% while the remaining 16% of its capital is owned by the company's two market development managers, is the Parent Company's distributor for the UK market.

FOPE Deutschland GmbH, a German company headquartered in Mönchengladbach (Germany), is a fully-owned subsidiary of FOPE S.p.A.

FOPE Japan G.K., headquartered in Tokyo, in which FOPE S.p.A. holds a majority stake of 80% while the remaining 20% of its capital is owned by SwissPrime Brand, is a distributor of the Group's products on the Japanese market; it provides commercial and customer care support to local retailers and carries out marketing and communication activities on the market.

FOPE S.p.A. holds 20% of the share capital of Milano 1919 S.r.l., the owner of the long-established Antonini brand. The latter is a historic and renowned house of high-quality Italian jewellery, established and still based in Milan, which produces and distributes prestigious collections of exquisitely and exclusively designed jewellery. The Antonini brand is positioned as a niche brand, expressing refined luxury through the superior craftsmanship that defines each of its creations.

FOPE S.p.A.'s equity investment in Milano 1919 S.r.l. is not included in the consolidation scope.

MISSION

Since 1929, the Group has been using cutting-edge technologies and proprietary patents to transform gold into jewels that go beyond the latest fads. Italian roots have always inspired our style, a standard appreciated by those who interpret life with refined, subtle elegance. All Group's activities comply with strict ethical and sustainability control criteria.

VISION

The FOPE Group aims to inspire people who want to add a touch of discreet luxury to every experience in their lives.

VALUES

Vicenza pride

FOPE is an Italian brand. All jewellery is produced in Italy and the Vicenza office is the hub of all the Group's activities. From a creative point of view, the art and craftmanship typical of the Vicenza area are a constant source of inspiration, which we proudly project to the rest of the world.

Family Footprint

FOPE is first and foremost a family business. Umberto Cazzola, the grandfather of the current Chair Umberto Cazzola, opened his first goldsmith workshop in 1929 and several generations have taken turns over time. The original contribution of each generation led up to the listing on the Stock Exchange, the natural evolution of a successful journey that lasted almost a century and still continues.

Widespread Innovation

While this concept might appear abstract at first glance, every aspect of FOPE's business is permeated by it, starting from technology, i.e. the cornerstone of all production. Our high-quality jewellery often relies on the Flex'it system, a patented invention of FOPE. The tone of communication has always followed the same direction since the beginning.

Original Design

FOPE jewels are created in Vicenza where creativity and technique blend virtuously. The iconic Novecento mesh, being our signature line, characterises each collection through a precise and consistent stylistic identity over time. In addition to brand recognition, the design ensures longevity and versatility for every piece of jewellery.

Corporate Responsibility

FOPE's corporate and product policies are guided by the highest ethical values. The concept of corporate responsibility is a core value shared by all generations of the family-owned business. Indeed, as FOPE has entered the global luxury arena, it has a strong focus on issues such as sustainability, efficiency and respect, carefully considering the economic, environmental and social impact of each of its activities.

Understated Elegance

The FOPE collections are designed and built for everyday wear. Along with the intrinsic beauty of each piece, comfort is a key feature of FOPE jewellery. Through stylistic choices and communication, the brand promotes an idea of understated elegance that each individual is encouraged to express through their own uniqueness.

Ethical values

FOPE conducts its business based on standards of ethics, integrity, efficiency and respect. It endeavours to encourage all staff and associates to adopt positive behaviour, with a view to constantly improving product quality and empowering each person individually and as a team member.

The Company sees Italian legislation as a fundamental starting point and is committed to acting in compliance with it and with all the international rules applicable to its business. It also ensures that all its actions comply with the Universal Declaration of Human Rights.

The activities carried out by FOPE are based on:

- Respect for employees, associates, customers and suppliers with a view to a shared work ethic;
- The safety of the working environment and the health of those who work in it;
- A sense of social responsibility that is closely related to the role of entrepreneur;
- A commitment to adopt production methods strongly geared towards sustainability, consistent with the type of processing required.

FOPE rejects any form of discrimination, child labour and forced labour, and encourages anyone who does business with the Company to adopt the same principles. It also encourages its employees and associates to rely on good practices of conduct in all its business actions.

In 2020, the Company formally adopted its Code of Ethics, considered a pillar of crucial importance for the development of an increasingly responsible, transparent management model based on the creation of shared value for all stakeholders. This document defines the set of values that the Company owns, shares and promotes, as it believes that conduct inspired by the principles of integrity and responsibility is a key driver for the economic and social development of the individual organisations and communities in which they operate.

The Code of Ethics is available, including in English, on the corporate websites at *www.fope.com* and *www.fopegroup.com*. These Web pages also contain the email address that any FOPE stakeholder can use to share their suggestions or observations with the Company about any conduct that infringes the principles set out in the Code.

The adoption of the Code has been shared with external stakeholders through an official email communication sent to all of the Company's customers and suppliers. In turn, these stakeholders have been encouraged to subscribe to the values, principles and rules of conduct outlined in the document.

Lastly, the Company has an elected Ethics Committee responsible for overseeing and dealing with any complaints, reports of distress or suggestions by its employees. The Committee may be addressed on a named or anonymous basis and may be called upon either in its entirety or through the involvement of one member at a time. The objective of the Ethics Committee, currently composed of three members, is to ensure that workers can count on unbiased listening of their concerns and access the tools required to tackle any distress situations they have experienced or perceived.

Since 2013, the Company has been a certified member of the Responsible Jewellery Council (RJC), an international non-profit organisation that promotes responsible, ethical, social and environmental standards and practices in respect of human rights in the entire chain in the diamonds, goldsmithing and platinoids sector, from mining to retail trade. Many of FOPE's main suppliers have in their turn been awarded this certification. The RJC certificate remains valid for a period of three years, with an audit process being required to renew it.

The process of expansion and extension of the business pursued by the Group is based on a solid corporate governance model that governs all decision-making processes and the measurement of business performance, in full respect of the interests of stakeholders.

The management model adopted is a traditional one and includes the presence of a Board of Directors, with management functions, and a Board of Statutory Auditors, with control functions over management. Both bodies are appointed by the Shareholders' Meeting.

The high degree of diversity expressed by the Board of Directors of FOPE in terms of gender and skills ensures high levels of effectiveness and efficiency in the Group's management. Company chairmanship lies with the Cazzola family as founder and majority shareholder. Of the 5 members of the Board of Directors, 4 hold an executive office, while 1 is an independent director. The almost equal presence of men and women on the Board of Directors fully reflects the recommendations set out in the Borsa Italiana Corporate Governance Code, according to which at least one third of the Board of Directors should consist of members of the less represented gender. Following the adoption of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (231 Model), the Supervisory Board was appointed and made operational.

Composition of governing bodies by gender		**2024**			**2023**			**2022**	
	W	**M**	**TOTAL**	**W**	**M**	**TOTAL**	**W**	**M**	**TOTAL**
Board of Directors	2	3	5	2	3	5	2	3	5
Board of Statutory Auditors	1	2	3	1	2	3	1	2	3
Supervisory Board	1	0	1	1	0	1	1	0	1
Total	4	5	9	4	5	9	4	5	9
Percentage	44.44%	55.56%	100.00%	44.44%	55.56%	100.00%	44.44%	55.56%	100.00%

The keys to success that identify the strategic line pursued by the FOPE Group in recent years, aimed at growing and consolidating its position in the markets, can be traced to specific elements:

- Product
  - Excellent quality, design and innovation of the collections offered;
  - Strong brand awareness – FOPE jewels feature design line enjoying high recognition;
  - Made-in-Italy (made-in-FOPE) manufacturing.

- Service
  - Support to retailers for end customer satisfaction;
  - Order management/commercial policies;
  - Training of sales team at retailers' site.

- Partnership with Jewellers
  - Involvement of retailers in marketing initiatives (campaigns designed to support stores – special events);
  - Involvement of retailers in events at FOPE's headquarters to convey the Company values.

- Markets
  - Focusing investment and marketing initiatives on markets where the Company's presence is already significant: America and Europe (in particular, Germany and the United Kingdom), South-East Asia and the Far East.

Actions on key success levers, which have underpinned growth, are long-term phenomena that have increasingly positive effects on the perception of the brand by the market while driving development.

SUSTAINABILITY STRATEGIES

Sustainability, in its broadest sense (i.e. including environmental, social and governance aspects), plays a key role in the strategic guidelines implemented by FOPE. Following a careful integration of ESG factors in the business model, the Organisation is able to develop technological, managerial and operational solutions such as:

- Maximising efficiency of business processes and activities, with clear benefits linked to strengthening its competitiveness in markets;
- Actively contributing to the sustainable development of its business from an environmental, economic and social perspective.

In recent years, the objective of transparency with respect to its own operations has meant that FOPE is committed to a process of reporting its initiatives linked to social responsibility. In this connection, since 2017 FOPE's consolidated financial statements have included a chapter entitled "Sustainability Report", which is drafted taking international guidelines into consideration and is updated annually in order to demonstrate the projects implemented in the context of corporate social responsibility and the results achieved through these endeavours.

Starting from FY2022, the Sustainability Report has become a stand-alone document prepared and published independently of the Financial Statements.

As early as in 2019, this commitment to transparency and the increasing integration of environmental, social and governance factors (often referred to as "ESG factors") in business strategies and processes earned the Group the attainment of the AIM ESG award by IR TOP Consulting[1] and by the Department of International Trade (DIT) of the United Kingdom during the AIM Awards ceremony, the award-giving ceremony for SMEs listed on the AIM segment (now Euronext Growth Milan – EGM) of Borsa Italiana (the Italian Stock Exchange).

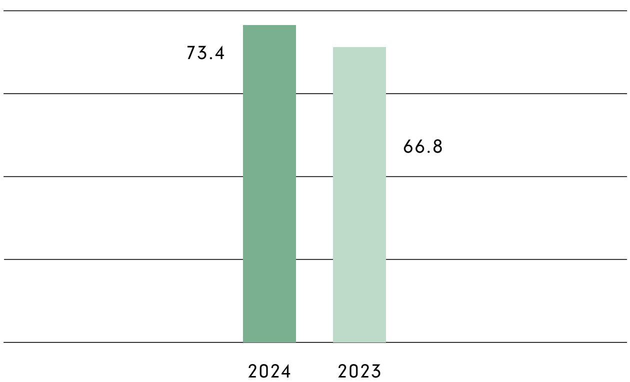
In 2023, the company also achieved the ESGe rating of the Cerved Rating Agency with an A score ("High ESGe Risk Management Capability"), scoring better than in the previous year, when it had also achieved a rating of A. The analysis of the sustainability disclosure carried out on the data reported for 2023 by the rating agency revealed a score above the median for FOPE with reference to the "Accessories" cluster. In particular, it rewarded the Company's sustained efforts to reduce its environmental impact and initiatives to mitigate risks related to corporate governance implemented over the years. Progress was also reported with respect to inclusion and diversity of human resources.

1 Italy's leading management consulting firm in the areas of Capital Markets and Investor Relations (http://irtop.com/).

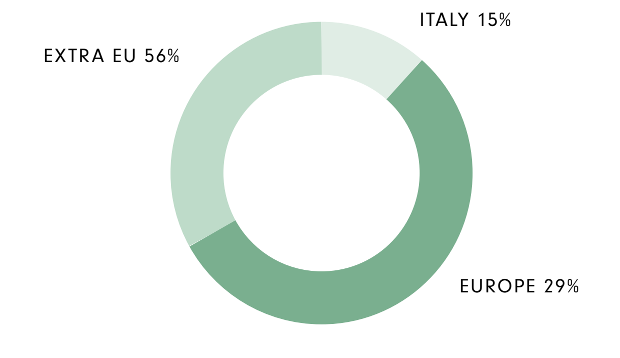
The following table shows the financial highlights of the Group's Consolidated Financial Statements compared to those of the previous reporting year. Amounts are shown in Euro millions.

	2024 (DECEMBER 31ST)		2023 (DECEMBER 31ST)		2024 VS 2023	
Net Revenue	**73.43**	**100.0%**	**66.77**	**100.0%**	**6.67**	**9.99%**
Operating Costs	(58.63)		(49.82)		(8.81)	
EBITDA	**14.81**	**20.2%**	**16.95**	**25.4%**	**2.15**	**(12.68)%**
Depr. & Amortization	(2.69)		(2.29)		(0.40)	
EBIT	**12.12**	**16.5%**	**14.66**	**22.0%**	**2.54**	**(17.33)%**
Financial Incoms / (Costs)	(0.62)		(0.88)		(0.26)	
Earning Before Tax	**11.50**	**15.7%**	**13.78**	**20.6%**	**2.28**	**(16.55)%**
Tax	(3.12)		(3.71)		(4.59)	
Net Income	**8.38**	**11.4%**	**10.08**	**15.1%**	**(1.69)**	**(16.77)%**
Asset	14.61		13.97		0.64	4.58%
Working Capital	30.35		28.43		1.92	6.75%
Funds	(2.86)		(2.32)		(0.54)	2.33%
Net Invested Capital	**42.10**		**40.08**		**2.02**	**5.04%**
Equity	**45.36**		**40.05**		**5.31**	**13.26%**
Net Debt / (Cash)	**3.26**		**(0.03)**		**3.29**	**+109.67%**

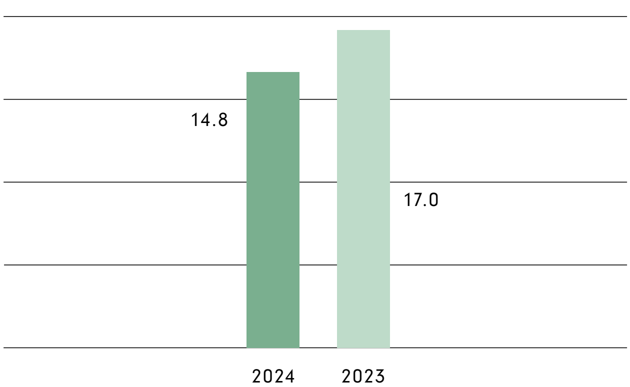
NET REVENUE



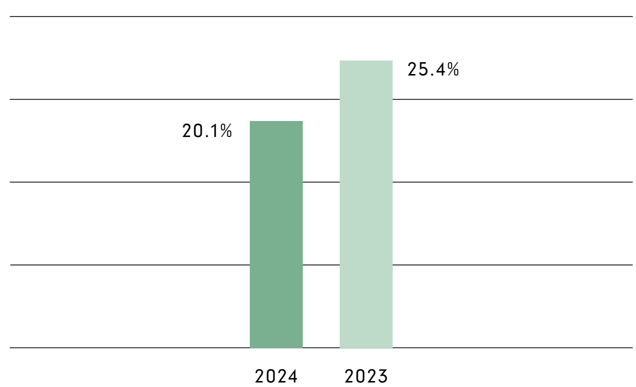
SALES



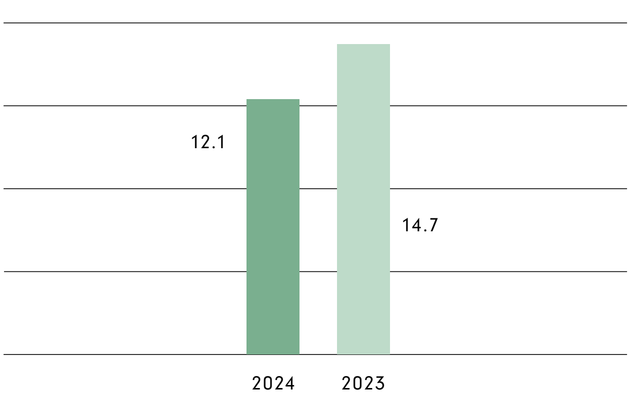
EBITDA



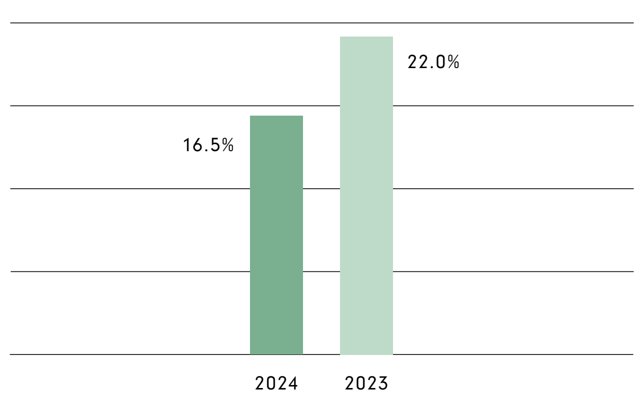
EBITDA MARGIN



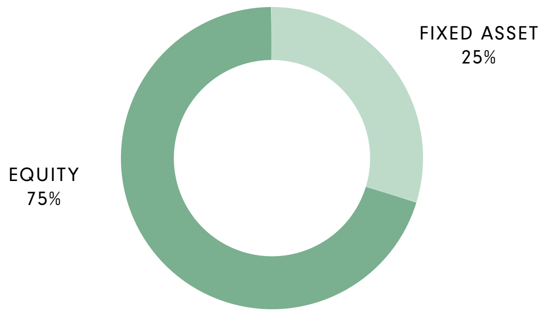
EBIT



EBIT MARGIN



2024



2024

The primary structure index (Fixed Assets over Net Worth) expresses a high level of capitalization and resources to plan further investment plans.

Similarly, the secondary structure index (Fixed Assets over Net Worth & Medium/Long Loans) expresses a very broad level of coverage.

The following table shows the highlights of the five Group Companies; amounts are shown in Euro millions.

	FOPE SPA	FOPE JEWELLERY	FOPE USA	FOPE DEUSCHLAND	FOPE JAPAN
	2024 (DECEMBER 31ST)	2024 (DECEMBER 31ST)	2024 (DECEMBER 31ST)	2024 (DECEMBER 31ST)	2024 (DECEMBER 31ST)
Net Revenue	**66.64**	**8.34**	**17.29**	**0.66**	**1.42**
Operating Costs	52.64	8.01	16.62	0.51	1.32
EBITDA	**14.00**	**0.33**	**0.67**	**0.15**	**0.10**
Depr. & Amortization	2.54	0.09	0.04	0.02	0.01
EBIT	**11.46**	**0.24**	**0.63**	**0.13**	**0.09**
Financial Incoms / (Costs)	(0.38)	-	-	-	(0.01)
Earning Before Tax	**11.08**	**0.24**	**0.63**	**0.13**	**0.08**
Tax	3.02	0.08	0.14	0.04	0.03
Net Income	8.06	0.16	0.49	0.09	0.05
Asset	15.36	0.46	0.44	0.16	0.16
Working Capital	30.71	(0.58)	0.75	-	(0.69)
Funds	2.86	-	-	-	-
Net Invested Capital	**43.22**	**(0.13)**	**1.19**	**0.16**	**(0.53)**
Equity	**43.61**	**1.06**	**2.12**	**0.27**	**0.10**
Net Debt / (Cash)	**(0.39)**	**(1.18)**	**(0.93)**	**(0.11)**	**(0.63)**

Exchange rate		USD/EUR	GBP/EUR		YEN/EUR
To 31/12/2024		1.04	0.83		163.06
Average by year		1.08	0.85		164.00

IMPACT ON CONFLICT MANAGEMENT IN UKRAINE AND ISRAEL AND U.S. CUSTOMS DUTIES

The Group operates by producing and distributing its own jewellery collections to shops that sell the FOPE brand, with revenues being generated by products sold during the year to the retailer, who in turn sells them to the end customer.

Revenues in 2024 stood at Euro 73.43 million, showing a 9.98% increase in sales volume compared to the previous year 2023.

On 24 February 2022, the Russia-Ukraine conflict broke out, leading to a series of sanctions against Russia. These sanctions will inevitably have effects on the global economy. At present, FOPE Group's business is not affected by the direct effects of these sanctions because the Company does not operate in the Russian market, has no Russian, Belarusian or Ukrainian customers, nor are there any Russian or Ukrainian suppliers in its supply chain. Furthermore, it should be noted that the shareholding structure of FOPE S.p.A. does not comprise any direct links with Russian or Ukrainian companies.

Similarly, we believe that the conflict in the Israeli-Palestinian area does not adversely affect the Group's business and that the higher transport costs generated by the changes in shipping routes as a result of the war events do not significantly affect the Companies' overall transport costs.

Since the Group does not operate in the markets where the aforesaid conflicts are taking place, estimates for the financial year 2024 do not include sales assumptions in these markets. While it is not possible to rule out a potential indirect negative effect on the business, caused by a general deterioration of the economy in the Eurozone due to the escalation and continuation of the aforesaid conflict, no such direct phenomena are identified at present as to hinder a positive development of the activities and business for the current year.

The U.S. Administration announced new customs duties will be calculated on goods imported from Italy. Such implementation will be applied also on jewelry products, which affect our Company as well as our U.S. Subsidiary. The new duties rates and conditions are still under verification. In view of such measure and in order to allow the proper cost coverage, the sales price list will be adjusted for the U.S. market.

The U.S. market highly values our brand and we boast a solid partnership with our distributors; however, currently there is no data to forecast a potential impact to the sales volume due to the new customs tariff.

Below is an assessment of the impacts with respect to:

- Economic and financial situation
- Development strategies and key markets.

ECONOMIC AND FINANCIAL IMPACT

The volume of orders collected in the first few months of 2025 confirms the forecast of a positive performance for the year, with adequate profit margins.

Customer receipts during 2024 did not show any critical issues and good turnover ratios were maintained. The net financial position recorded in 2024, standing at Euro 3.26 million, with net liquid assets totalling Euro 15.15 million, shows the Group's ability to generate positive cash flows net of commitments under the investment plan carried out and the loan repayment plan.

DEVELOPMENT STRATEGIES AND KEY MARKETS

The results for the year, showing an increase in sales volume over the past few years, are a valid indicator to give a positive opinion on the Group's business model and strategies pursued to date, respectively described in the following paragraphs of the Report on Operations. Actions on key success levers that have underpinned growth are long-term phenomena that have increasingly positive effects on the perception of the brand by the market, while driving the Group's development process.

6 CORPORATE BODIES

BOARD OF DIRECTORS

Umberto Cazzola	Chairman
Ines Cazzola	Vice - Chairwoman
Elisa Teatini	Director
Davide Angelo Francesco Molteni	Indipendent Director
Diego Nardin	CEO

BOARD OF STATUTORY AUDITORS

Marina Barbieri	Chairman
Cesare Rizzo	Statutory Auditor
Silvio Cesare Rizzini Bisinelli	Statutory Auditor

AUDITING COMPANY

BDO Italia S.p.A.

SUPERVISORY BOARD

Stefania Centorbi

LISTED SHARES:

Ordinary shares FPE ISIN Code ISIN IT0005203424

REVIEW OF THE MAIN ECONOMIC DATA

Below is the Group's reclassified Consolidated Income Statement compared with the previous year (figures shown in Euro):

INCOME STATEMENT	31/12/2024	31/12/2023	CHANGE
Net Revenues	**73,433,504**	**66,768,113**	**6,665,391**
Other income	888,264	870,112	18,152
External costs	52,658,341	44,967,118	7,691,223
Added value	**21,663,427**	**22,671,107**	**(1,007,680)**
Labour costs	6,862,730	5,720,099	1,142,631
EBITDA	14,800,697	16,951,008	(2,150,311)
Amortisation/Depreciation	2,686,392	2,291,380	395,012
EBIT	12,114,305	14,659,628	(2,545,323)
Financial income and charges	(613,445)	(879,371)	265,926
Pre-tax profit/(loss)	**11,500,860**	**13,780,257**	**(2,279,397)**
Income tax	3,117,072	3,705,140	(588,068)
Net profit/(loss)	**8,383,788**	**10,075,117**	**(1,691,329)**

SALES REVENUES

Sales performance in 2024 was positive. Net sales revenues amounted to Euro 73.43 million, an increase of Euro 6.67 million (9.98%) over the previous year.

The US market and the markets in South-East Asia and the Far East, in which we have increased investments, made the greatest contribution to growth. The Italian market, which has always been a central focus of attention, performed well, especially among customers operating in areas of tourist interest.

Sales refer to the FOPE jewellery collections, which are made, as known, in-house exclusively under the FOPE brand and are distributed in multi-brand stores, i.e. to customers and retailers of the brand. In addition to this business model, since 2015, sales also include those made at the boutique in Venice, which in this case see the end consumer himself/herself as a customer, as well as those, again to end consumers, through the Parent Company's e-commerce website.

The FOPE collections are also showcased in the single-brand boutiques in London, Kuala Lumpur and Tokyo. The boutique in Venice is managed directly by the Parent Company, while the others are managed in collaboration with local retailers.

The new collections presented in 2024 directly to retailers of the distribution network were very well received, while the "*timeless*" pieces and collections that have been on the market for several years continue to be very popular.

Retailers, mostly consisting of medium/high-level multi-brand stores, are present on the market on a global scale, with 85.79% of total turnover in 2024 being generated in foreign countries, a percentage in line with the previous year.

OPERATING COSTS

Operating costs (excluding labour costs), which were 17.10% higher than in the previous year, include variable industrial costs proportional to sales volumes and structural costs, which increased in order to meet rising order volumes and business growth.

No significant costs of an extraordinary nature with respect to current operations were recorded during the period.

With a view to consolidating the operational structure, FOPE's work team also changed compared to the previous year; the 19.98% increase in costs was mainly attributable to the entry of new qualified resources both to support production and the staff in the support functions, in particular those in charge of the subsidiaries.

The initiatives of the marketing and communication plan activated during the year were fully expensed in the period, which involved a greater economic commitment compared to the previous year. Expenses for marketing initiatives include costs for participating in international trade fairs, communication programmes in the press and online, and marketing initiatives and events carried out directly in collaboration with jewellery retailers.

During 2024, digital communication endeavours continued to be underpinned by social media channels.

The international trade fairs in which FOPE participates include the two editions of Vicenzaoro, which grew in terms of volume of business generated, the Centurion event in Arizona and the Las Vegas trade fair. It should be noted that, during trade fairs, FOPE meets customer retailers, presents collections, but above all it collects sales orders.

The costs for the purchase of raw materials and other consumer goods produced the expected margins, in line with forecasts. Gold was purchased with forward hedging transactions in order to stabilise the average cost. The costs for managing the sales network, agents' commission and the Group's commercial companies are proportional to sales volumes.

According to the Group's operating model, it should be noted that the affiliated distribution companies, which deal with the marketing of the collections, are responsible for costs of a commercial nature and specific marketing activities, in addition to labour costs, while operating costs relating to product manufacturing and distribution cycle, in respect of areas not covered by the subsidiaries and other support functions, lie with the Parent Company.

AMORTISATION, DEPRECIATION AND OTHER PROVISIONS

The portion of amortisation/depreciation charged to the financial year (17.24% compared to the figure posted in 2023) includes the portions relating to investments made in the year and in previous years.

Allocations to the Provision for Employee Severance Pay, as well as to the Provision for Agents' Termination Indemnity, were calculated in accordance with applicable regulations.

MARGINS AND RESULT FOR THE PERIOD

EBITDA came in at Euro 14.80 million, decreasing by Euro 2.15 million in absolute terms compared to the figure posted in 2023. Similarly, EBIT decreased to Euro 12.11 million.

The decrease in EBITDA, reflected in the Pre-tax profit/(loss), was attributable to the higher impact of operating costs, which increased due to the reasons mentioned above.

Pre-tax profit/(loss) stood at Euro 11.50 million. The profit for the period, totalling Euro 8.38 million, showed a decrease compared to the previous period's profit (Euro 10.08 million).

MAIN BALANCE SHEET DATA

Below is the Group's reclassified Balance Sheet, compared to that of the previous year (figures shown in Euro):

RECLASSIFIED BALANCE SHEET	31/12/2024	31/12/2023	CHANGE
Net intangible fixed assets	3,054,343	3,470,784	(416,441)
Net tangible fixed assets	11,499,737	10,409,865	1,089,872
Equity investments and other financial fixed assets	813,142	882,502	(69,360)
Fixed Assets	15,367,222	14,763,151	604,071
Inventories	15,746,887	15,718,227	28,660
Trade receivables	17,255,853	14,375,399	2,880,454
Other receivables	2,830,346	3,354,540	(524,194)
Expected cash flow hedging trans. cr. position	3,152,137	695,148	2,456,989
Current assets	38,985,223	34,143,314	4,841,909
Trade payables	5,565,634	4,110,521	1,455,113
Other payables	2,769,150	2,072,647	696,503
Current liabilities	8,334,784	6,183,168	2,151,616
Net working capital	30,650,439	27,960,146	2,690,293
Provision for Employee Severance Pay	(1,411,589)	(1,237,074)	(174,515)
Provision for Agents' Termination Indemnity and other Provisions	(2,046,781)	(1,256,345)	(790,436)
Provisions for expected cash flow hedging transactions	(460,095)	(148,845)	(311,250)
Total Provisions	(3,918,465)	(2,642,264)	(1,276,201)
Invested capital	42,099,196	40,081,033	2,018,163
Share capital and Shareholders' equity reserve	(43,431,964)	(39,630,831)	(3,801,133)
Reserve for expected cash flow hedging transactions	(1,926,917)	(420,499)	(1,506,418)
Shareholders' Equity	(45,358,881)	(40,051,330)	(5,307,551)
Medium/long-term financial position	(4,000,999)	(5,386,365)	1,385,366
Short-term financial position	7,260,684	5,356,662	1,904,022
Net Financial Position	3,259,685	(29,703)	3,289,388
Shareholders' Equity and Net Financial Position	42,099,196	40,081,033	2,018,163

FIXED ASSETS

Investments in tangible and intangible fixed assets made during the period under review, totalling Euro 3.38 million, relate to the technological devices and equipment used in the production process, as well as goods supporting the sales activity. Commercial investments include the implementation of Shop-in-Shops (FOPE customised furniture corners inside retailers' shops). Fixed assets also include the purchase of the warehouse adjacent to the headquarters, which was completed in 2024 and guarantees the availability of new space, allowing the expansion of the production departments. In 2024, the last ancillary and completion work continued on the implementation of the new IT system, the performance of which is already yielding benefits to the Company in terms of the consistency and completeness of the information base and ease of access.

TRADE RECEIVABLES AND TRADE PAYABLES

Amounts due from customers did not change in terms of deferment payment ratios compared to 2023. The increase in the balance compared to the previous year is commensurate with and due to the growth in sales volumes.

As to suppliers, payment policies remained unchanged, and the changes in balances as at 31 December are due to some payments made as scheduled.

Derivative financial instruments (assets) are reflected in the reclassified statement under "Expected cash flow hedging trans. cr. position" while the relevant liabilities are held under "Provisions for expected cash flow hedging transactions".

INVENTORIES

The value of inventories, totalling Euro 15.75 million is essentially unchanged from the previous year. The stock of finished and semi-finished products as at 31 December was slightly increased to support sales activities and to enable the delivery of planned orders. It should be noted that production only works based on orders and not on stock.

AMOUNTS OWED TO CREDIT INSTITUTIONS AND FINANCIAL POSITION

During the year, loans in the amount of Euro 6.00 million were taken out, to replace similar positions that had been used up and to streamline treasury and investment management costs.

The Net Financial Position, cash positive in the amount of Euro 3.26 million, increased compared to the position as at 31 December 2023, when it amounted to Euro 0.03 million.

The individual cash flow entries are recorded and commented on in the Statement of Cash Flows, on page 24.

SHAREHOLDERS' EQUITY AND RESERVES FOR HIGHLY LIKELY PLANNED HEDGING TRANSACTION

During the year, dividends to the extent of Euro 4.59 million were distributed, with the remaining profit being allocated to shareholders' equity reserves.

In accordance with the accounting standard OIC 32 (June 2016), the impacts of cash flow hedging transactions recorded as at 31 December 2024 were recognised under assets or liabilities. Specifically, they refer exclusively to hedging transactions, carried out by the Parent Company with a view to stabilising the purchase price of gold or stabilising currency exchange rates.

The calculated effects of transactions were held under assets if they implied a positive effect and under liabilities if they implied a negative effect, and were reported as a balance in the reserve for "Expected cash flow hedging transactions".

As at 31 December 2024, FOPE S.p.A. did not hold and had not disposed of any treasury shares, and therefore no specific Shareholders' Equity reducing entry was reflected under liabilities pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code.

CASH FLOWS

Summary consolidated cash flow statement as at 31 December 2024 (in Euro):

CASH FLOWS	31/12/2024	31/12/2023	CHANGE
Profit for the period	8,383,788	10,075,118	(1,691,330)
Amortisation/depreciation	2,686,392	2,291,380	395,012
Change in Provisions for Employee Severance Pay and Agents' Termination Indemnity	232,079	116,521	115,558
Gross self-financing	**11,302,259**	**12,483,019**	**(1,180,760)**
Change in trade receivables	(2,645,339)	(2,017,571)	(627,768)
Change in other short-term receivables	524,194	(139,461)	663,655
Change in inventories	(28,659)	(1,795,590)	1,766,931
Change in short-term payables	2,649,375	(2,490,247)	5,139,622
Changes in net working capital	**499,571**	**(6,442,869)**	**6,942,440**
Cash flow from operating activities	**11,801,830**	**6,040,150**	**5,761,680**
Change in tangible and intangible fixed assets	(3,359,825)	(3,156,802)	(203,023)
Changes in financial fixed assets	69,360	138,219	(68,859)
Repayment of M/L-term loans	(5,398,577)	(3,718,419)	(1,680,158)
Uses	**(8,689,042)**	**(6,737,002)**	**(1,952,040)**
Loans taken out	6,000,000	6,000,000	
Convertible bond issue			
Changes in Shareholders' equity reserve	(4,582,656)	(4,249,661)	(332,995)
Sources	1,417,344	1,750,339	(332,995)
Change in expected cash flow hedging trans. cr. position	(2,456,989)	(563,066)	(1,893,923)
Changes in provisions for expected cash flow hedging transactions	311,250	(324,802)	636,052
Changes in reserves for expected cash flow hedging transactions	1,506,418	585,268	921,150
Changes in expected cash flow hedging transaction positions	(639,321)	(302,600)	(336,721)
Net Cash Flow	**3,890,811**	**750,887**	**3,139,924**
Net credit/(debit) banking transactions 31/12/2024	15,145,470		15,145,470
Net credit/(debit) banking transactions 31/12/2023	11,254,658	11,254,658	
Net credit/(debit) banking transactions 31/12/2022		10,503,771	(10,503,771)
Change in net debit/(credit) position	**3,890,812**	**750,887**	**3,139,925**

Self-financing generated by the result of operations produced a net cash flow totalling Euro 3.89 million as at 31 December 2024, with an increased exposure of Euro 3.14 million compared to 31 December 2023.

Self-financing and the funding resulting from new M/L-term loans made it possible to meet the financial commitments required to finance the investment plan, while complying with the amortisation schedule for repayment of outstanding loans and managing treasury flows without straining liquidity requirements.

REVIEW OF FINANCIAL POSITION

The net financial position as at 31 December 2024 and at the end of the previous year was as follows (figures shown in Euro):

NET FINANCIAL POSITION	31/12/2024	31/12/2023	CHANGE
Net position for short-term bank transactions and cash on hand	15,145,470	11,254,658	3,890,812
Short-term portion of loans	(7,884,786)	(5,897,996)	(1,986,790)
Net short-term financial position	7,260,684	5,356,662	1,904,022
Long-term portion of loans	(4,000,999)	(5,386,365)	1,385,366
Net financial position	**3,259,685**	**(29,703)**	**3,289,388**

During the period, new loans were taken out and outstanding loans were repaid to the extent of Euro 6.00 million and Euro 5.40 million, respectively.

The amount of circulating gold required to meet production cycle needs is partly provided by credit institutions on the basis of "loan for use" contracts. The overall commitment as at 31 December 2024 in respect of the availability of gold owned by credit institutions, on the basis of the aforementioned contracts, was equal to Euro 23.91 million.

INTERCOMPANY TRANSACTIONS

During the period under review, the parent company FOPE S.p.A. entered into the following intercompany transactions (figures shown in Euro):

- FOPE Usa Inc;
- FOPE Jewellery Ltd.
- FOPE Deutschland GmbH;
- FOPE Japan G.K..

Company	RECEIVABLES	PAYABLES	REVENUES	COSTS
FOPE Usa Inc	6,393,588	274,988	12,652,912	793,346
FOPE Jewellery Ltd	5,229,596	13,570	5,764,348	105,823
FOPE Deutschland GmbH		80,091		657,707
FOPE Japan GK	1,867,111	(20,006)	974,852	183,283

The above transactions, which do not include any atypical and/or unusual transactions, were governed by the arm's length principle.

STAFF

The staff employed in Group companies as at 31 December 2024 totalled 96 people: 53 women and 43 men.

No significant accidents occurred during the period.

ENVIRONMENT

The Group carries out its business in compliance with the provisions on environmental protection. During the period, monitoring activities on compliance with gas and liquid emission standards were carried out on a regular basis by the designated contractors, testing negative at all times. The "Sustainability Report", which was published in September 2024, was prepared at the level of the Parent Company FOPE S.p.A.

RESEARCH AND DEVELOPMENT

During 2024, the Company continued its research and development activities, gearing its efforts towards projects that it considers particularly innovative, as indicated below.

01. Study, design and experimental development of new product lines and types of meshes for jewellery, and development of new collections:

- expansion of Eka collection;
- expansion of Love Nest collection;
- expansion of Panorama colleciton.

02. Activities related to the protection and preservation of intellectual property

The projects were carried out at the Company's headquarters. For the development of the above-mentioned projects, the Company incurred costs to the extent of Euro 408,828, in respect of which it plans to seek tax relief for research, development, technological innovation, design and aesthetic conception activities pursuant to Article 1, sections 198-209 of Italian Law No. 160 of 27 December 2019.

Research efforts will continue in 2025.

FOPE S.p.A. did not consider it appropriate to capitalise the costs related to the above research and development activities, as they were fully accounted for in the year they were incurred.

INFORMATION RELATING TO RISKS AND UNCERTAINTIES PURSUANT TO ARTICLE 2428, SECTION 2(6-BIS) OF THE ITALIAN CIVIL CODE

In accordance with Article 2428, section 2(6-bis) of the Italian Civil Code, information is provided below regarding the use of financial instruments, insofar as they are relevant to give a true and fair view of the Company's financial situation and performance.

More precisely, the objectives of corporate management, policies and criteria used to measure, monitor and control the financial risks include:

- Financial hedges to stabilise the purchase price of raw materials (gold);
- Financial hedges to stabilise the exchange rate risk in connection with countries in the US Dollar, Pound Sterling, Australian Dollar and Japanese Yen areas;
- Financial hedges to prevent the interest rate risk on medium-term loans.

CREDIT RISK

The amount of provisions for doubtful receivables affords adequate hedging of credit risk.

LIQUIDITY RISK

With regard to liquidity risk, it should be noted that:

- Group companies do not hold financial assets for which there is a liquid market and which can be readily sold to meet cash requirements;
- Borrowing instruments or other lines of credit are available to meet cash needs (e.g. overdraft arrangements and factoring of trade receivables with banks);
- The Parent Company holds financial assets for which there is no liquid market, but from which cash flows (principal or interest) are expected to be available to meet cash requirements;
- The Parent Company holds deposits with credit institutions to meet its cash requirements;
- The main sources of financing, excluding short-term bank exposure, are M/L-term loans with banks.

POLICIES RELATED TO DIFFERENT HEDGING ACTIVITIES

The Group operates in the jewellery industry and a significant risk class applies to the volatility of valuations on the international gold market (gold being used as a raw material) and to the ensuing purchase price.

In order to stabilise the purchase price, the Parent Company fixes the end price by relying on financial hedging transactions. The transactions, which do not have a duration of more than 24 months, are carried out on a rotation basis for a portion of the total estimated requirements.

INFORMATION ON SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

APPOINTMENT OF THE GENERAL MANAGER

In March 2025, Piero Persi was appointed General Manager of the Company.

The business volumes now achieved by the Group and, above all, the growth plans developed in light of the strategies that FOPE is pursuing, make the implementation of growth projects and the organisation of company processes more complex and detailed, requiring us to adapt the organisational structure by appointing a General Manager. The new figure, who will oversee the various corporate functions, is responsible for supporting the CEO and the Board of Directors in implementing projects aimed at market growth and organisational improvement.

Mr. Piero Persi has impressive professional experience in similar top roles for important companies operating in the luxury segment, where he contributed significantly to their growth and success.

BUSINESS OUTLOOK

In light of the positive results recorded in 2024, while not lifting all reservations regarding potential critical future developments in the macroeconomic situation, particularly with regard to the geopolitical scenario characterised by the conflict between Russia and Ukraine and the Israeli-Palestinian conflict, positive business development is expected to continue in 2025.

It should be noted that the Group is not active in the markets affected by the aforementioned conflicts and that, although we cannot exclude any indirect negative effects in the event of a general deterioration of the economy due to the continuation of the crises, there are not direct phenomena that could affect the positive development of the Group's business expected for the current year.

The U.S. Administration announced new customs duties will be calculated on goods imported from Italy. Such implementation will be applied also on jewelry products, which affect our Company as well as our U.S. Subsidiary. The new duties rates and conditions are still under verification. In view of such measure and in order to allow the proper cost coverage, the sales price list will be adjusted for the U.S. market.

The U.S. market highly values our brand and we boast a solid partnership with our distributors; however, currently there is no data to forecast a potential impact to the sales volume due to the new customs tariff.

Based on the Company's forecasts for 2025, sales volume growth and a positive economic result are expected. The results recorded in the first months of 2025 bear out these forecasts and, consequently, the above-mentioned expectations.

Diego Nardin
FOPE S.p.A. CEO

CONSOLIDATED FINANCIAL STATEMENT FOR F.Y. 2024

BALANCE SHEET
PROFIT AND LOSS
CONSOLIDATED FINANCIAL STATEMENT (INDIRECT METHOD)

Balance Sheet – Assets	31/12/2024	31/12/2023
A) Unpaid share capital		
Called-up share capital		
Share capital to be called up		
Total Unpaid share capital (A)		
B) Fixed assets		
I - Intangible fixed assets		
1) plant and expansion costs		
2) development costs		
3) industrial patent and intellectual property rights	2,016,755	2,209,258
4) concessions, licenses, trademarks and other similar rights	13,924	16,271
5) goodwill	269,188	421,820
6) assets under construction and payments on account		56,472
7) others	754,476	766,963
Total intangible fixed assets	3,054,343	3,470,784
II - Tangible fixed assets		
1) land and buildings	7,163,685	6,713,746
2) plant and machinery	1,961,043	1,964,715
3) industrial and commercial equipment	1,403,513	875,387
4) other assets	771,478	590,697
5) assets under construction and payments on account	200,018	265,321
Total tangible fixed assets	11,499,737	10,409,866
III - Financial fixed assets		
1) equity investments in		
a) subsidiaries		35,024
b) associated companies		
c) parent companies		
d) companies subject to the control of parent companies		
d-bis) other companies	5,715	5,374
Total equity investments	5,715	40,398
2) receivables		
a) amounts due from subsidiaries		
within the following year		
after the following year		
Total amounts due from subsidiaries		
b) amounts due from associated companies		
within the following year		
after the following year		
Total amounts due from associated companies		
c) amounts due from parent companies		
within the following year		
after the following year		
Total amounts due from parent companies		
d) amounts due from companies subject to the control of parent companies		
within the following year		
after the following year		
Total amounts due from companies subject to the control of parent companies		
d-bis) amounts due from others		
within the following year	52,429	49,696
after the following year		
Total long-term receivables from others	52,429	49,696
Total receivables	52,429	49,696
3) other securities	750,000	750,000
4) derivative financial instrument (assets)	4,998	42,407
Total financial fixed assets	813,142	882,501

Balance Sheet – Assets	31/12/2024	31/12/2023
Total fixed assets (B)	15,367,222	14,763,151
C) Current assets		
I - Inventories		
1) raw materials, auxiliary materials and consumables	3,965,350	11,700,518
2) unfinished and semi-finished products	4,964,616	1,141,867
3) contract work in progress		
4) finished products and goods	6,810,197	2,867,998
5) payments on account	6,724	7,844
Total inventories	15,746,887	15,718,227
Tangible fixed assets for sale		
II - Receivables		
1) trade receivables		
within the following year	17,255,853	14,375,399
after the following year		
Total trade receivables	17,255,853	14,375,399
2) amounts due from subsidiaries		
within the following year		
after the following year		
Total amounts due from subsidiaries		
3) amounts due from associated companies		
within the following year		
after the following year		
Total amounts due from associated companies		
4) amounts due from parent companies		
within the following year		
after the following year		
Total amounts due from parent companies		
5) amounts due from companies subject to the control of parent companies		
within the following year		
after the following year		
Total amounts due from companies subject to the control of parent companies		
5-bis) amounts due from Inland Revenue		
within the following year	940,979	1,513,837
after the following year		
Total amounts due from Inland Revenue	940,979	1,513,837
5-ter) deferred tax assets	1,005,707	762,165
5-quater) amounts due from others		
within the following year	516,401	551,133
after the following year	122	13,693
Total amounts due from others	516,523	564,826
Total receivables	19,719,061	17,216,227
III - Current financial assets		
1) equity investments in subsidiaries		
2) equity investments in associated companies		
3) equity investments in parent companies		
3-bis) equity investments in companies subject to the control of parent companies		
4) other equity investments		
5) derivative financial instrument (assets)	3,152,137	695,148
6) other securities		
Financial assets for cash pooling management		
Total current financial assets	3,152,137	695,148
IV - Cash and cash equivalents		
1) bank and postal deposits	15,101,771	11,246,304
2) cheques	33,396	329

Balance Sheet – Assets	**31/12/2024**	**31/12/2023**
3) cash and securities on hand	10,303	8,538
Total cash and cash equivalents	15,145,470	11,255,171
Total current assets (C)	53,763,555	44,884,773
D) Accrued income and prepayments	367,137	513,712
Total assets	**69,497,914**	**60,161,636**

Balance Sheet – Liabilities	31/12/2024	31/12/2023
A) Group Shareholders' equity		
I - Share capital	5,399,608	5,399,608
II - Share premium reserve	3,433,505	3,433,505
III - Revaluation reserves	1,469,295	1,469,295
IV - Legal reserve	1,202,499	1,202,499
V - Statutory reserves		
VI - Other reserves, separately stated		
Extraordinary reserve	24,440,606	18,889,189
Reserve for derogation under Article 2423 of Italian Civil Code		
Reserve for parent company's shares		
Investment revaluation reserve		
Payments for capital increase		
Payments for future capital increase		
Capital contribution payments		
Payments to cover losses		
Reserve for reduction of share capital		
Merger surplus reserve		
Reserve for unrealised gains on exchange rates		
Profit adjustment reserve		
Consolidation reserve		
Translation differences reserve	48,669	56,927
Total other sundry reserves	(1,097,436)	(1,063,947)
Total other reserves	23,391,839	17,882,169
VII - Reserve for expected cash flow hedging transactions	1,926,917	420,499
VIII - Profit/(loss) carried forward	(153)	
IX - Profit/(loss) for the period	8,346,748	10,031,422
Loss covered in the period		
X - Negative reserve for treasury shares		
Total shareholders' equity	45,170,258	39,838,997
Minority interest in shareholders' equity		
Minority interest in share capital and reserves	151,583	168,640
Profit/(loss) for the period attributable to minority interests	37,040	43,696
Total minority interest in shareholders' equity	188,623	212,336
Total consolidated shareholders' equity	45,358,881	40,051,333
B) Provisions for risks and charges		
1) provision for pensions and similar obligations	987,363	929,798
2) provision for taxes, including deferred tax liabilities	1,007,963	305,092
consolidation provision for future risks and charges		
3) derivative financial instrument (liabilities)	460,095	148,845
4) others	51,455	21,455
Total provisions for risks and charges	2,506,876	1,405,190
C) Employee severance pay	1,411,589	1,237,074
D) Payables		
1) bonds		
within the following year		
after the following year		
Total bonds		
2) convertible bonds		
within the following year		
after the following year		
Total convertible bonds		
3) amounts due to shareholders for loans		
within the following year		
after the following year		

Balance Sheet – Liabilities	31/12/2024	31/12/2023
Total amounts due to shareholders for loans		
4) amounts due to banks		
within the following year	7,884,786	5,898,509
after the following year	4,000,999	5,386,365
Total amounts due to banks	11,885,785	11,284,874
5) amounts due to other lenders		
within the following year	49,350	60,236
after the following year		
Total amounts due to other lenders	49,350	60,236
6) payments on account		
within the following year	257,685	22,570
after the following year		
Total payments on account	257,685	22,570
7) trade payables		
within the following year	5,565,634	4,110,521
after the following year		
Total trade payables	5,565,634	4,110,521
8) payables in the form of credit instruments		
within the following year		
after the following year		
Total payables in the form of credit instruments		
9) amounts due to subsidiaries		
within the following year		
after the following year		
Total amounts due to subsidiaries		
10) amounts due to associated companies		
within the following year		
after the following year		
Total amounts due to associated companies		
11) amounts due to parent companies		
within the following year		
after the following year		
Total amounts due to parent companies		
11-bis) amounts due to companies subject to the control of parent companies		
within the following year		
after the following year		
Total amounts due to companies subject to the control of parent companies		
12) amounts due to Inland Revenue		
within the following year	1,034,364	945,737
after the following year		
Total amounts due to Inland Revenue	1,034,364	945,737
13) amounts due to social security and welfare institutions		
within the following year	386,721	271,760
after the following year		
Total amounts due to social security and welfare institutions	386,721	271,760
14) other payables		
within the following year	805,886	569,025
after the following year		
Total other payables	805,886	569,025
Total payables	19,985,425	17,264,723
E) Accrued expenses and deferred income	235,143	203,316
Total liabilities	**69,497,914**	**60,161,636**

Income statement	31/12/2024	31/12/2023
A) Production Value		
1) revenues from sales and services	73,433,504	66,768,113
2) changes in inventories of unfinished, semi-finished and finished products	7,421,693	706,812
3) changes in contract work in progress		
4) increase in fixed assets from in-house production		
5) other income and revenues		
operating grants	46,813	49,627
others	841,451	820,486
Total other income and revenues	888,264	870,113
Total production value	81,743,461	68,345,038
B) Costs of production		
6) raw materials, auxiliary materials, consumables and goods	31,854,293	28,973,629
7) services	19,651,232	16,672,605
8) use of third-party assets	813,924	866,970
9) labour costs		
a) salaries and wages	5,136,128	4,320,660
b) social security contributions	1,349,888	1,099,605
c) employee severance pay	254,178	220,456
d) pensions and similar obligations		
e) other costs	122,536	79,378
Total labour costs	6,862,730	5,720,099
10) amortisation, depreciation and write-downs		
a) amortisation of intangible fixed assets	1,330,378	1,138,640
b) depreciation of tangible fixed assets	1,356,014	1,152,741
c) other write-downs of fixed assets		
d) write-downs of receivables included in current assets and cash and cash equivalents	103,271	89,285
Total amortisation, depreciation and write-downs	2,789,663	2,380,666
11) changes in inventories of raw materials, auxiliary materials, consumables and goods	7,404,046	-1,084,159
12) provisions for risks	30,000	
13) other provisions		
14) sundry operating charges	223,268	155,600
Total production costs	69,629,156	53,685,410
Difference between production value and costs (A - B)	12,114,305	14,659,628
C) Financial income and charges		
15) income from equity investments		
from subsidiaries		84,957
from associated companies		
from parent companies		
from companies subject to the control of parent companies		
others	4,602	
Total income from equity investments	4,602	84,957
16) other financial income		
a) from receivables recorded under fixed assets		
from subsidiaries		
from associated companies		
from parent companies		
from companies subject to the control of parent companies		
others		
Total financial income from receivables recorded under fixed assets		
b) from securities held under fixed assets as other than equity investments		
c) from securities held under current assets as other than equity investments		
d) income other than the above		
from subsidiaries	1,947	
from associated companies		

Income statement	31/12/2024	31/12/2023
from parent companies		
from companies subject to the control of parent companies		
others	254,371	259,437
Income other than the above	256,318	259,437
Total other financial income	256,318	259,437
17) Interest and other financial charges		
due to subsidiaries		
due to associated companies		
due to parent companies		
due to companies subject to the control of parent companies		
others	727,085	527,017
Total interest and other financial charges	727,085	527,017
17-bis) Exchange rate gains/(losses)	(147,280)	(696,747)
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(613,445)	(879,370)
D) Value adjustments to financial assets and liabilities		
18) write-ups		
a) of equity investments		
b) of financial fixed assets other than equity investments		
c) of securities held under current assets as other than equity investments		
d) of derivative financial instruments		
of financial assets for cash pooling management		
Total write-ups		
19) write-downs		
a) of equity investments		
b) of financial fixed assets other than equity investments		
c) of securities held under current assets as other than equity investments		
d) of derivative financial instruments		
of financial assets for cash pooling management		
Total write-downs		
Total value adjustments to financial assets and liabilities (18 - 19)		
Pre-tax profit/(loss) (A - B +/- C +/- D)	11,500,860	13,780,258
20) Current taxes and deferred tax assets and liabilities		
current taxes	3,379,429	3,744,459
taxes pertaining to previous years	(114,460)	(74,797)
deferred tax assets and liabilities	(147,897)	35,478
income (expense) from participation in the tax consolidation/fiscal transparency scheme		
Total current taxes and deferred tax assets and liabilities	3,117,072	3,705,140
21) Net profit/(loss) for the period	8,383,788	10,075,118
Group profit/(loss)	8,346,748	10,031,422
Profit/(loss) for the period attributable to minority interests	37,040	43,696

Statement of cash flow, indirect method	31/12/2024	31/12/2023
A) Cash flows from operating activities (indirect method)		
Profit/(loss) for the period	8,383,788	10,075,118
Income taxes	3,117,072	3,705,140
Interest expense/(income)	470,766	267,580
(Dividends)		
Capital (gains)/losses from asset disposal	(7,895)	(38,389)
1) Profit/(loss) for the period before income taxes, interest, dividends, and capital gains/ losses from disposals	11,963,731	14,009,449
Adjustments to non-monetary items not reflected in net working capital		
Allocations to provisions	1,649,040	510,536
Depreciation/amortisation of fixed assets	2,686,392	2,291,380
Write-downs for impairment losses		
Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary transactions		
Other upward/(downward) adjustments to non-monetary items		
Total adjustments to non-monetary items not reflected in net working capital	4,335,432	2,801,916
2) Cash flow before changes in net working capital	16,299,163	16,811,365
Changes in net working capital		
Decrease/(increase) in inventories	(28,659)	(1,795,590)
Decrease/(increase) in trade receivables	(2,645,339)	(2,015,371)
Increase/(decrease) in trade payables	1,520,348	(1,031,481)
Decrease/(increase) in accrued income and prepayments	146,575	(165,775)
Increase/(decrease) in accrued expenses and deferred income	31,827	(51,266)
Other decreases/(increases) in net working capital	(187,178)	(102,179)
Total changes in net working capital	(1,162,426)	(5,161,662)
3) Cash flow after changes in net working capital	15,136,737	11,649,703
Other adjustments		
Interest received/(paid)	(470,766)	(267,580)
(Income taxes paid)	(3,163,687)	(4,978,646)
Dividends received		
(Use of provisions)	(373,586)	(604,175)
Other receipts/(payments)	7,895	38,389
Total other adjustments	(4,000,144)	(5,812,012)
Cash flow from operating activities (A)	11,136,417	5,837,691
B) Cash flow from investing activities		
Tangible fixed assets		
(Investments)	(2,796,538)	(1,714,602)
Disposals	350,652	126,187
Intangible fixed assets		
(Investments)	(914,144)	(1,568,389)
Disposals		
Financial fixed assets		
(Investments)	(3,073)	(35,024)
Disposals	72,423	143,129
Current financial assets		
(Investments)		
Disposals		
(Acquisition of business units net of cash and cash equivalents)		
Disposal of business units net of cash and cash equivalents		
Cash flow from investing activities (B)	(3,290,640)	(3,048,699)
C) Cash flows from financing activities		
Third-party funds		
Increase/(decrease) in short-term payables to banks	(513)	(1,017,253)
New loans	6,000,000	6,000,000

Statement of cash flow, indirect method	31/12/2024	31/12/2023
(Loan repayments)	(5,398,576)	(3,718,419)
Shareholders' equity		
Paid-in share capital increase		(24,888)
(Capital repayments)		
Sale/(purchase) of treasury shares		
(Dividends and interim dividends paid)	(4,556,565)	(4,294,798)
Cash flow from financing activities (C)	(3,955,654)	(3,055,358)
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	3,890,299	(266,366)
Exchange rate effect on cash and cash equivalents		
Cash and cash equivalents at beginning of year		
Bank and postal deposits	11,246,304	11,510,093
Cheques	329	1,937
Cash and securities on hand	8,538	9,507
Total cash and cash equivalents at beginning of year	11,255,171	11,521,537
Of which not freely usable		
Cash and cash equivalents at end of year		
Bank and postal deposits	15,101,771	11,246,304
Cheques	33,396	329
Cash and securities on hand	10,303	8,538
Total cash and cash equivalents at end of year	15,145,470	11,255,171
Statement of cash flow, indirect method		
Of which not freely usable		
Acquisition or disposal of subsidiaries		
Total fees paid or received		
Part of fees consisting of cash and cash equivalents		
Cash and cash equivalents acquired or disposed of through acquisition/disposal of subsidiaries		
Book value of assets/liabilities acquired or disposed of		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2024

GROUP PROFILE

FOPE S.p.A., the parent company, and its subsidiaries operate both in Italy and abroad in the goldsmith industry with a focus on medium/high-end gold and jewellery-making.

Significant events occurring during the reporting period are extensively described in the Consolidated Report on Operations, to which reference should be made.

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements, consisting of the Balance Sheet, Income Statement, Statement of Cash Flows and Notes, were prepared in accordance with Article 29 of Italian Legislative Decree 127/91, as indicated in these Notes, which were prepared pursuant to Article 38 thereof.

Moreover, such additional information as deemed necessary to provide more comprehensive disclosure of the Group's financial situation and performance was prepared, with special reference to the Statement of Reconciliation between the Parent Company's Profit and Shareholders' Equity and the Consolidated Profit and Shareholders' Equity for the reporting period.

BASIS OF PREPARATION

These Financial Statements were prepared taking into account the regulatory changes introduced by Italian Legislative Decree 139/2015, applicable as of FY2016, and the ensuing update of the accounting standards issued by the Italian Accounting Standard Board (OIC).

For each item reflected in the Balance Sheet and the Income Statement, the corresponding figures from the previous year are shown.

In 2016, the new national accounting standards issued by the OIC became effective and were required to be adopted as of 1 January 2016.

In March 2024, the OIC published some amendments to the national accounting standards resulting from requests for clarification received from OIC stakeholders in the last year.

The main amendments concerned accounting standards OIC 16 and OIC 31 to introduce specific accounting rules regarding decommissioning and restoration obligations; OIC 25 to clarify that the provisions deriving from the OECD Pillar II model are not relevant for the purposes of deferred taxation; and OIC 12, OIC 15 and OIC 19 to clarify that discounts are accounted for as a reduction of revenues while advance collections of receivables are accounted for as financial charges.

The amendments made to OIC 25 came into force immediately upon publication in March 2024, while the amendments to OIC 12, 15, 16, 19, 20, 21, and 31 apply to financial statements for periods beginning on or after 1 January 2024.

The effects resulting from the application thereof will be treated as indicated by OIC 29 in respect of amendments to accounting standards.

The OIC also published Interpretative Document 11 - "Accounting aspects relating to the measurement of securities held as current assets" updated for 2023 financial statements.

On 25 March 2020, the Management Board of the OIC finally approved accounting standard OIC 33 "Transition to national accounting standards". The above standard governs the manner in which the first financial statements prepared in accordance with the provisions of the Italian Civil Code and National Accounting Standards shall be drafted by a company that previously prepared its financial statements in accordance with other standards.

The following table summarises the status of the National Accounting Standards, in view of the recent update:

Document	UPDATE	NOT UPDATED	REPEALED
OIC 2 Assets and financing allocated to a specific transaction		OCTOBER 2005	
OIC 3 Information on financial instruments to be included in the Notes to the Financial Statements and Report on Operations			X
OIC 4 Mergers and demergers		JANUARY 2007	
OIC 5 Financial statements for companies undergoing liquidation procedures		JUNE 2008	
OIC 6 Debt restructuring and disclosures			X
OIC 7 Green certificates			X
OIC 8 Greenhouse gas emission allowances		FEBRUARY 2013	
OIC 9 Write-downs for impairment losses of tangible and intangible fixed assets	JANUARY 2023		
OIC 10 Statement of cash flows	DECEMBER 2016		
OIC 11 Financial statements, objectives and assumptions	MARCH 2018		
OIC 12 Financial Statement Composition and Layouts	JANUARY 2024		
OIC 13 Inventories	DECEMBER 2017		
OIC 14 Cash and cash equivalents	DECEMBER 2016		
OIC 15 Receivables	JANUARY 2024		
OIC 16 Tangible fixed assets	JANUARY 2024		
OIC 17 Consolidated financial statements and equity method	DECEMBER 2017		
OIC 18 Accruals and deferrals	DECEMBER 2016		
OIC 19 Payables	JANUARY 2024		
OIC 20 Debt securities	JANUARY 2024		
OIC 21 Equity investments	JANUARY 2024		
OIC 22 Memorandum accounts			X
OIC 23 Contract work in progress	DECEMBER 2016		
OIC 24 Intangible fixed assets	DECEMBER 2017		
OIC 25 Income taxes	MARCH 2024		
OIC 26 Transactions, assets and liabilities in foreign currency	DECEMBER 2016		
OIC 28 Shareholders' equity	JANUARY 2023		
OIC 29 Changes to accounting policies, accounting estimates, errors, and events after the reporting period	DECEMBER 2017		
OIC 30 Interim financial statements	APRIL 2006		
OIC 31 Provisions for risks and charges and Severance pay	JANUARY 2024		
OIC 32 Derivative financial instruments	JANUARY 2019		
OIC 33 Transition to national accounting standards	MARCH 2020		
OIC 34 Revenues	APRIL 2023		
OIC 35 Accounting standard on third sector entities (ETS)	MARCH 2023		

The Financial Statements for the year ended 31 December 2024, of which these Notes form an integral part pursuant to Article 2423, section 1 of the Italian Civil Code, reflect the accounting records duly kept and were prepared in accordance with Articles 2423 et seq. thereof. The figures in the financial statements are shown in Euro units, with the relevant amounts being rounded off. Any rounding-off differences were reflected in the "Euro rounding-off reserve" under Shareholders' Equity. Pursuant to Article 2423, section 6 of the Italian Civil Code, the Notes were prepared in Euro units.

In accordance with Article 2423-ter, section 5 of the Italian Civil Code, adjustments were made to certain items of the previous year in order to make their actual dynamics understandable.

The Notes present the information related to items in the Balance Sheet and in the Income Statement according to the order in which items are shown in the respective layouts.

CONSOLIDATION SCOPE AND METHODS

As per the aforesaid regulatory provisions, the consolidation scope includes the financial statements for the period of FOPE S.p.A. and of the foreign companies in which the Parent Company holds a controlling stake.

The financial statements of the companies included in the consolidation scope were consolidated on a line-by-line basis.

Below is a list of these companies:

Company name	HEADQUARTERS	% OF OWNERSHIP	% OF CONSOLIDATION
FOPE Usa Inc	USA - 33431 - Florida, Boca Raton, 2500 North Military Trail, Ste 210	100	FULL
FOPE Jewellery Ltd.	UK - B91 2AA Solihull 2nd Floor, Radcliffe House, Blenheim Court	84	FULL
FOPE Deutschland Gmbh	DE - 41069 Monchengladbach, Am Nordpark, 1-3	100	FULL
FOPE Japan GK	JP - 1000005 Tokyo, Marunouchi Chiyoda-Ku, 7F Meijiseimeikan 2-1-1	80	FULL

It should be noted that no company was consolidated using the proportional method.

Milano 1919 S.r.l., a company in which the Parent Company holds a 20% minority stake and in respect of which FOPE S.p.A. does not exercise a dominant influence, was not included in the scope of consolidation.

REPORTING DATE

For consolidation purposes, the draft financial statements of the individual companies for the period ended 31 December 2024—reclassified and adjusted to comply with the accounting standards and the basis of presentation adopted by the Group—were used.

BASIS OF CONSOLIDATION

The main consolidation principles adopted for preparing the Consolidated Financial Statements are as follows:

- The book value of equity investments in consolidated companies is written off against the corresponding portion of Shareholders' Equity when assets and liabilities are accounted for, according to the global line-by-line method;
- The differences resulting from the write-off are allocated to the relevant balance sheet items, while the remainder:
  - is held under fixed assets as "Consolidation difference", if positive; and
  - is held under shareholders' equity as "Consolidation reserve", if negative;
- Financial and economic transactions between the companies included in the consolidation scope are entirely derecognised;
- The financial statements of foreign companies are translated into the reporting currency (Euro) by applying the spot exchange rate at the end of the reporting period to assets and liabilities, while the average exchange rate for the period is applied to income statement items. The net effect of the translation of the financial statements of the investee into the reporting currency is reflected in the "Translation differences reserve".

The rates in the table below were applied for the translation of financial statements denominated in foreign currencies:

Currency	EXCHANGE RATE AS AT 31/12/2024	ANNUAL AVERAGE EXCHANGE RATE
US Dollar	1.0389	1.0824
UAE Dirham	3.8154	3.9750
Pound Sterling	0.8292	0.8466
Japanese Yen	163.0600	163.8519

BASIS OF MEASUREMENT

A. General Standards
Accounting standards and the basis of measurement were applied consistently to all consolidated companies. The standards relied upon in the preparation of the consolidated financial statements are those used in the financial statements of the parent company FOPE S.p.A. and are in compliance with current legal provisions. The standards relied upon in the financial year just ended are the same as those relied upon for processing data relating to the previous year. Financial statement items were measured in accordance with the general principles of prudence, accrual basis accounting, and with a view to going concern assumptions. For accounting purposes, preference is given to the economic substance of transactions rather than their legal form.

B. Value adjustments and write-backs
The value of tangible and intangible assets, whose useful life is limited over time, is adjusted downward through depreciation/amortisation. These assets and other asset items are written down whenever an impairment is identified; the original value is written back when the grounds for the previous write-down are deemed to no longer exist. The analytical depreciation, amortisation and write-down methods adopted are described in the following paragraphs of these Notes to the Financial Statements.

C. Write-ups and exceptions

During the period under review, no write-ups and exceptions were made to the basis of measurement laid down by the legislation on separate and consolidated financial statements.

THE MOST SIGNIFICANT PRINCIPLES AND STANDARDS WERE AS FOLLOWS:

FIXED ASSETS

INTANGIBLE FIXED ASSETS

Intangible fixed assets consist of installation and expansion costs, goodwill, rights to use intellectual works, trademarks, and other fixed assets represented by software and leasehold improvements.

These are (i) recorded at the purchase price, (ii) stated net of amortisation made during the financial years, and (iii) reflected directly under the individual items. With regard to the amortisation process, which begins upon the asset being ready for use, the straight-line method was used based on the rates that are considered to reflect the asset's estimated useful life.

Installation and expansion costs, and goodwill costs with a useful life of more than one year were held as assets with the approval of the Board of Statutory Auditors and were amortised within a period not exceeding five years and ten years, respectively.

Industrial patent and intellectual property rights, licences, concessions and trademarks are amortised over 5 years.

Leasehold improvements are amortised based on the term of the lease.

TANGIBLE FIXED ASSETS

These are entered at their purchase cost and adjusted by the corresponding depreciation. The book value also reflects ancillary charges. Depreciation, recorded in the Income Statement, was calculated on the basis of economic-technical rates deemed suitable to distribute the book value of tangible fixed assets during their useful life. If the recoverable amount of an asset is less than its net book value, then the fixed asset is recognised in the Financial Statements at such lower value, holding the difference under the Income Statement as an impairment loss. If in subsequent years the reasons for the write-down no longer apply, the original value, adjusted only for depreciation, is restored.

Ordinary maintenance costs are fully charged to the Income Statement. Maintenance costs of an incremental nature are allocated to the asset to which they relate and are depreciated over the remaining useful life of the asset.

The depreciation rates, unchanged compared to the previous year, used are:

Buildings	3.00%
Plant and machinery	12.50%
Industrial and commercial equipment	35.00%
Purification systems	15.00%
Office furniture and machinery	12.00%
Mobile phones	20.00%
Assets under Euro 516.46	100.00%
Vehicles	20.00%

In the year in which the asset is acquired, depreciation is reduced to approximately one-half; the use of the reduced rate does not result in any significant deviations in value compared to the application of the full rate prorated over the months of ownership.

Fixed assets acquired free of charge are stated at their estimated market value plus costs incurred, or to be incurred, to permanently and usefully incorporate the assets in the production process.

FINANCIAL FIXED ASSETS

Equity investments not falling within the consolidation scope are recorded at purchase cost and represent a long-term investment by the Parent Company. In the event of impairment, the investment is written down and, in the year in which the conditions for the write-down no longer apply, the value prior to the write-down is restored.

It should be noted that, in accordance with section 2 of Italian Legislative Decree 127/1991, the equity investment held in the associated company was recognised on a historical cost basis. Similarly, the other equity investments were recorded at purchase cost adjusted for impairment losses, where applicable. Financial fixed assets are not entered at a value higher than their fair value. Receivables recorded under financial fixed assets were stated at their estimated realisable value; considering their limited impact, the application of the amortised cost method would not produce significant differences in the measurement.

INVENTORIES

Inventories are measured at the lower of the purchase or manufacture cost and the estimated realisable value according to market trends. The cost is determined based on the following criteria:

- Weighted average cost for fine gold inventories;
- Average purchase cost, including ancillary charges (shipping costs, customs duties and other directly attributable costs) for other raw and ancillary materials;
- Production cost, determined based on the average cost criterion, pertaining to finished and unfinished products.

Production cost includes all direct costs as well as indirect costs for the portion reasonably attributable to the product related to the period of production and up to the moment from which the good can be marketed.

For the purposes of determining the estimated realisable value, account is taken, where applicable, of the obsolescence rate and stock turnover time-frames.

RECEIVABLES

Receivables are recognised in the Financial Statements at amortised cost, taking account of the time factor and their estimated realisable value.

In the initial recognition of receivables at amortised cost, the time factor requirement is met by comparing the actual interest rate with market interest rates. If the actual interest rate is significantly different from the market interest rate, the latter is used for discounting future cash flows arising from receivables in order to determine their initial book value.

At year-end, the value of receivables measured at amortised cost is equal to the current value of future cash flows discounted at the effective interest rate. In the case where the contractual rate is a fixed rate, the effective interest rate determined on initial recognition is not recalculated. If, on the other hand, the rate is variable and linked to market rates, then the future cash flows will be restated periodically to reflect changes in market interest rates, with the effective interest rate being recalculated.

The amortised cost criterion was not applied, and the discounting of receivables was not performed for receivables with a maturity of less than twelve months, as the effects are irrelevant in order to give a true and fair view. Receivables with a maturity of less than twelve months, therefore, were recognised at their estimated realisable value.

Receivables are written off from the Financial Statements when the contractual rights to the cash flows arising therefrom have been extinguished or when all risks relating to receivables being assigned have been transferred.

ACCRUALS AND DEFERRALS

They are calculated on an accrual basis.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are intended to cover losses or payables whose existence is certain or likely, the amount of which and/or date of occurrence cannot however be determined at the end of the financial year.

In measuring such provisions, reliance was made on general criteria of prudence and accrual, and no provisions for generic risks that lack economic justification was made.

Contingent liabilities were recognised in the financial statements and entered in provisions insofar as they were deemed likely and the amount of the related charge could be reasonably estimated.

PROVISIONS FOR EMPLOYEE SEVERANCE PAY

The Employee Severance Pay covers amounts due—and reserves relating to obligations accrued at the reporting date—to employees pursuant to laws, labour contracts and any company agreements in force.

PAYABLES

These are recognised at amortised cost, taking account of the time factor. In the initial recognition of payables at amortised cost, the time factor requirement is met by comparing the actual interest rate with market interest rates.

At year-end, the value of payables measured at amortised cost is equal to the current value of future cash flows discounted at the effective interest rate. As provided for in Article 12, section 2 of Italian Legislative Decree 139/2015, the amortised cost criterion was not applied to payables recognised in the financial statements prior to the financial year commencing on 1 January 2016.

Moreover, the amortised cost criterion was not applied to short-term payables (with a maturity of less than twelve months) and to payables with irrelevant transaction costs compared to face value, as the effects are insignificant for the purpose of giving a true and fair view. In these cases, payables are recognised at face value.

The item “Payments on account” includes advance payments received from customers in respect of goods and services not yet supplied.

“Trade payables”, with a maturity of less than 12 months, are recognised at face value net of trade discounts, while cash discounts are recognised at the time of payment.

The face value of these payables was adjusted for returns or allowances (billing adjustments) to the extent of the amount agreed upon with the counterparty.

DERIVATIVE FINANCIAL INSTRUMENTS

The Parent Company uses derivative financial instruments solely for the purpose of managing and hedging its exposure to the risk of fluctuations in the prices of strategic commodities, interest rates, and exchange rates of currencies other than the Euro. Derivative financial instruments, even if embedded in other financial instruments, were initially recognised when the Company acquired the related rights and obligations; they were measured at fair value both on initial recognition and at each reporting date.

Derivatives are only classified as hedging instruments when, at the start of the hedge, there is a close and documented correlation between the characteristics of the hedged item and those of the hedging instrument, and the hedging relationship is formally documented and the effectiveness of the hedge is high and is regularly checked.

Derivative financial instruments with a positive fair value were held under current assets based on their financial derivative nature to hedge a highly likely transaction.

Derivative financial instruments with a negative fair value were held under Provisions for risks and charges.

Changes in the fair value of the effective component of cash flow hedging derivative financial instruments were reflected in the reserve for expected cash flow hedging transactions, net of deferred tax effects.

COMMITMENTS, GUARANTEES, AND CONTINGENT LIABILITIES

Commitments, not resulting from the Balance Sheet, are obligations undertaken by the Group in respect of third parties that originate from legal transactions with certain mandatory effects but not yet carried out by either party. The amount of the commitments is the face value as shown in the relevant documentation.

REVENUES

Revenues from the sales of products are recognised when the risks and benefits are transferred, usually occurring at the time of delivery or shipment of the goods. Revenues of a financial nature and revenues from the provision of services are recognised on an accrual basis. Revenues and income, costs and charges related to foreign currency transactions are calculated based on the exchange rate prevailing on the date on which the transaction took place.

COSTS

Costs are recognised on an accrual basis. The costs for purchasing goods are recognised in the Income Statement on an accrual basis when the significant risks and benefits related to ownership of the goods are transferred to the buyer. The costs for purchasing goods are recorded in the Consolidated Income Statement net of returns, rebates, trade discounts, and premiums relating to quantity. Costs for services are recognised on an accrual basis when supplied. “Labour costs” include the entire expenditure related to employees, including merit-based pay raises, promotions, cost of living increases, cost of holiday not taken, and provisions required by law and under collective labour agreements.

With regard to amortisation/depreciation, it should be noted that it was calculated based on the useful life of the asset and its use in the production phase.

The write-downs of receivables included in current assets were calculated based on a prudent approach and according to estimates of the recoverability of receivables.

INCOME TAXES

Taxes are set aside on an accrual basis; they therefore include:

- Provisions for taxes paid or to be paid during the year, calculated according to current rates and legislation;
- The amount of deferred tax assets or liabilities calculated based on the tax rates in force when the temporary differences are charged back.

Deferred taxes for the period are directly recognised in the Income Statement, with the exception of those relating to items directly recognised in Shareholders’ Equity, in which case the related deferred taxes are also recorded at the same time, without being recognised in the Income Statement.

FINANCE LEASES

As at 31 December 2024, the Group had finance leases in place, which have been recognised in the financial statements according to the “financial method”.

EMPLOYMENT DATA

The average number of employees of the companies consolidated on a line-by-line basis is broken down by category.

Category	NUMBER AS AT 31/12/24
Executives	10
Managers	4
White collars	45
Blue collars	38
Other employees	
Total employees	97

INTANGIBLE FIXED ASSETS

A breakdown of this item is provided in the table below.

	INSTALLATION AND EXPANSION COSTS	DEVELOP-MENT COSTS	INDUSTRIAL PATENT AND INTELLECTUAL PROPERTY RIGHTS	CONCESSIONS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS	GOODWILL	INTANGIBLE FIXED ASSETS UNDER CONSTRUCTION AND PAYMENTS ON ACCOUNT	OTHER INTANGIBLE FIXED ASSETS	TOTAL INTANGIBLE FIXED ASSETS
Opening balance								
Cost			3,414,505	704,714	1,450,010	56,472	1,667,350	7,293,051
Write-ups								
Amortisation (Accumulated amortisation)			1,205,247	688,443	1,028,190		900,387	3,822,267
Write-downs								
Book value			**2,209,258**	**16,271**	**421,820**	**56,472**	**766,963**	**3,470,784**
Changes in the period								
Increases from acquisitions			650,384	3,455			254,097	907,936
Reclassifications (of book value)			40,872			(56,472)	15,600	
Decreases for disposals and disinvestments (of book value)								
Write-ups in the period								
Amortisation for the period			884,009	5,801	152,633		288,112	1,330,555
Write-downs in the period								
Other changes			250	(1)	1		5,928	6,178
Total changes			(192,503)	(2,347)	(152,632)	(56,472)	(12,487)	(416,441)
Closing balance								
Cost			4,723,364	90,304	1,450,010		1,948,553	8,212,231
Write-ups								
Amortisation (Accumulated amortisation)			2,706,609	76,380	1,180,822		1,193,077	5,157,888
Write-downs								
Book value			**2,016,755**	**13,924**	**269,188**		**754,476**	**3,054,343**

Industrial patent and intellectual property rights, licences, concessions and trademarks are amortised at an annual rate of 20%.

It should be noted that in 2020 the Parent Company exercised the right laid down in Article 110 of Italian Law 126/2020 to write up the patent covering the elastic “Flex’it” mesh. This item was written up to the extent of Euro 1.49 million. The value was determined by an appraisal prepared by an independent expert and did not exceed the maximum amount attributable to the patent.

The increase in the item “Industrial patent and intellectual property rights” relates to costs incurred for the SAP S/4HANA ERP system project.

Goodwill relates to the purchase, by Vesco e Sambo di Anita Vesco e C. S.a.s., of the previously leased business unit. Goodwill is amortised within the 10-year limit provided for in OIC 24 and Article 2426, Section 1(6) of the Italian Civil Code based on its estimated useful life.

The item “Other intangible fixed assets”, totalling Euro 754,476, includes costs incurred for leasehold improvements, with special reference to those related to the renovation of the single-brand store in Venice and the Milan showroom. These costs are amortised based on the term of the lease on the property, such term being at any rate shorter than the future lifespan of such costs.

The costs incurred for the design and furnishing of the single-brand store in London at Old Bond Street 1, opened in cooperation with our business partner The Watches of Switzerland, the costs incurred for the headquarters in Solihull (UK) and those for the store opened in Tokyo in 2022 were also held under the same account.

ANALYSIS OF CHANGES IN TANGIBLE FIXED ASSETS

This item is broken down as follows:

	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION AND PAYMENTS ON ACCOUNT	TOTAL TANGIBLE FIXED ASSETS
Opening balance						
Cost	9,594,682	6,222,286	3,863,589	1,703,761	265,321	21,649,639
Write-ups						
Depreciation (Accumulated depreciation)	2,880,936	4,257,571	2,988,202	1,113,064		11,239,773
Write-downs						
Book value	**6,713,746**	**1,964,715**	**875,387**	**590,697**	**265,321**	**10,409,866**
Changes in the period						
Increases from acquisitions	717,705	428,756	1,016,638	312,444	200,018	2,675,561
Reclassifications (of book value)			29,657	36,400	(66,057)	
Decreases for disposals and disinvestments (of book value)		78,000	57,112	16,276	199,264	350,652
Write-ups in the period						
Depreciation for the period	267,766	424,994	490,965	172,112		1,355,837
Write-downs in the period						
Other changes		70,566	29,908	20.325		120,799
Total changes	449,762	(3,672)	528,126	180,781	(65,303)	1,089,871
Closing balance						
Cost	10,312,387	6,568,886	4,851,757	2,048,798	200,018	23,981,846
Write-ups						
Depreciation (Accumulated depreciation)	3,148,702	4,607,843	3,448,244	1,277,320		12,482,109
Write-downs						
Book value	**7,163,685**	**1,961,043**	**1,403,513**	**771,478**	**200,018**	**11,499,737**

“Land and buildings” comprise the building where the Parent Company’s headquarters are located.

The value attributed to the land on which the building stands, i.e. Euro 1,027,985, was identified as at 31 December 2005 on the basis of a flat-rate appraisal criterion corresponding to 30% of the original cost of the building, net of capitalised incremental costs and any revaluations applied.

Consequently, starting from the financial year ended 31 December 2006, depreciation is no longer allocated to the value of the aforesaid land, as it is considered, based on updated company estimates, to be an asset not subject to deterioration and having an unlimited useful life. These criteria were applied to determine the value of the land also in respect of the portion of the building purchased in 2012.

In 2024, the full exclusive ownership of real estate forming a part of apartment buildings, consisting of a warehouse in a basement adjacent to the headquarters, was acquired.

“Other assets”, totalling Euro 771,478, include the following items:

Description	31/12/2024	31/12/2023	CHANGE
Furniture and furnishings	515,492	393,136	122,356
Computer equipment	112,411	92,978	19,433
Vehicles	138,199	88,777	49,422
Miscellaneous equipment	1,050	1,413	(363)
Others	4,326	14,393	(10,067)
Total other tangible assets	771,478	590,697	180,781

The amount shown under “Tangible fixed assets under construction and payments on account”, totalling Euro 200,018, mainly refers to advances paid to machinery and commercial equipment manufacturers that will be capitalised in 2025.

PARTECIPAZIONI

Name	City, if in Italy, or foreign country	Tax identification number (for Italian companies)	Share capital (in Euro)	Profit/(loss) in previous year (in Euro)	Shareholders' equity (in Euro)	Stake held (in Euro)	Stake held (in %)	Book value or corresponding credit	Production value
Milano 1919 s.r.l.	MILAN	06412160969	137,500			27,500	20	250,000	
Provision for write-down of equity investment								(250,000)	

The item "Equity investments in associated companies" refers to the equity investment held in Milano 1919 S.r.l., in which FOPE S.p.A. holds 20% of the Share Capital.

Milano 1919 S.r.l.'s financial statements for 2023 showed a production value of Euro 742,345, a shareholders' equity of Euro 78,195, and a loss of Euro 549,051. The equity investment was fully written down in 2019.

"Other equity investments held under financial fixed assets" relate to the small stakes that Group companies hold in national trade fairs and associations.

LONG-TERM RECEIVABLES

Description	BOOK VALUE
Lloyds credit cards guarantee deposit	28,944
Various security deposits	16,451
Lease advance payment	7,034
Total	52,429

As at 31 December 2024, there were no receivables related to repurchase agreements.

OTHER SECURITIES

This item includes bonds purchased in 2022 from Cornèr Bank Ltd. totalling Euro 750,000 and maturing on 19 August 2025.

DERIVATIVE FINANCIAL INSTRUMENT (ASSETS)

The Group recognised derivative financial instruments (assets) in the amount of Euro 4,998 under financial fixed assets, since pertaining to the hedging of cash flows and the fair value of liabilities classified beyond the following financial year.

For more information on the financial instruments issued by the Group, as required by Article 2427, section 1(19) of the Italian Civil Code, please refer to the specific paragraph in these Notes.

INVENTORIES

A breakdown of inventories is provided in the table below:

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE
Raw materials, auxiliary materials and consumables	11,700,518	(7,735,168)	3,965,350
Unfinished and semi-finished products	1,141,867	3,822,749	4,964,616
Finished products and goods	2,867,998	3,942,199	6,810,197
Payments on account for goods	7,844	(1,120)	6,724
Total inventories	**15,718,227**	**28,660**	**15,746,887**

Inventories are measured at the lower of the purchase or manufacture cost and the estimated realisable value according to market trends. The cost is determined based on the following criteria:

- Weighted average cost for fine gold inventories;
- Average purchase cost, including ancillary charges (shipping costs, customs duties and other directly attributable costs) for other raw and ancillary materials;
- Production cost, determined based on the average cost criterion, pertaining to finished and unfinished products.

The measurement of finished and unfinished product inventories includes the cost of production and external processing; starting from this year, the portion of the value of gold, diamond, and stone raw materials was reclassified from the item “raw materials” and recognised separately under the items “finished products” and “unfinished products”. This resulted in a decrease of Euro 7.4 million in the value of “raw materials” compared to the end of the previous year.

Production cost includes all direct costs as well as indirect costs for the portion reasonably attributable to the product related to the period of production and up to the moment from which the good can be marketed.

For the purposes of fair representation, the value of inventories of stones and pearls is reduced by the provision for inventory obsolescence, amounting to Euro 121,474.

The value of the loan for use as at 31 December 2024 stood at Euro 23,912,043.

The customisations and implementations made to the SAP ERP allow for warehouse management in line with FOPE’s production and distribution profile, with a more precise definition and measurement of the level of processing achieved in semi-finished products.

The balances of consolidated receivables, after derecognition of intercompany values, are broken down as follows based on maturities:

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE	PORTION DUE WITHIN THE PERIOD	PORTION DUE AFTER THE PERIOD
Receivable recognised under current assets					
Trade receivables	14,375,399	2,880,454	17,255,853	17,255,853	
Amounts due from subsidiaries					
Amounts due from associated companies					
Amounts due from parent companies					
Amounts due from companies subject to the control of parent companies					
Amounts due from Inland Revenue	1,513,837	(572,858)	940,979	940,979	
Deferred tax assets	762,165	243,542	1,005,707		
Amounts due from others	564,826	(48,304)	516,522	516,400	122
Total receivables recognised under current assets	**17,216,227**	**2,502,834**	**19,719,061**	**18,713,232**	**122**

Receivables recorded under current assets were recognised in the financial statements at amortised cost, as defined in Article 2426, paragraph 2 of the Italian Civil Code, taking into account the time factor and the estimated realisable value. The adjustment to the estimated realisable value was made by allocating a provision for doubtful receivables.

Regarding receivables for which the application of the amortised cost method and/or discounting was determined to be irrelevant for the purpose of giving a true and fair view of the Company's financial situation and performance, recognition at estimated realisable value was maintained.

Receivables are written off from the financial statements when the contractual rights to the cash flows arising therefrom have been extinguished or when all risks relating to receivables being assigned are transferred.

"Trade receivables recorded under current assets" were shown net of the related provisions for doubtful receivables.

"Amounts due from Inland Revenue", totalling Euro 940,979, mainly includes the tax credit accrued by the Parent Company pursuant to Article 48-bis of Italian Law Decree 34/2020 (Euro 535,793). This item also includes amounts due from the Italian tax authorities for R&D activities and capital expenditure, as well as payments on account made by the US subsidiary.

Deferred tax assets stood at Euro 1,005,707. Deferred tax assets were recognised only insofar as there is a reasonable certainty of taxable income in future years that would allow them to be unwound.

"Amounts due from others" refers mainly to advance payments made to suppliers.

It should be noted that there were no receivables with a maturity of more than five years, nor were there any receivables relating to repurchase agreements.

The percentage breakdown of receivables by geographical area is shown below:

Trade receivables	
Customers in Italy	10.11%
EU customers	14.37%
Non-EU customers	75.52%

The table below shows changes in provisions for doubtful receivables during the year:

Description	PROVISIONS FOR DOUBTFUL RECEIVABLES PURSUANT TO ARTICLE 2426 OF THE ITALIAN CIVIL CODE	PROVISIONS FOR DOUBTFUL RECEIVABLES PURSUANT TO ARTICLE 106 OF ITALIAN PRESIDENTIAL DECREE 917/1986	TOTAL
Balance as at 31/12/2023	366,896	82,144	449,040
Use in the period			
Allocation in the period	103,271		103,271
Balance as at 31/12/2024	**470,167**	**82,144**	**552,311**

Changes in “Deferred tax assets” are described in the table below:

	AMOUNT AS AT 31/12/2023	ALLOCATION IN THE PERIOD	USE IN THE PERIOD	AMOUNT AS AT 31/12/2024
Deferred tax assets	295,912	51,324	72,815	274,421
Tax effect of hedging derivatives	35,881	110,423	35,882	110,422
FOPE Usa Inc. deferred tax assets				
Deferred tax (assets) liabilities from consolidated adjustments	430,371	190,492		620,863
Rounding	1			1
Total deferred tax assets	**762,165**	**352,239**	**108,697**	**1,005,707**

The table below shows the breakdown of deferred tax assets as at 31 December 2024.

Description	31/12/2024	PREPAID IRES (CORPORATE INCOME TAX) 24%	PREPAID IRAP (REGIONAL INCOME TAX) 3.9%	TOTAL PREPAID TAXES
Allocation to provision for agents’ termination indemnity	45,619	10,949	1,779	12,728
Allocation to product warranty provision	21,455	5,149	837	5,986
Write-down of receivables	82,144	19,715		19,715
Write-down of raw material inventory	121,474	29,154	4,737	33,891
Write-down of goodwill	100,000	24,000	3,900	27,900
Unpaid directors’ fees	95,262	22,863		22,863
Estimated exchange rate loss	30,000	7,200	1,170	8,370
Amortisation of goodwill	510,085	122,420	19,893	142,313
Derivatives (assets) - commodities				
Derivative (assets) - interest rate/currencies	460,095	110,423		110,423
Consolidation entries - write-off of profit in stock	2,225,316	534,076	86,787	620,863
Rounding/change %				655
Total	**3,691,450**	**885,949**	**119,103**	**1,005,707**

CURRENT FINANCIAL ASSETS

The Group recognised derivative financial instrument (assets) in the amount of Euro 3,152,137 under current financial assets, since pertaining to the hedging of cash flows and fair value of assets held under current assets.

For more information, as required by Article 2427, section 1(19) of the Italian Civil Code, please refer to the specific section of these Notes.

CASH AND CASH EQUIVALENTS

"Bank and postal deposits" primarily include active bank accounts that the companies hold with national and foreign credit institutions.

The criteria adopted in measuring and translating figures denominated in foreign currencies are set out in the first part of these Notes to the Financial Statements.

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE
Bank and postal deposits	11,246,304	3,855,467	15,101,771
Cheques	329	33,067	33,396
Cash and other securities on hand	8,538	1,765	10,303
Total cash and cash equivalents	**11,255,171**	**3,890,299**	**15,145,470**

The year-end figure reflects the Group's operational requirements, as it needs to hold adequate balances in bank accounts to meet payments due at the beginning of the following year.

ACCRUED INCOME AND PREPAYMENTS

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE
Accrued income			
Prepayments	513,712	(146,575)	367,137
Total accrued income and prepayments	**513,712**	**(146,575)**	**367,137**

They measure income and charges that are accounted for earlier or later than the actual date of payment and/or documentary evidence; they are reflected irrespectively of the date of receipt or payment of the relevant income and charges, common to two or more years and prorated over the applicable timeframe.

Below is a breakdown of this item.

Description	AMOUNT
Participation in trade fairs	
Directors' fees	
Theft insurance	159,696
Sundry insurance policies	21,477
User licences, technical and software support	28,168
Services related to the listing on the Euronext Growth Milan market	50,417
Advertising pages	31,991
Lease fees	20,785
Ritz Hotel shop window rental	7,914
DPO assignment	9,100
Car leases	3,817
Rental and surveillance	1,185
Other minor costs	3,316
Total	**367,137**

No accrued income and prepayments having a maturity in excess of five years were recognised.

SHAREHOLDERS' EQUITY

The following table provides an overview of the differences between the Parent Company's financial statements and the consolidated financial statements with respect to items that have an impact on the profit/(loss) for the period and on shareholders' equity:

	SHAREHOLDERS' EQUITY (EXCLUDING PROFIT/LOSS FOR THE PERIOD)	PROFIT/(LOSS) FOR THE PERIOD
Shareholders' equity and profit/(loss) for the period as shown in the Parent Company's financial statements	35,551,005	8,059,842
Adjustments made in accordance with accounting standards		
Write-off of book value of consolidated investees:		
a) difference between book value and pro-rata value of shareholders' equity	2,406,806	
b) pro-rata profit/(loss) of investees		757,150
c) gains/losses recognised at the date of acquisition of the investees		
d) consolidation difference		
Other consolidation entries	(1,114,830)	(489,715)
Write-off of the effects of transactions between Subsidiaries	(19,471)	19,471
Shareholders' equity and profit/(loss) for the period attributable to the Group	36,823,510	8,346,748
Shareholders' equity and profit/(loss) for the period attributable to minority interests	151,583	37,040
Consolidated Shareholders' Equity and net profit/(loss)	36,975,093	8,383,788

Statement of changes in the Group's consolidated Shareholders' Equity:

		ALLOCATION OF PROFIT FROM THE PREVIOUS YEAR		OTHER CHANGES				
	OPENING BALANCE	ALLOCATION OF DIVIDENDS	OTHER ALLOCATIONS	INCREASES	DECREASES	RECLASSIFI-CATIONS	PROFIT/(LOSS) FOR THE PERIOD	CLOSING BALANCE
Share Capital	5,399,608							5,399,608
Share premium reserve	3,433,505							3,433,505
Revaluation reserves	1,469,295							1,469,295
Legal reserve	1,202,499							1,202,499
Statutory reserves								
Other reserves								
Extraordinary reserve	18,889,189		5,441,755	109,662				24,440,606
Reserve for unrealised gains on exchange rates								
Consolidation reserve								
Other sundry reserves	(1,063,947)				33,489			(1,096,463)
Other sundry reserves – Translation differences reserve	56,927				8,258			48,669
Total other reserves	17,882,169		5,441,755	109,662	41,747			23,391,839
Reserve for expected cash flow hedging transactions	420,499			1,926,917	420,499			1,926,917
Profit/(loss) carried forward					153			(153)
Profit/(loss) for the period	10,031,422	(4,589,667)	(5,441,755)				8,346,748	8,346,748
Loss covered in the period								
Negative reserve for treasury shares								
Share capital and reserves of minority interests	168,640		43,696		60,753			151,583
Profit/(loss) of minority interests	43,696		(43,696)				37,040	37,040
Total consolidated shareholders' equity	**40,051,333**	**(4,589,667)**		**2,036,579**	**523,152**		**8,383,788**	**45,358,881**

CHANGES IN RESERVE FOR EXPECTED CASH FLOW HEDGING TRANSACTIONS

This reserve changed to account for future cash flows from derivative instruments that are designated as "cash flow hedging instruments" and is shown net of the tax effect.

Below is a breakdown of this item.

	PROVISION FOR PENSIONS AND SIMILAR OBLIGATIONS	PROVISION FOR TAXES, INCLUDING DEFERRED TAX LIABILITIES	DERIVATIVE FINANCIAL INSTRUMENT (LIABILITIES)	OTHER PROVISIONS	TOTAL PROVISIONS FOR RISKS AND CHARGES
Opening balance	929,798	305,092	148,845	21,455	1,405,190
Changes in the period					
Allocation in the period	57,565	927,612	460,095	30,000	1,475,272
Use in the period		224,741	148,845		373,586
Other changes					
Total changes	57,565	702,871	311,250	30,000	1,101,686
Closing balance	**987,363**	**1,007,963**	**460,095**	**51,455**	**2,506,876**

The provision for pensions refers to the provision for agents' termination indemnity established by the Parent Company.

With reference to Italian agents, provisions for the period were determined in accordance with the economic agreements for the industry sector (*Accordi Economici Collettivi* – A.E.C.) and were commensurate with the services actually provided by the agent. It should be noted that, compared to the previous year, the amount of the provision was adequately increased to take account of the merit-based allowance that, effective 1 April 2017, must also be recognised in agency contracts executed before 1 January 2004 (Article 11 of the A.E.C.). With regard to foreign agents, considering the different reference legislation, the amount of the provision was estimated taking account of the estimated liability that the Group might incur should it decide to terminate the business relationship.

Derivative instrument (liabilities) relate to the mark-to-market valuation notified by the reference banks in respect of hedging derivative contracts on exchange rates and commodities opened at the end of the period.

“Other provisions“, amounting to Euro 51,455, relate to the product warranty provision for Euro 21,455 and, for the remaining amount, to the provision set aside on the basis of the principle of prudence in the face of ongoing legal disputes.

The provision for taxes relates to deferred taxes accrued on temporary differences between statutory and fiscal values.

The table below shows changes in the provision for deferred taxes:

	31/12/2023	ALLOCATION IN THE PERIOD	USE IN THE PERIOD	31/12/2024
Provisions for deferred taxes	6,958		6,958	
Effect of hedging derivative	204,093	880,546	204,094	880,545
Deferred tax liabilities from leases	352		362	(10)
FOPE Jewellery Ltd. deferred tax liabilities	59,683	43,256		102,939
FOPE Usa Inc. deferred tax liabilities	34,458		13,328	21,130
Exchange rate translation differences	(454)	3,810		3,356
Rounding	2			2
Total provision for deferred taxes	**305,092**	**927,612**	**224,742**	**1,007,962**

The following table shows the changes in the period.

	EMPLOYEE SEVERANCE PAY
Opening balance	1,237,074
Changes in the period	
Allocation in the period	173,768
Use in the period	1,041
Other changes	1,788
Total changes	174,515
Closing balance	**1,411,589**

This item refers to an amount due to employees of the Parent Company and reflects the actual amount due to employees pursuant to law and current labour agreements in Italy, taking into account any type of remuneration paid on a continuous basis.

This provision reflects the total amount of the individual entitlements accrued by employees at the reporting date, net of payments on account made, and corresponds to the amount that would be due to employees should their employment relationship cease on such date.

Below is a breakdown of amounts due based on maturity:

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE	PORTION DUE WITHIN THE PERIOD	PORTION DUE AFTER THE PERIOD
Bonds					
Convertible bonds					
Shareholders' loans					
Amounts due to banks	11,284,874	600,911	11,885,785	7,884,786	4,000,999
Amounts due to other lenders	60,236	(10,886)	49,350	49,350	
Payments on account	22,570	235,115	257,685	257,685	
Trade payables	4,110,521	1,455,113	5,565,634	5,565,634	
Payables in the form of credit instruments					
Amounts due to subsidiaries					
Amounts due to associated companies					
Amounts due to parent companies					
Amounts due to companies subject to the control of parent companies					
Amounts due to Inland Revenue	945,737	88,627	1,034,364	1,034,364	
Amounts due to social security and welfare institutions	271,760	114,961	386,721	386,721	
Other payables	569,025	236,861	805,886	805,886	
Total payables	**17,264,723**	**2,720,702**	**19,985,425**	**15,984,426**	**4,000,999**

Below is a breakdown of the balance of total amounts due to banks as at 31 December 2024, standing at Euro 11,885,785.

	AMOUNT
current accounts overdrafts	3,000,000
loans	8,885,785
other amounts due	
Total	**11,885,785**

With regard to outstanding loans with banks, the following table provides an overview of the main aspects. For a more detailed analysis of the debt ratio with credit institutions, reference should be made to information provided in the Consolidated Report on Operations.

Credit institution	ORIGINAL AMOUNT	MATURITY	RESIDUAL AMOUNT AS AT 31/12/2024	PORTION WITHIN 12 MONTHS	PORTION AFTER 12 MONTHS
Unicredit S.p.A.	3,000,000	31/03/2026	1,295,973	1,031,320	264,653
Simest S.p.A.	400,000	31/12/2025	80,000	80,000	
Banco di Desio e della Brianza S.p.A.	2,000,000	10/12/2025	683,349	683,349	
Credem S.p.A.	2,000,000	10/05/2025	419,411	419,411	
Credem S.p.A.	3,000,000	12/10/2026	2,427,701	1,191,355	1,236,346
Intesa San Paolo S.p.A.	4,000,000	28/05/2025	479,350	479,350	
Intesa San Paolo S.p.A.	4,000,000	24/04/2028	3,500,000	1,000,000	2,500,000
Total			**8,885,784**	**4,884,786**	**4,000,999**

It should be noted that these loans are not secured by collateral on Group assets and that the loan of Euro 400,000 granted by Simest S.p.A. includes a financial covenant that has been met.

The amount of circulating gold required to meet production cycle needs is partly provided by credit institutions on the basis of "loan for use" contracts. The overall commitment as at 31 December 2024 in respect of the availability of gold owned by credit institutions, on the basis of the aforementioned contracts, was equal to Euro 23,912,043.

With regard to the analysis of amounts due to Credit Institutions, as shown in the table above, reference should be made to the information provided in the Report on Operations.

The item "Payments on account" includes advance payments received from customers in respect of goods and services not yet supplied.

Trade payables, all having a maturity of less than 12 months, are recognised at face value net of trade discounts, while cash discounts are recognised at the time of payment.

The face value of these payables was adjusted for returns or allowances (billing adjustments) to the extent of the amount agreed upon with the counterparty.

The item "Amounts due to Inland Revenue" mainly refers to the amounts due by foreign companies to the Italian Inland Revenue.

It should also be noted that there are no payables with a maturity of more than five years.

The breakdown of payables by geographical area is not significant.

ACCRUED EXPENSES AND DEFERRED INCOME

	OPENING BALANCE	CHANGE IN THE PERIOD	CLOSING BALANCE
Accrued expenses	68,062	69,930	137,992
Deferred income	135,254	(38,103)	97,151
Total accrued expenses and deferred income	**203,316**	**31,827**	**235,143**

Below is a breakdown of this item:

Description	AMOUNT
Loan for use fees	38,692
Tax credit under Italian Law 160/19	97,151
Bank fees and interest	64,268
Costs related to FOPE Branch	1,302
Others	33,730
Total	**235,143**

It should also be noted that accrued expenses and deferred income over five years stood at Euro 10,790.

A) PRODUCTION VALUE

Below is a breakdown of this item.

Description	31/12/2024	31/12/2023	CHANGES
Revenues from sales and services	73,433,504	66,768,113	6,665,391
Change in product inventories	7,421,693	706,812	6,714,881
Other income and revenues	888,264	870,113	18,151
Total	**81,743,461**	**68,345,038**	**13,398,423**

Below is the percentage breakdown of revenues by geographical area.

Revenues by area	
Customers in Italy	14.21%
EU customers	29.49%
Non-EU customers	56.30%

Revenues from the sale of products are recognised when the risks and benefits are transferred, usually occurring at the time of delivery or shipment of the goods.

Revenues of a financial nature and revenues from the provision of services are recognised on an accrual basis.

Revenues and income, costs and charges related to foreign currency transactions are calculated based on the exchange rate prevailing on the date on which the transaction took place.

The breakdown of revenues by category is not significant.

Below is a breakdown of this item.

Description	31/12/2024	31/12/2023	CHANGES
Raw materials, auxiliary materials and goods	31,854,293	28,973,629	2,880,664
Change in inventories of raw materials	7,404,046	(1,084,159)	8,488,205
Services	19,651,232	16,672,605	2,978,627
Use of third-party assets	813,924	866,970	(53,046)
Salaries and wages	5,136,128	4,320,660	815,468
Social security contributions	1,349,888	1,099,605	250,283
Employee severance pay	254,178	220,456	33,722
Pensions and similar obligations			
Other labour costs	122,536	79,378	43,158
Amortisation of intangible fixed assets	1,330,378	1,138,640	191,738
Depreciation of tangible fixed assets	1,356,014	1,152,741	203,273
Other write-downs of fixed assets			
Write-downs of receivables included in current assets	103,271	89,285	13,986
Provisions for risks	30,000		30,000
Other provisions			
Sundry operating charges	223,268	155,600	67,668
Total	**69,629,156**	**53,685,410**	**15,943,746**

“Services” include Euro 420,182 in fees for loans for use.

“Use of third-party assets” include the rent for single-brand stores and showrooms.

“Labour costs” include the entire expenditure related to employees, including merit-based pay raises, promotions, cost of living increases, cost of holiday not taken, and provisions required by law and under collective labour agreements.

With regard to amortisation/depreciation, it should be noted that it was calculated based on the useful life of the asset and its use in the production phase.

FINANCIAL INCOME AND CHARGES

The tables below show the nature and amount of financial income and charges recognised during the year.

	FINANCIAL INCOME
From equity investments in subsidiaries	1,947
From equity investments in other companies	4,602
Income other than the above	254,371
Total	**260,920**

Income from equity investments in subsidiaries refers to the sale of the equity investment held in FOPE Services Dmcc, which was completed during the year.

Income other than the above relates to interest income.

	INTEREST EXPENSE AND OTHER FINANCIAL CHARGES
From bonds	
From amounts due to banks	707,794
From others	19,290
Total	**727,084**

EXCHANGE RATE GAINS/(LOSSES)

	EXCHANGE RATE GAINS	EXCHANGE RATE LOSSES	NET BALANCE
Realised component	654,226	1,208,483	(554,257)
Unrealised component	432,712	25,734	406,978
Total	**1,086,938**	**1,234,217**	**(147,279)**

Taxes	BALANCE AS AT 31/12/2024	BALANCE AS AT 31/12/2023	CHANGES
Current taxes:	3,379,429	3,744,458	(365,029)
IRES (corporate income tax)	2,621,382	2,836,332	(214,950)
IRAP (regional income tax)	497,755	550,340	(52,585)
Lease taxes			
FOPE Usa Inc. current taxes	158,858	233,464	(74,606)
FOPE Jewellery Ltd. current taxes	32,637	56,916	(24,279)
FOPE Deutschland Gmbh current taxes	43,685	67,406	(23,721)
FOPE Japan current taxes	25,112		
Taxes pertaining to previous years	(114,459)	(74,797)	(39,662)
Deferred tax (assets) liabilities	(147,898)	35,479	(183,377)
IRES (corporate income tax)	18,511	25,694	(7,183)
IRAP (regional income tax)	(3,978)	(2,808)	(1,170)
Other deferred tax (assets) liabilities	28,061	38,993	(10,932)
Deferred tax (assets) liabilities from consolidation adjustments	(190,492)	(26,400)	(164,092)
Total	**3,117,072**	**3,705,140**	**(588,068)**

Taxes are set aside on an accrual basis; they therefore include:

- Provisions for taxes paid or to be paid during the year, calculated according to current rates and legislation;
- The amount of deferred tax assets or liabilities calculated based on the tax rates in force when the temporary differences are charged back.

Deferred tax asset and liability rates for the period are directly recognised in the income statement, with the exception of those relating to items directly recognised in shareholders' equity, in which case, the related deferred taxes are also recorded at the same time, without being recognised in the income statement.

To provide a more detailed view of reconciliation between theoretical tax burden and effective tax burden recognised in the financial statements, below is reconciliation of the consolidated theoretical tax rate with the effective tax rate for the period compared with that for the period ended 31 December 2023.

	31/12/2024		31/12/2023	
	TAXABLE AMOUNT	**TAX**	**TAXABLE AMOUNT**	**TAXES**
Pre-tax profit/(loss) for the period (Parent Company)	11,080,816		12,531,292	
IRES - Theoretical tax burden (24% rate)		(2,659,396)		(3,007,510)
IRAP - Theoretical tax burden (3,9% rate on EBIT)		(447,061)		(521,998)
Total taxes		(3,106,457)		(3,529,508)
Theoretical tax rate		-28.03%		-28.17%
IRES differences				
Permanent increases	343,546	(82,451)	180,329	(43,279)
Increases feeding into deferred tax assets	197,274	(47,346)	375,408	(90,098)
Increases adjusting deferred tax liabilities	28,992	(6,958)	30,503	(7,321)
Total increases	569,812	(136,755)	586,240	(140,698)
Permanent decreases	(424,808)	101,954	(718,509)	172,442
Decreases adjusting deferred tax assets	(303,396)	72,815	(551,984)	132,476
Decreases feeding into deferred tax liabilities			(28,992)	6,958
Decreases	(728,204)	174,769	(1,299,485)	311,876
IRAP differences				
Labour costs	664,149	(25,902)	295,373	(11,520)
Provisions and write-down of receivables				
Other permanent increases	614,415	(23,962)	438,204	(17,090)
Total increases feeding into deferred tax assets	72,012	(2,808)	72,012	(2,809)
Total increases	1,350,576	(52,672)	805,589	(31,418)
Permanent decreases	(50,746)	1,979	(78,860)	3,076
Decreases adjusting deferred tax assets				
Total decreases	(50,746)	1,979	(78,860)	3,076
Total current IRES taxes		(2,621,382)		(2,836,331)
Total current IRAP taxes		(497,754)		(550,340)
Taxes from previous financial years		114,459		74,797
Taxes paid by foreign subsidiaries		(260,292)		(357,786)
Tax effect of lease accounting				
Deferred tax (assets) liabilities of Parent Company		(14,533)		(22,886)
Deferred tax (assets) liabilities of foreign subsidiaries		(28,062)		(39,692)
Deferred tax (assets) liabilities from consolidation adjustments		190,492		26,400
Total taxes for the period		(3,117,072)		(3,705,838)
Pre-tax profit/(loss) for the period (consolidated)		11,500,861		13,780,258
Effective tax rate		27.10%		26.89%

Regarding the calculation and measurement methods of deferred tax assets/liabilities, reference should be made to the information provided in the introduction section of these Notes to the Financial Statements.

The financial statements for the period ended 31 December 2024 were prepared in accordance with the indirect method as under OIC 10, adjusting the profit for the period shown in the Income Statement.

During 2024, the cash flows generated by the Group totalled Euro 3,890,299. Cash and cash equivalents increased from Euro 11,255,171 as at the end of the previous year to Euro 15,145,470 as at 31 December 2024.

A) Cash flows from operating activities

The Group closed 2024 with a profit for the period of Euro 8,383,788 (Euro 10,075,118 as at 31 December 2023). Taxes for the period totalled Euro 3,117,072 (reference should be made to the specific section in the Notes to the Financial Statements).

Cash flows from operating activities, which reflect cash inflows/outflows from Group's operations (consisting of the normal operating process), came in at Euro 11,136,417, up compared to the previous year, when they amounted to Euro 5,837,691.

The main adjustments for non-monetary items that did not have a balancing entry in net working capital include:

- Allocations to provisions in the amount of Euro 445,014, referring to provisions for agents' termination indemnity and other provisions.
- Amortisation, depreciation and write-downs, totalling Euro 2,686,392.

Changes in net working capital were negative in the amount of Euro (852,098), showing in particular an increase in trade receivables and inventories.

Other adjustments were negative and amounted to Euro 3,106,622, mainly related to income taxes paid.

B) Cash flows from investing activities

Cash flows from investing activities, which reflect cash inflows/outflows from investments (i.e., new purchases or sales) were negative and stood at Euro 3,290,464.

The negative result was mainly due to investments made by the Group in tangible fixed assets.

C) Cash flows from financing activities

Cash flows from financing activities, which reflect cash inflows/outflows from activities pertaining to financing (i.e., taking out new loans or repaying debts and loans) were negative and stood at Euro 3,955,654.

With reference to third-party funds, it should be noted that a new loan of Euro 6,000,000 was taken out, while Euro 5,398,576 was repaid in principal.

With regard to cash flows from equity, it should be noted that dividends in the amount of Euro 4,589,667 were distributed during the year, while the remaining profit was allocated to equity reserves.

INFORMATION REGARDING THE FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

In compliance with the provisions of Article 2427-bis of the Italian Civil Code, the following information is provided.

Type of contract	PURPOSE	UNDERLYING RISK	NOTIONAL REFERENCE AMOUNT AS AT 31/12/2024	FAIR VALUE AS AT 31/12/2024
Commodity swap	HEDGING DERIVATIVE	PRECIOUS METALS	34,835,375	3,149,581
Currency options	HEDGING DERIVATIVE	USD/EUR EXCHANGE RATE	4,000,000	(186,334)
Currency options	HEDGING DERIVATIVE	AUD/EUR EXCHANGE RATE	250,000	2,556
Currency options	HEDGING DERIVATIVE	GBP/EUR EXCHANGE RATE	2,000,000	(198,935)
Currency options	HEDGING DERIVATIVE	JPY/EUR EXCHANGE RATE		
Interest Rate Swaps	HEDGING DERIVATIVE	INTEREST RATES	9,295,973	(69,828)

The Parent Company performs forward hedging on currency risks arising from its trade activities, the purpose being to protect the industrial operating profit from unfavourable fluctuations in exchange rates and prices of key raw materials.

The Company therefore uses derivatives within the scope of its “risk management” activities, while derivatives or similar instruments are not used and held for mere trading purposes.

COMMODITY PRICE RISK

The objective of this type of hedge is to minimise changes in cash flows generated by the purchase of raw materials used in the production process. In order to stabilise the purchase price, the Parent Company fixes the price at the metal withdrawal date through financial hedging transactions. These transactions, which have a maximum duration of 24 months, are carried out on a rotation basis for a portion of the requirements calculated based on the Company’s budget.

EXCHANGE RATE RISK

As the Parent Company operates internationally, it is exposed to exchange rate risk associated with different currencies, including, primarily, the US dollar and the British pound. The exchange rate risk arises from transactions of a commercial nature related to normal operations, and arises from the fluctuation of exchange rates between the time when the commercial relationship originates and the time of collection.

INTEREST RATE RISK

To manage interest rate risk associated with medium/long-term loans, the Parent Company had some Interest Rate Swap transactions in place as at 31 December 2024, which allow the loan to switch from a floating rate to a fixed rate. This instrument has notional values and maturities aligned with those of the underlying hedged loan.

INFORMATION RELATING TO FEES PAYABLE TO THE INDEPENDENT AUDITORS

	AMOUNT
Statutory audit of FOPE S.p.A. annual accounts	50,109
Statutory audit of FOPE Jewellery Ltd annual accounts	25,395
Statutory audit of FOPE Usa Inc annual accounts	24,021
Tax advisory services	
Other audit services	7,875
Other non-audit services	30,767
Total fees due to independent auditors	**138,167**

The statutory audit of the consolidated accounts was entrusted to the auditing firm BDO ITALIA S.p.A.

During 2024, the auditing firm also performed consulting activities in connection with the preparation of the sustainability report and the certification of R&D activities. It also provided services related to the acquisition and management of whistleblowing reports.

INFORMATION RELATING TO FEES PAYABLE TO DIRECTORS AND STATUTORY AUDITORS

Pursuant to law provisions, information is provided with regard to the total fees payable to Directors and members of the Board of Statutory Auditors of the parent company, including those for the discharge of such functions also in other companies included in the scope of consolidation.

	DIRECTORS	STATUTORY AUDITORS
Fees	1,097,001	30,706

It should be noted that no advance payments were made, no amounts were due and no guarantees were provided to Directors and Statutory Auditors.

INFORMATION REGARDING FINANCIAL FIXED ASSETS ENTERED AT A VALUE HIGHER THAN THEIR FAIR VALUE

No financial fixed assets were recognised in the financial statements at a value higher than their fair value.

INFORMATION REGARDING TRANSACTIONS WITH RELATED PARTIES

No significant transactions took place between Group companies and related parties.

REVENUE OR COST ITEMS OF EXCEPTIONAL SIZE OR IMPACT

Pursuant to Article 2427, Section 13(1) of the Italian Civil Code, it should be noted that the income statement does not reflect any revenues or costs that, due to their size or impact on the result for the reporting period, are not repeatable over time.

OFF-BALANCE-SHEET ARRANGEMENTS, GUARANTEES AND CONTINGENT LIABILITIES NOT RESULTING FROM THE BALANCE SHEET

Group companies do not have any arrangements in place that are not reflected in the Balance Sheet.

The Parent Company's commitments to third parties relate to the value of gold on loan for use amounting to Euro 23,912,043.

APPOINTMENT OF THE GENERAL MANAGER

In March 2025, Piero Persi was appointed General Manager of the Company.

The business volumes now achieved by the Group and, above all, the growth plans developed in light of the strategies that FOPE is pursuing, make the implementation of growth projects and the organisation of company processes more complex and detailed, requiring us to adapt the organisational structure by appointing a General Manager. The new figure, who will oversee the various corporate functions, is responsible for supporting the CEO and the Board of Directors in implementing projects aimed at market growth and organisational improvement.

Mr. Piero Persi has impressive professional experience in similar top roles for important companies operating in the luxury segment, where he contributed significantly to their growth and success.

These consolidated financial statements, consisting of the balance sheet, the income statement and the notes to the financial statements, provide a true and fair view of the financial situation and performance, and tally with the Parent Company's accounting records and the information provided by the companies included in the scope of consolidation.

Diego Nardin
FOPE S.p.A. CEO

AUDITOR'S REPORT

Fope S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

Consolidated financial statements as at December 31, 2024

This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

BDO

Tel: 045.47.50.019
www.bdo.it

Via Roveggia n. 126
37136 Verona

Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010

To the Shareholders of
Fope S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Fope (the "*Group*"), which comprise the balance sheet as at December 31, 2024, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Fope as at December 31, 2024 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements preparation.

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 our report. We are independent of Fope S.p.A. (the "*Parent*") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the Italian regulations and accounting principles governing financial statements preparation and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of 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 for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Fope S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian 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 ISA Italia will always detect a material misstatement when it exists.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

BDO Italia S.p.A. - Sede Legale: Viale Abruzzi, 94 - 20131 Milano - Capitale Sociale Euro 1.000.000 i.v.
Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 07722780967 - R.E.A. Milano 1977842
Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
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Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they 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 Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

- identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed 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 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;
- concluded on the appropriateness of the directors' 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, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control we identified during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to Article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10

The directors of Fope S.p.A. are responsible for the preparation of the report on operations of Fope as at December 31, 2024, including its consistency with the consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;
- express an opinion on the compliance of the report on operations with the applicable law;
- issue a statement of any material misstatements in the report on operations.

In our opinion, the report on operations is consistent with the consolidated financial statements of Fope as at December 31, 2024.

Moreover, in our opinion, the report on operations has been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Verona, April 9, 2025

BDO Italia S.p.A.
Signed by
Marco Giuseppe Troiani
Partner

VICENZA

FOPE

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